

More than  
machines®

**RAMIRENT**

## A STEP-CHANGE IMPROVEMENT IN PERFORMANCE ACHIEVED

All our segments improved their comparable financial performance based on solid execution of our key priorities and favorable market conditions. New strategic focus on capital-efficient profitable growth in our core business is our recipe for creating shareholder value in the coming years.

**2017  
ANNUAL REPORT**

# 2017 IN NUMBERS

**+9.3%**  
**SALES GROWTH**

(at comparable exchange rates)



**EUR 0.44**

DIVIDEND  
PROPOSAL  
INCREASED

**7.9** LTIF  
(Accident frequency)



NET SALES AND AND  
COMPARABLE EBITA MARGIN



EARNINGS PER SHARE GROWTH



EPS GROWTH % (3 YEAR CAGR)  
\* Financial target: Double digit EPS growth (CAGR) over 2018–2020

COMPARABLE RETURN ON  
CAPITAL EMPLOYED, ROCE



\* Financial target: ROCE of 16% by 2020



EMPLOYEE  
ENGAGEMENT  
INDEX IMPROVED  
TO **83.0** (80.0)

**+45%** COMPARABLE  
EBITA  
IMPROVEMENT

**74.4** LEADERSHIP  
INDEX  
IMPROVED

**4<sup>th</sup>** PROPRIETARY OWN RENTAL  
PRODUCT LAUNCH: SAFEPASS™  
ROAD BARRIER (read more on  
p.23)

LAUNCH OF  
**NEW STRATEGY**  
FOCUSING ON CAPITAL-  
EFFICIENT GROWTH IN  
OUR CORE BUSINESS



#### COMPARABLE RETURN ON EQUITY, ROE



#### NET DEBT TO EBITDA



#### DIVIDEND PER SHARE



#### RAMIRENT'S GUIDANCE FOR 2018

In 2018, Ramirent's comparable EBIT is expected to increase from the level in 2017.

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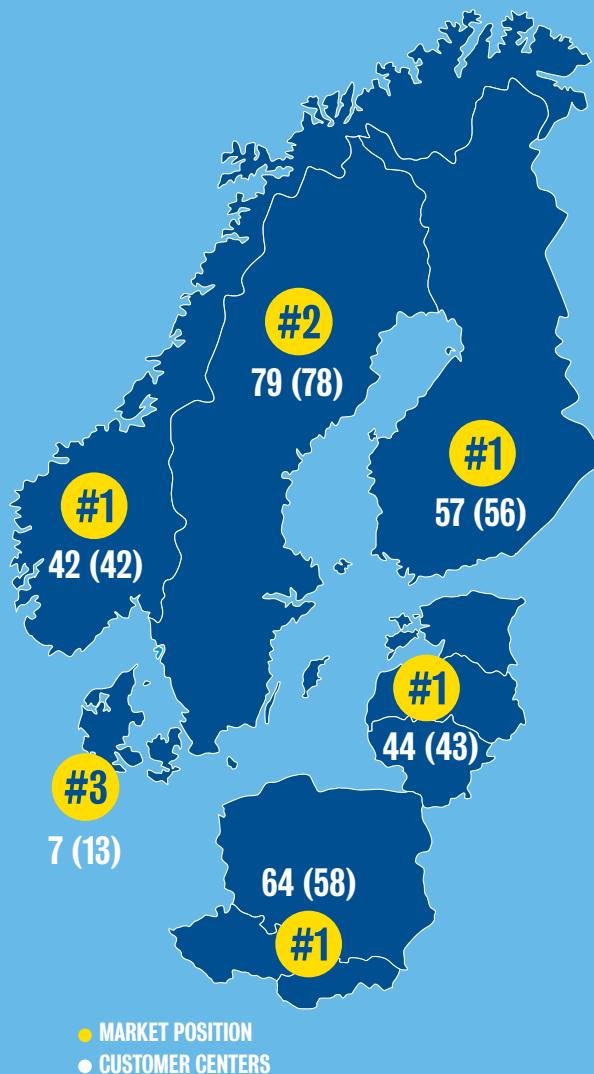


# THIS IS RAMIRENT

A leader in equipment rental, Ramirent offers improved efficiency and safety by combining machines, services and know-how into customized solutions in a circular economy.

Ramirent's main customer sectors are the construction and manufacturing industry sectors. We serve the market through focused value propositions both to SMBs and to large customers. We have one of Europe's largest customer center networks and widest equipment fleets.

The rental fleet consists of light machinery, heavy machinery, lifts, safety equipment, site modules, tower cranes and hoists, scaffolding and weather protection, as well as power and heating systems. Related services offered range from worksite planning to condition monitoring, on-site support, logistics and fuel services, to safety planning and training.



● MARKET POSITION  
● CUSTOMER CENTERS

## #1 MARKET LEADER IN 8 COUNTRIES

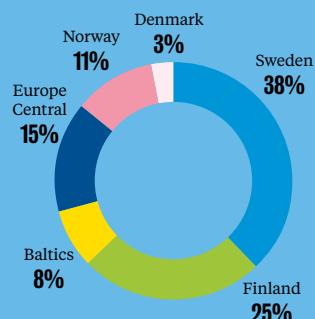
**2,800 EMPLOYEES (FTE)**  
 **150,000 CUSTOMERS**

**293 LOCATIONS IN 10 COUNTRIES**

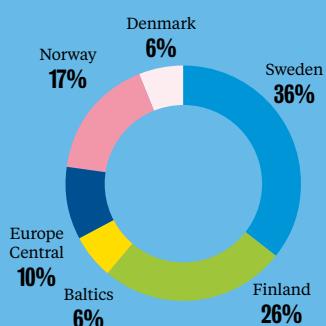
**25,000 EQUIPMENT TYPES**

**724 MEUR ANNUAL NET SALES**

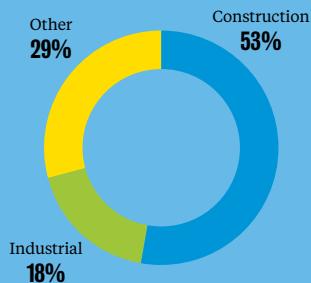
## SEGMENTS' SHARE OF COMPARABLE EBITA



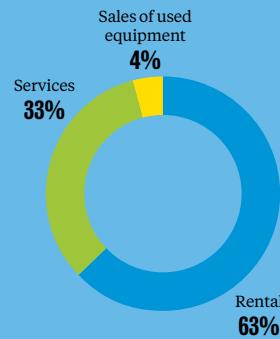
## NET SALES PER SEGMENT



## NET SALES BY CUSTOMER SECTOR



## NET SALES MIX



# A STEP-CHANGE IMPROVEMENT IN PERFORMANCE ACHIEVED

After I started at the helm of Ramirent in the fall of 2016, we set a single target for 2017: to achieve a step-change improvement in our financial performance in all our operating segments. With 2017 now behind us, I have every reason to be proud of the accomplishments of the Ramirent team.

## **STRONG PROFIT GROWTH, SALES GROWTH AND CASH GENERATION**

During 2017, we achieved a step-change in our performance. Our comparable EBITA grew by 45% to EUR 99.0 million with a strong EUR 51.6 million cash flow after investments. All our segments improved their comparable financial performance and particularly gratifying was the strong profit comeback of Sweden and Europe Central segments. Successful turnaround in our low-performing units has been an important factor in improved profitability and the 2017 results are deserved fruits of focused and disciplined efforts by all Ramirent teams.

In 2017, we also achieved the fastest comparable sales growth, 9.3%, since 2012 and succeeded particularly well in growing our key priority areas: rental sales and sales to small and medium-sized customers. During 2017, demand conditions remained favorable in our markets. There were clear improvements in market activity in the Baltics and Europe Central, taking their combined share of the Group's total operating profit to one quarter.

## **NEW STRATEGY FOCUSES ON OUR CORE BUSINESS**

In December, we launched our new strategy for 2018-2020, named "Capital-efficient profitable growth in our core business". We also renewed our financial targets to reflect the new strategy – we are determined to reach a 16 percent ROCE by 2020 and grow our EPS during 2018-2020 at a double-digit rate.

Our new strategy focuses on exploiting the solid growth prospects we see in our core, construction equipment rental business. We still have many ways of

improving our performance in the core business. We believe the value proposition for renting can be further strengthened by digitalization and by making a step-change improvement in service-levels. Our aim is to raise the service-levels to a new benchmark in our industry by developing the rental industry's best performing supply

## **THE VALUE PROPOSITION FOR RENTING INSTEAD OF OWNING CAN BE STRENGTHENED BY DIGITALIZATION AND BY MAKING A STEP-CHANGE IMPROVEMENT IN SERVICE LEVELS.**

chain. Also, with tighter performance management standards in our remaining low-performing units, we can continue to improve our performance.

We see great growth potential in the small and medium-sized business sector in all of our segments. Additionally, in 2018 Europe Central and Baltics segments will be reported as one Eastern Europe segment, where the common denominator is the opportunity and the aim for rapid growth.

We also want to continue developing our market-leading position with large customers and be their supplier of choice. With our advanced total solutions and proprietary safety products we have a unique position to improve safety and productivity in construction sites.



**RAMIRENT**

## ENGAGEMENT AND SAFETY ALSO WITHIN THE STRATEGIC FOCUS

In a service business like ours, sustainable results happen only when people at all levels radiate positive energy and engagement. During my relatively short time in Ramirent, I have seen a clear increase in energy and engagement across our organization.

A positive development can also be seen in our safety performance, which remains one of the key priorities for Ramirent both internally and in our offering to customers.

Becoming a great and safe place to work is also one of the cornerstones of our renewed strategy. We will continue to invest in our leadership culture and finetuning the basics of our daily work. Our explicit aim by 2020 is to be in the top-quartile in employee engagement and leadership quality.

## LOOKING CONFIDENTLY INTO THE FUTURE

We have every reason to feel confident. The demand outlook for the start of 2018 looks favorable across Ramirent's diverse customer base and geographies, and there is still much to be gained by improving our internal operations.

Our new financial targets and the strategic focus on capital-efficiency constitute the right recipe for creating value for Ramirent shareholders in the coming years. Finally, I want to thank all Ramirenters for your outstanding efforts in 2017. A warm thank you also goes out to our shareholders, customers and partners for the trust you have placed in us during the past year.

Tapio Kolunsarka  
President and CEO

# CAPITAL-EFFICIENT PROFITABLE GROWTH IN OUR CORE BUSINESS

In our strategy for 2018–2020, we focus on capital efficient profitable growth in our core business – general equipment rental and related services. There is untapped potential particularly within small and medium-sized businesses, and by improving our supply chain, we aim to raise the service levels of our industry to a new benchmark.

According to the new strategy, profitability in the coming years is driven through a disciplined focus on profitable businesses, performance management, process excellence, capital efficiency and people leadership.

Ramirent will increase growth efforts particularly within small and medium-sized businesses, and in its operating countries in the Baltics and in Central Europe. By improving the operational performance of our supply chain, we aim to raise the service levels of our industry to a new benchmark.

Our strategy is to grow capital efficiently in our core business with disciplined development of rental and related service businesses. In line with this strategy, Ramirent announced in December 2017 the initiation of a process to assess strategic options, including a potential sale of the Temporary Space business that has limited synergies with the core equipment rental business.

While remaining a wide-range rental equipment supplier, we strongly believe that focusing on product lines and existing geographies, where we can earn ROCE clearly above the cost of capital, is the best way to create sustainable shareholder value in our sector.

## THE KEY BUILDING BLOCKS OF OUR STRATEGY

### WINNING IN THE SMALL AND MEDIUM-SIZED BUSINESS SECTOR

Our share among small and medium-sized businesses (SMBs) is still below our average and we aim to win in this sector by further improving our customer experience and availability.

### BECOMING THE LARGE CUSTOMER'S SUPPLIER OF CHOICE

We want to further strengthen our strong position and become the large customers' supplier of choice by providing advanced total solutions that improve safety, productivity and sustainability in construction and other industries. Ramirent has a market-leading offering in what it takes to help construction businesses improve their productivity.

### BUILDING THE INDUSTRY'S BEST PERFORMING SUPPLY CHAIN

We will make a step-change improvement in our availability, delivery accuracy and supply chain efficiency by 2020 by developing and digitizing our processes. There is sizable untapped potential in our supply chain management.

### TIGHTENING PERFORMANCE MANAGEMENT OF LOW-PERFORMING UNITS

We will strive to have no units or customer centers delivering below 10% EBIT by 2020 and implement clear performance management standards in the company.

### GROWING CAPITAL EFFICIENTLY

We will seek above-average growth rates in capital-light product categories and raise our capital efficiency through supply chain improvements and by optimizing the replacement investments. We aim to grow min. 2% p.a. before the effect of growth investments.

### BECOMING A GREAT PLACE TO WORK BY FOCUSING ON LEADERSHIP AND SAFETY

To raise our performance and pursue the updated strategy and financial targets, we want to create a great place to work by developing the Ramirent leadership culture and our safety standards to be top-quartile by 2020.

### NEW FINANCIAL TARGETS THAT SUPPORT OUR STRATEGY EXECUTION

INDICATOR	TARGET
EPS growth (CAGR)	double digit % 2018–2020
ROCE	16% by the end of 2020
Dividend payout ratio	> 50% of net profit
Net debt to EBITDA	< 2.5x at end of each fiscal year



## CAPITAL-EFFICIENT PROFITABLE GROWTH IN OUR CORE BUSINESS STRATEGY

WINNING IN THE  
SMALL AND  
MEDIUM-SIZED  
BUSINESS SECTOR



BUILDING THE  
INDUSTRY'S BEST  
PERFORMING  
SUPPLY CHAIN



TIGHTER  
PERFORMANCE  
MANAGEMENT OF  
LOW-PERFORMING  
UNITS.



GROWING  
CAPITAL  
EFFICIENTLY



BECOMING A GREAT  
PLACE TO WORK  
BY FOCUSING  
ON LEADERSHIP  
AND SAFETY



BECOMING THE  
LARGE CUSTOMERS'  
SUPPLIER OF CHOICE



# THIS IS HOW RAMIRENT CREATES VALUE

## INPUTS

## RAMIRENT'S BUSINESS MODEL

### PEOPLE AND KNOWLEDGE

2,820 employees (FTEs)  
 RamiWay of working  
 Safety trainings  
 Multisite certifications (ISO, OHSAS)  
 Trademarks  
 Code of Conduct

### FINANCIAL

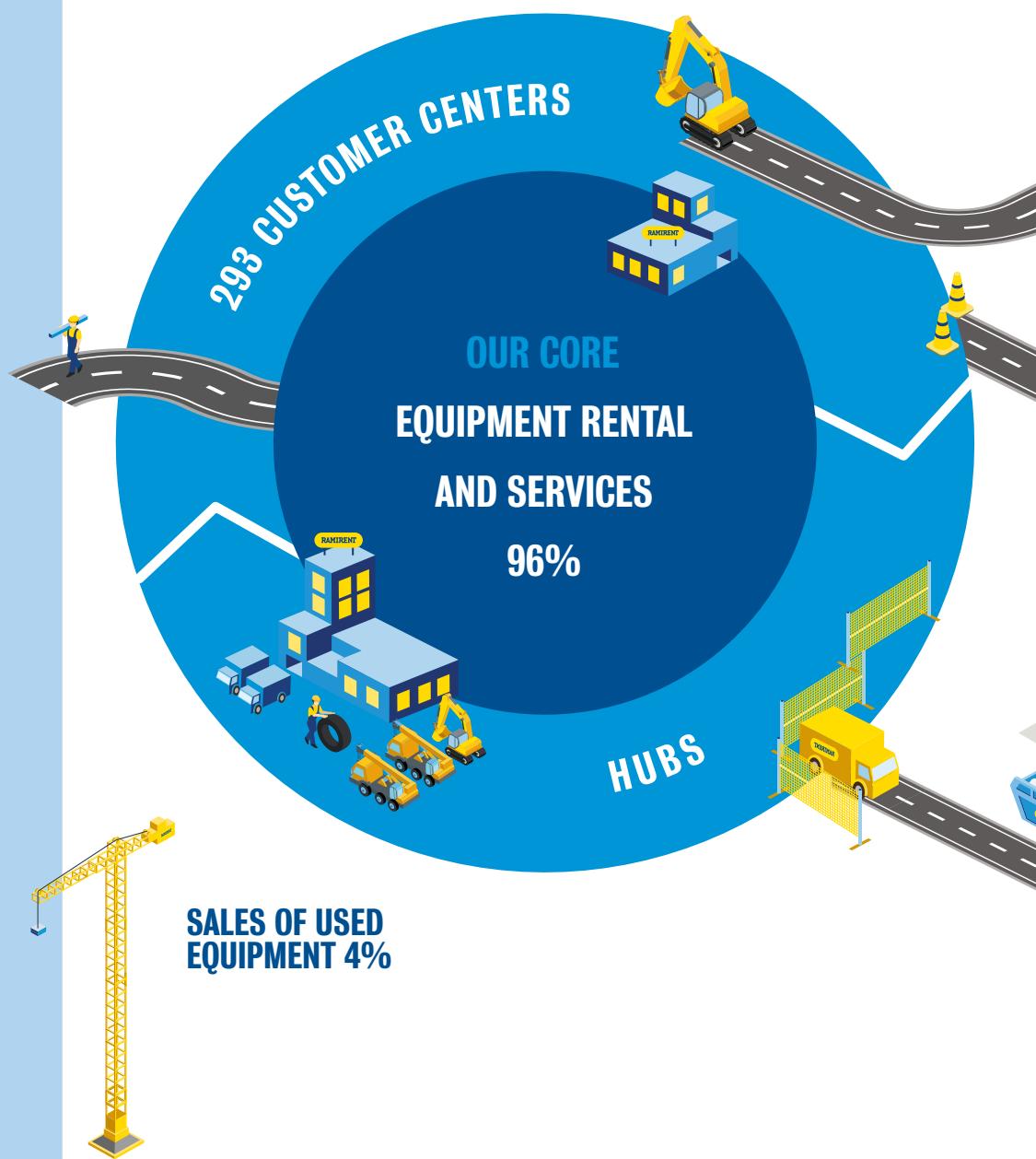
Equity 309.5 MEUR  
 Capex in machinery 153.5 MEUR

### SUPPLIERS AND SUB-CONTRACTORS

18,000 suppliers and subcontractors

### NATURAL RESOURCES

Water consumption  
 Overall consumption of energy (electricity and fuels)



Ramirent improves the safety and productivity of our customers through sharing equipment combined with related services and knowledge. The core of our business model is increasing productivity through circularity to small and medium businesses and large customers.

Our business is driven by modern demands on productivity, safety and the environment, accelerating urbanization and demographic change. We aim for a smooth flow of information, machines and services, which, in turn, lead to more efficient ways of working, less costs

and down-time, improved product features and new innovations. By building the industry's best supply chain, we will improve the service levels and the ease of renting thus strengthening the value proposition for rental versus ownership.

Our talented people are the basis for creating a first-class customer experience and matching our offering to customer needs, which vary from household and industrial maintenance work to renovation and large complex construction projects.

## OUTPUTS

## IMPACT



### FINANCIAL

Comparable EPS growth 68.2%  
ROCE 13.8%  
NET DEBT/EBITDA 1.6x  
Dividend payout ratio 75% of net profit  
Effective tax rate 17.6%  
Employee benefit expenses 178.3 MEUR  
Direct purchases 251.4 MEUR

### SOCIAL

Great place to work  
Leadership index 74.4%  
Engagement index 83.0%  
LTIF 7.9  
604 close call reports and 3,357 safety observations  
Absence rate due to illness and injuries 2.9%  
Diversity and non-discrimination

### ENVIRONMENTAL



Creating circular economy by sharing the equipment

Optimizing energy consumption and transport to and from the job site

# OUR CORE CONSTRUCTION EQUIPMENT RENTAL OFFERING

Our core business consists of providing high quality construction machinery, equipment and related services mainly to customers in the construction sector, but also to various industrial sectors and households. Our core offering consists of everything that is needed throughout a construction project, from the tallest tower crane, power and heating, and weather covers to the smallest hand tool and safety training to cover the specific needs at every stage of the project. While the construction sector rents from all our product groups, other customer sectors rent from selected product groups. Our offering is divided into the following main product and service groups:

## RENTAL



LIGHT MACHINERY



HEAVY MACHINERY



MODULES



LIFTS



POWER &amp; HEATING



TOWER CRANES &amp; HOISTS



SAFETY



SCAFFOLDING &amp; WEATHER PROTECTION

## SERVICE



PLANNING



SITE SERVICES



TRAINING



LOGISTICS AND FUEL SERVICES



MERCANDISE SALES

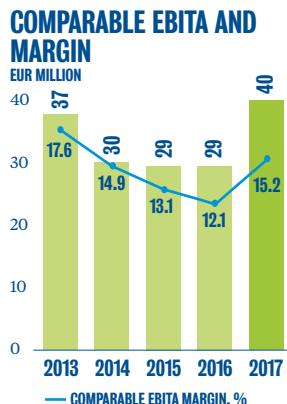
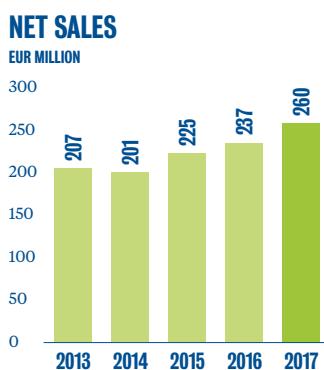
# SWEDEN

## STRONG PROFIT IMPROVEMENT

36% of Group total net sales,  
38% of Group total comparable EBITA  
831 (760) Employees, 29% of Group total  
79 (78) Customer centers

### 2017 KEY BUSINESS HIGHLIGHTS

- Market conditions for equipment rental benefited from the strength of the construction sector
- Positive sales development among small and medium-sized customers
- New Total Solution contracts evidence of strong offering
- Strengthened offering fueled growth in safety products



including Ramirent's own products

- Volume growth, favorable business mix and improved supply chain performance contributed positively to EBITA
- Turnaround of scaffolding operation completed

### COMPETITIVE ENVIRONMENT

- # 2 market position
- High rental penetration

### CONSTRUCTION OUTPUT GROWTH

2017E: +9.9%, 2018E: +3.6% (Euroconstruct 11/2017)

### STRATEGIC PRIORITIES 2018–2020

- Optimizing operations and business systems
- Growing market share in large cities



# FINLAND

## STEADY IMPROVEMENT IN PROFITABILITY

26% of Group total of net sales,  
25% of Group total comparable EBITA  
535 (519) Employees, 19% of Group total  
57 (56) Customer centers

### 2017 KEY BUSINESS HIGHLIGHTS

- Strong equipment rental market supported by solid demand in the construction and industrial sectors
- Positive net sales development among small and medium-sized customers



- Share of service sales grew in the sales mix driven by several large projects
- Good volume growth and cost savings improved EBITA

### COMPETITIVE ENVIRONMENT

- # 1 market position
- Medium rental penetration

### CONSTRUCTION OUTPUT GROWTH

2017E: +3.5%, 2018E: +1.4% (Euroconstruct 11/2017)

### STRATEGIC PRIORITIES 2018–2020

- Solidifying market leader position
- Improving internal efficiency



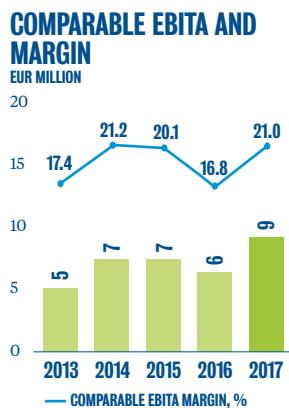
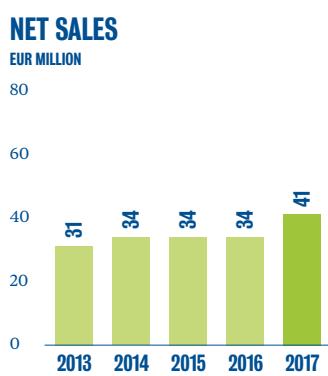
# BALTICS

## GOOD PERFORMANCE IN IMPROVING MARKET CONDITIONS

6% of Group total net sales,  
8% of Group total comparable EBITA  
276 (253) Employees, 10% of Group total  
44 (43) Customer centers

### 2017 KEY BUSINESS HIGHLIGHTS

- Overall demand improved in the equipment rental markets in the Baltic states supported by recovery in construction activity
- Strong sales growth driven by good development in rental sales in all Baltic states and especially in Latvia



Segments Baltics and Europe Central to be merged as Segment Eastern Europe as of 2018

# EUROPE CENTRAL

## EXCELLENT GROWTH AND PROFIT TURNAROUND

10% of Group total net sales,  
15% of Group total comparable EBITA  
440 (446) Employees, 16% of Group total  
64 (58) Customer centers

### 2017 KEY BUSINESS HIGHLIGHTS

- Overall market conditions improved in equipment rental across the Europe Central segment

- Strong net sales growth enabled by new fleet and solid operational execution
- EBITA boosted by strong volume growth, good business mix, cost efficiency and solid execution of reorganization actions

### COMPETITIVE ENVIRONMENT

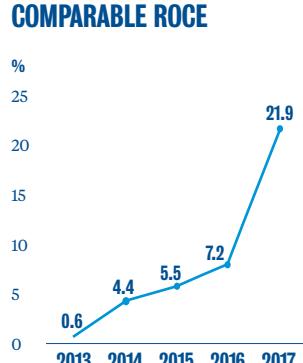
- # 1 market position
- Very low rental penetration

### CONSTRUCTION OUTPUT GROWTH

2017E: +7.0%, 2018E: +7.5% (Euroconstruct 11/2017)

### STRATEGIC PRIORITIES 2018–2020

- Focusing on rapid growth supported by good market conditions



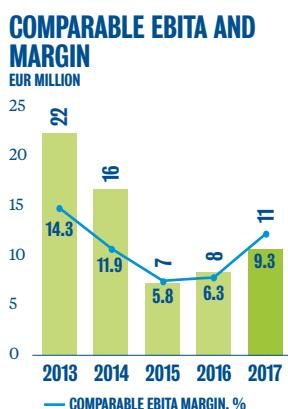
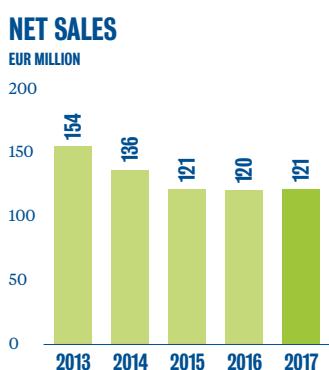
# NORWAY

## A YEAR OF IMPROVEMENT

17% of Group total net sales,  
11% of Group total comparable EBITA  
396 (397) Employees, 14% of Group total  
42 (42) Customer centers

### 2017 KEY BUSINESS HIGHLIGHTS

- Overall market conditions in the equipment rental market improved in the second half of the year
- Sales increased slightly supported also by the sale of a large installed Temporary Space site (5.6 MEUR)
- Despite low sales growth, comparable EBITA improved based on



continuous improvement in cost efficiency, sales mix and progress in turnaround actions in the Oslo scaffolding operation and in the Temporary Space business

### COMPETITIVE ENVIRONMENT

- # 1 market position
- Medium rental penetration

### CONSTRUCTION OUTPUT GROWTH

2017E: +6.8%, 2018E: +3.5% (Euroconstruct 11/2017)

### STRATEGIC PRIORITIES 2018–2020

- Continuing profitability turnaround, improving low-performing units
- Optimizing equipment availability

### COMPARABLE ROCE



MARKET POSITION #1

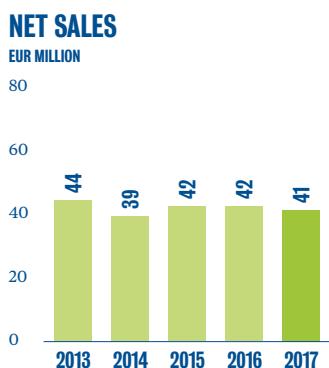
# DENMARK

## FURTHER ACTIONS TAKEN TO IMPROVE PERFORMANCE

6% of Group total net sales,  
3% of Group total comparable EBITA  
130 (138) Employees, 5% of Group total  
7 (13) Customer centers

### 2017 KEY BUSINESS HIGHLIGHTS

- Overall market conditions in the equipment rental market were stable
- Sales growth accelerated towards the end of the year driven by strengthened sales force and good progress in large projects



- Comparable EBITA improved as a result of a good sales mix, better price realization and cost efficiency
- At the end of the year, customer center network restructured successfully, and sales force reorganized

### COMPETITIVE ENVIRONMENT

- # 3 market position
- Medium rental penetration

### CONSTRUCTION OUTPUT GROWTH

2017E: +2.0%, 2018E: +2.7% (Euroconstruct 11/2017)

### STRATEGIC PRIORITIES 2018–2020

- Developing sales force and use of temporary customer centers
- Accelerating growth in largest cities

### COMPARABLE ROCE



MARKET POSITION #3

# MEGATRENDS DRIVING OUR BUSINESS

The trend of outsourcing non-core activities, to improve productivity and lighten the balance sheets continued to drive demand for equipment rental. Increased safety and environmental demands as well as structural changes brought on by urbanization, digitalization, migration and an aging population continued to shape our operating environment in Europe and other markets.

## DIGITALIZATION

A key force behind all change affecting society and business, technological development boosts Ramirent's offering and understanding of customer needs. New innovations improve safety, information flow, project follow-up and eco-efficiency.

### CHARACTERIZED BY

- Internet of Things (IoT), new digital rental applications, improved flow of information and access management
- Better anticipation with digital planning tools, such as the Building Information Modeling (BIM) system

## IMPROVING PRODUCTIVITY

During the past decade, productivity in manufacturing has nearly doubled, but remained flat in construction. This productivity gap presents an opportunity to help customer projects move forward more smoothly and efficiently.

### CHARACTERIZED BY

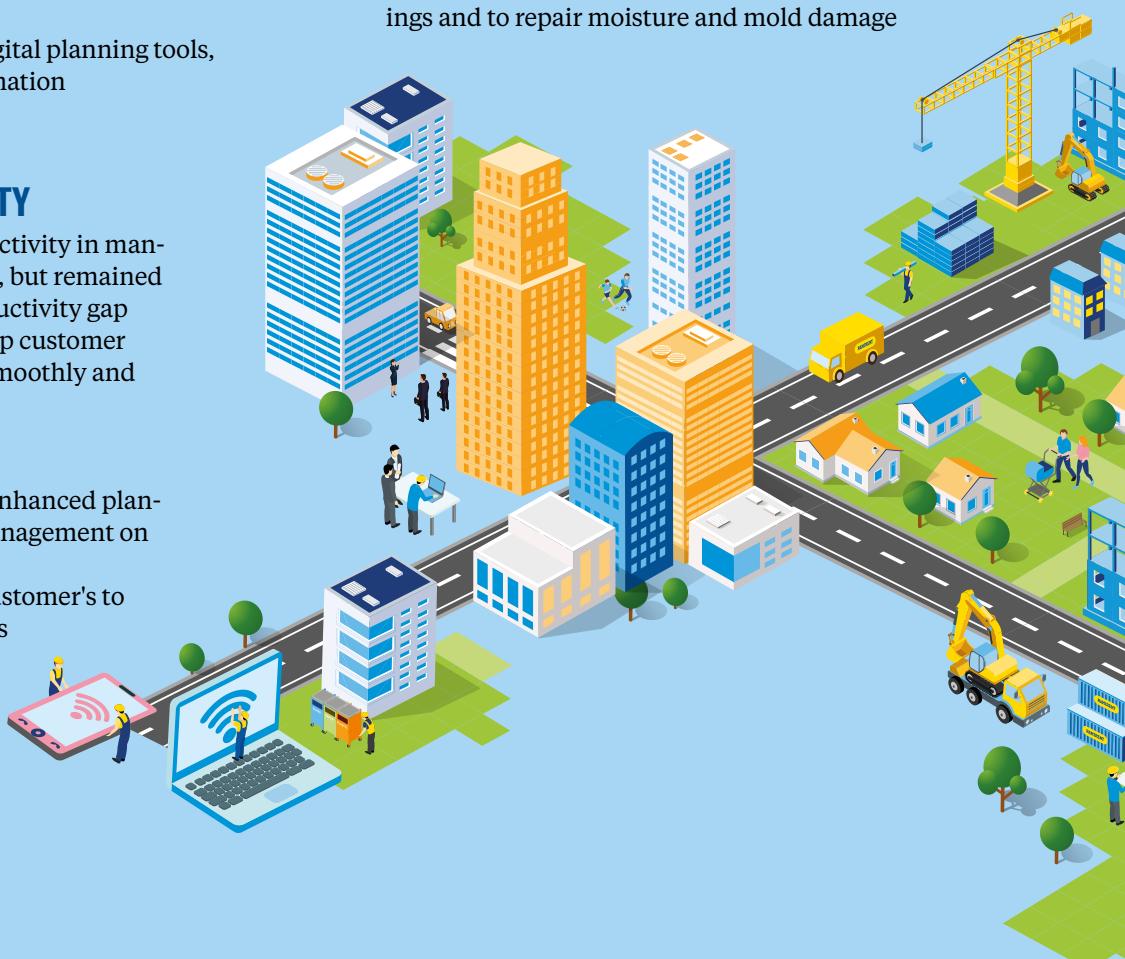
- Optimization of logistics, enhanced planning and improved risk management on construction sites
- Reliable partners enable customer's to focus on their core business

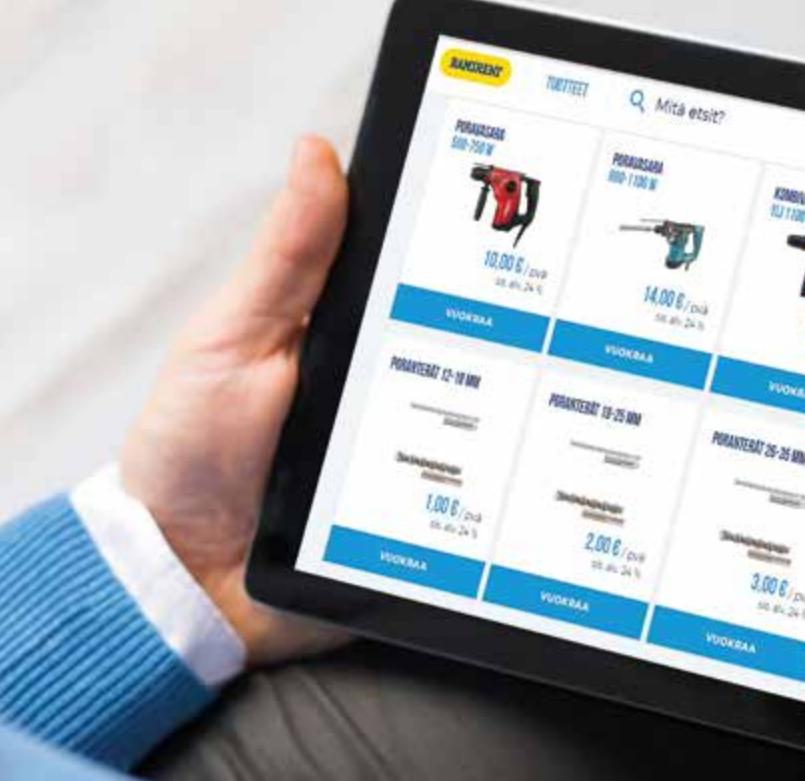
## SAFETY AND ENVIRONMENTAL DEMANDS

Growing customer expectations and tightening safety and environmental regulation, such as the EU's target to cut emissions by 40 percent by 2030, push companies to adopt greener solutions.

### CHARACTERIZED BY

- Eco-friendly construction planning, decreasing fuel usage, safer sites through planning and training
- Need to improve the energy-efficiency of aging buildings and to repair moisture and mold damage





## OUR RENTAL SERVICE WENT ONLINE IN FINLAND

In 2017, Ramirent opened its first web shop for equipment rental in Finland. The service was designed, in particular, with private consumers in mind, and it operates 24/7. A special emphasis was put on mobile usability, as we wanted the service to be readily available anytime and anywhere. The service is supported by a nationwide network of pick-up points. A real-time chat service was also introduced. Over the chat service, Ramirent's own rental advisors offer instruction and tips on choosing and safely operating the right equipment.

The online rental service has been met with very positive feedback. While still new, the outlook of the new service is promising. The network of pick-up points in Finland was expanded during the first year.

Ramirent always strives to make its expertise and first-class equipment even more easily available. An easy to use online rental site is a logical part of that drive, and new approaches to better meet our customers' needs are continuously being developed.

## ACCELERATING URBANIZATION

The concentration of population in growth centers drives urban planning and construction. In the Nordic region, population growth has mainly occurred within the 30 largest urban areas, where more than half of the Nordic population now lives, creating needs in safety, logistics and planning for builders.

### CHARACTERIZED BY

- Increasing migration from rural areas to urban centers and from other continents to Europe
- Increased building construction, more demand for equipment rental and expert services



## DEMOGRAPHIC CHANGE

Increased life expectancy and low birth rates shape the housing market and ways of living, as well as the supply of workforce. Housing construction is a major driver of equipment rental.

### CHARACTERIZED BY

- Smaller families and households and the need for new solutions for senior citizens
- Mixing cultures, languages and religions in the workforce

## SHARING ECONOMY

Sharing things originally emerged from a need to save money, time and the environment. Now mainstreamed, it also increasingly affects companies looking to optimize operations by using on-demand solutions and services.

### CHARACTERIZED BY

- Improved utilization of equipment, personnel, knowledge and capital resources
- Multiple people using the same machine reduces the environmental burden

# NEW SUSTAINABILITY TARGETS FOR SAFETY AND LEADERSHIP

Ramirent's sustainability work focuses on the four most relevant sustainability topics in our industry: employing the best skills, maximizing safety, ensuring the best use of machines and operating eco-efficiently. In order to better monitor our sustainability KPIs on country, region and customer center level, we are continuously improving our information flow and clarifying how each Ramirenter can contribute to our sustainability work.

Sustainability is not only at the core of our business model through sharing resources, but also a prerequisite for doing business. We help our customers improve their productivity and safety, and create sustainable innovations in a circular economy.

With the updated strategy, we added new targets for safety and leadership: We aim to be among the top-quartile companies in employee engagement and leadership quality by 2020 and achieve an LTIF < 5. Another major change for 2017 was the renewal of our HSEQ organization. During 2017, we also continued to develop our sustainability reporting to improve transparent communication to external stakeholders, customers, and current and potential Ramirent employees.

## MANAGING SUSTAINABILITY

The annual sustainability agenda is carried out by our HSEQ Board headed by the Quality and Efficiency Manager. Our business units make annual plans for monitoring KPIs. Group HSEQ, HR functions and the Executive Management Team follow these regularly.

The Executive Management Team is responsible for setting and managing sustainability targets on a Group level. The Ramirent Board of Directors also monitors sustainability themes, and safety in particular has a high priority. In terms of daily work, sustainability is the responsibility of line management. The HR Board and the HSEQ Board steer the work and bring segments and functions together.

The HSEQ Board was renewed in 2017. Former Health and Safety Forum and Quality and Environment Forum were joined together as one HSEQ Forum. Both HSEQ Board and HSEQ Forum support operating countries in HSEQ related issues to ensure all operations follow international standards. They prepare development projects,

share best practices within the Group and monitor KPIs. Ramirent also founded a Safe Board to focus on new safety products and develop innovative ways of improving customer safety.

## RAMIWAY QUALITY MANAGEMENT SYSTEM

Ramirent's sustainability agenda is based on our ISO multisite certification (incl. OHSAS 18001 standards) and our RamiWay quality management system, which defines our key business processes, responsibilities, policies, principles and tools. The system is there to ensure that Ramirent's business processes are in compliance with the legal requirements and that they support operational efficiency and good internal control. Ramiway also ensures that identified good practices and operational KPIs are spread in the Group. During the year, we started to simplify Ramiway processes to enhance the efficiency of common procedures and local ways of working.

In the coming years, we will continue to increase the number of countries operating according to RamiWay. By the end of 2017, it had been implemented in Norway, Denmark, Sweden and Finland. Preparations for new countries in the Baltics to adopt RamiWay will continue in 2018.

The RamiWay quality management system has a multisite certification, which means that it fulfills the requirements of the standards ISO 9001, ISO 14001, OHSAS 18001 for quality, environmental and occupational health and safety. The multisite certification covers Finland, Sweden, the Baltic countries, Denmark and Norway. The following countries already have some of the certifications: Czech Republic, ISO 9001 and ISO 14001; Poland, ISO 14001 and OHSAS 18001; and Slovakia, ISO 9001 and ISO 14001.



## SUSTAINABILITY THEMES

### SHARE TO SUCCEED

We want to help our customers improve their performance and create sustainable innovations in a circular economy.

#### EMPLOYING THE BEST SKILLS AND KNOWLEDGE

RamiWay of working  
Performance management  
Fair reward and recognition  
Diversity

##### KPI

Employee engagement and Leadership quality  
**Target:** Top quartile by 2020

**Outcome:**  
Engagement Index 83.0 (80.0)  
Leadership Index 74.4 (70.7)

#### MAXIMIZING SAFETY

Keeping our people safe  
Keeping customers safe

##### KPI

LTIF  
**Target:** <5 by 2020  
**Outcome:** LTIF 7.9 (9.3)

#### ENSURING THE BEST USE OF MACHINES

Life-cycle management  
Environmental impact of the rental machinery  
Efficient and sustainable procurement

##### KPI

Sustainable procurement  
**Target:** 15–20 strategic supplier audits conducted  
**Outcome:** 12 (14) supplier audits

#### OPERATING ECO-EFFICIENTLY

Energy efficiency  
Safe and efficient use of chemicals  
Water management

##### KPI

Overall energy (electricity) consumption  
**Target:** Declining  
**Outcome:** 14,431 (14,673) MWh

## RESPONSIBLE BUSINESS PRACTICES

Code of Conduct, Anti-Corruption, Competition Compliance

# ENGAGED PEOPLE DRIVE SUCCESS

We aim to develop a great place to work in order to provide great service to our customers. Ramirent's 2,800 employees in 10 countries have a key role in helping our customers improve their productivity by enabling them to focus on their core operations. Ramirent wants to serve as an example in directing the industry towards more conscious and modern leadership, where equal opportunities are available for everyone. This year, the main focus has been on leadership development and simplifying processes to smoothen working conditions.

The focus areas in employing the best skills and knowledge in Ramirent are RamiWay of working, performance management, fair rewarding and recognition and diversity. In 2017, Ramirent's HR evaluated company practices and improvement needs. As processes become simpler and smoother, the work flow improves. The identified best practices will be integrated to the way of working in all our operating countries.

## “OUR WAY TO LEAD”– BEHAVIORS THROUGH A CO-CREATION PROCESS

Leadership development is a top-priority for Ramirent, and in 2017 we defined clear “Our Way to Lead”- behaviors through an inclusive co-creation process. As a result, we now have a set of leadership behaviors defined, a plan for implementation and the tools to follow it up. A total of 140 leaders took part in the Ramirent Leadership Days conference participating in developing the leadership behaviors and in how leadership can be improved at Ramirent.

In the future, Ramirent will host different leadership programs from basic leadership to the top management. An internal talent program down the road is also being discussed.

## IMPROVING PERFORMANCE MANAGEMENT SUPPORTED BY A NEW HIGH IN ENERGY AND ENGAGEMENT

In 2017, we updated our performance management and talent and succession processes. The current focus is on making sure our employees will better understand the link between the strategic objectives and their daily work. Another key theme is simplifying processes and making sure we have targets that drive performance and delivers results. As we strengthen our company culture, an increased focus will be placed on the behaviors that will make us a great place to work.

The year started off with a great result in the employee survey from January 2017, Ramirenters' energy and

engagement levels showed great improvement. Over 92 percent of our people get a sense of achievement in their work and are willing to go the extra mile for Ramirent. In January 2018, our RamiEar survey showed further improvement in overall engagement as the Employee Engagement Index improved to 83.0 (80.0).

## SECURING FAIR REWARDING AND RECOGNITION

We also updated our guidelines for compensation and benefits. For the time being, this work has focused specifically on Norway, Sweden and Finland. Our focus is on having a structure to obtain external and internal benchmarks for salary levels. We also expanded the number of participants in our long-term incentive programs and made the individual targets more clear and motivating to each participant.

## DIGITALIZATION AND DIVERSITY AS DRIVERS OF RECRUITMENT

The recruitments we have done in 2017 bring us possibilities, fresh ideas and, of course, new colleagues. In terms of recruiting, Ramirent is among the many companies to whom digitalization brings new demands on the skills of our employees. We are also looking to hire individuals with a background in the retail sector, as similar commercial skills are what we seek in our customer center employees.

As a part of building a great place to work, diversity is identified as a key priority at Ramirent. One focus area is to increase the number of women employees, as their share is relatively low compared to many other industries. We will aim for a more inclusive working culture and to widen our reach to female recruits and ultimately increase the number of female managers, in particular.

## ENSURING SKILLED PERSONNEL

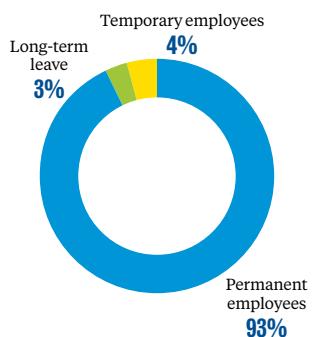
Ramirent Academy is the Group's internal competence development program, focusing on increasing our personnel's



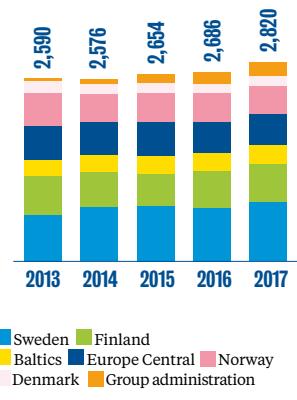
## ZERO TOLERANCE FOR HARASSMENT

One of the most fundamental aspects of a great place to work is that all of our employees feel safe and protected against any harassment based on gender, nationality or any other reason. In the wake of the world news regarding harassment in the fall of 2017, Ramirent's Executive Management Team wanted to show their support by letting every Ramirenter know that we have a zero tolerance policy for harassment and that everyone should feel safe to anonymously report harassment misconduct to our "Speak-up"-line, to members of the Management Team, or to the local HR. A question on harassment was also included in the Rami Ear Survey.

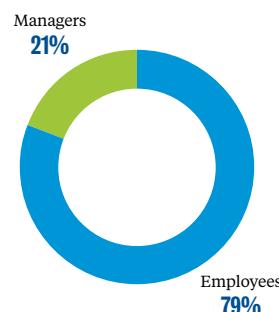
**PERSONNEL PER CONTRACT TYPE ON DECEMBER 31, 2017**



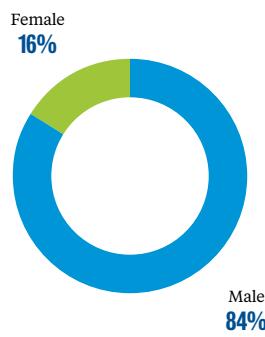
**PERSONNEL BY SEGMENT  
2013–2017**



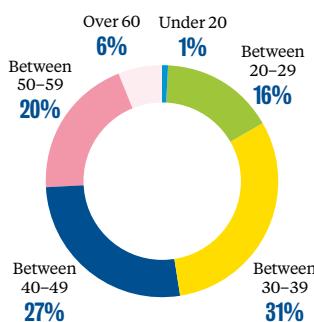
**PERSONNEL STATUS ON DECEMBER 31, 2017**



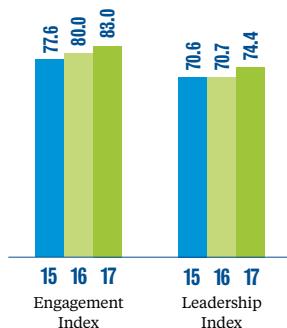
**DISTRIBUTION BY GENDER ON DECEMBER 31, 2017**



**AGE DISTRIBUTION ON DECEMBER 31, 2017**



**RAMI EAR EMPLOYEE SURVEY**



The Indexes have been measured in the Rami-Ear surveys in January 2016, 2017 and 2018.

competence level in areas that are strategically important for the Group. In 2017, we arranged four programs on sourcing and business control. A strong focus in 2018 will be training in the new leadership behaviors.

On a local level, the training curriculum during 2017 focused strongly on safety training, training in new products, and customer service as well as employee well-being.

Ramirent's Management Trainee Program ensures that we have capable managers to take the company further. In 2017, we had three trainees from Sweden, Norway and Finland that have now taken permanent positions in different

parts of the organization.

We want to make a positive change in the local communities we operate in. Providing learning opportunities for young people is one concrete example of this. Two refugees were employed during the year in Denmark and in Finland. In Finland, like last year, Ramirent participated in the Business Lead integration program for educated immigrants coming from outside Europe. The program is managed by Hanken & SSE Executive Education. The aim is to help educated immigrants integrate into Finnish society and working life by providing professional development opportunities.

# SAFETY A KEY PART OF A GREAT PLACE TO WORK

Our personnel's and customers' safety continues to be a top priority at Ramirent. In Ramirent's renewed strategy, safety is stated as a key part of building a great place to work and the safety KPI on the Group level was renewed. In 2017, we continued developing new safety tools, trainings and products. Ramirent is unique in having its own R&D department focusing on developing improved safety features of existing products.

As an equipment rental company serving the still highly accident-prone construction industry, we want to actively promote the safety culture to our customers and provide them with training in matters related to a safe working environment. The important thing for us is to make the industry safer, while also ensuring smoothly operating and cost-efficient construction sites. Our main priorities are raising awareness on safety matters through local events (e.g. Safety Weeks and Safety Days) and trainings for employees and customers.

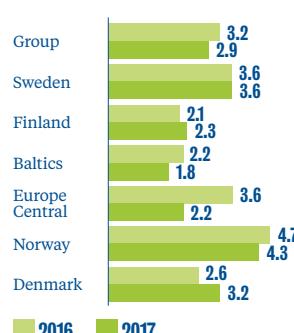
## DECREASING THE NUMBER OF INJURIES

We aim for zero accidents. Reaching that target, however, is a considerable process. In 2017 we set a new target for safety aiming for LTIF (LTIF, accidents per million working hours) to be below 5 by 2020. A positive trend for 2017 was the increase in safety observations. To further improve the tracking of safety observations in all our countries, a new mobile device was developed.

In general, we see our safety levels developing towards a better direction in 2017. Group accident frequency (LTIF) was 7.9 (9.3) in 2017. The absence rate due to illness and injuries in comparison to annual working hours was kept on a good level 2.9 (3.2) percent in 2017.

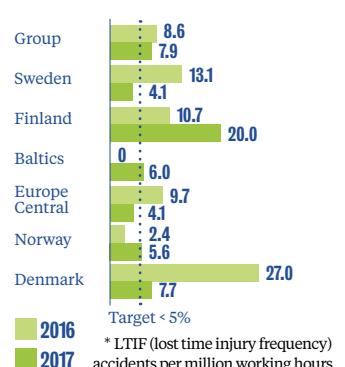
In addition, close calls and safety observations – such as slips that did not result in injury, insufficiently marked areas or disorder at worksites – are reported more

## ABSENCES DUE TO SICKNESS (%)



2016 2017

## ACCIDENT FREQUENCY (LTIF\*)



frequently than before due to active safety campaigning. In total, we got 604 (532) hazardous situations/close calls reported and 3,357 (1,027) safety observations.

We have worked resiliently for improved safety in everyday working environments. Finland is the first Ramirent country to also monitor subcontractor accident frequency.

2017 figures show that our personnel are subsequently more aware of safety-related risks. In the future, the aim is to improve safety by using informative storytelling and ongoing dialogue as well as communicating the importance of the ways we behave in our daily work.



## IMPROVING TRAFFIC SAFETY WITH RAMIRENT'S SAFEPASS™ ROAD BARRIERS

Uncommon for a rental company, Ramirent designs and produces its own products with superior safety features based on its extensive product user experience and on identified safety gaps in existing products. We see growth opportunities especially in the fall protection and traffic safety market..

Ramirent's latest addition to its range in 2017 was the Ramirent SafePass™ road barriers. Construction projects spread beyond the actual work area, and transport and people passing by must be taken into account. When it comes to safety, sturdy barriers that prevent access to the work site are a necessity. Ramirent's SafePass™ barriers were designed to be durable, stackable and easy to install. Instead of using concrete alone, we decided to reduce the weight by pairing concrete with steel. Special rubber feet give the highest possible friction and fences or signs are easily installed on top of the barrier. The SafePass™ barrier has been in the market in Sweden and Norway since July 2017, and it will be introduced in more countries in 2018.

Other Ramirent proprietary safety products include the Ramirent SafePass™ for cyclists and pedestrians, the EnterSafe™ staircase, and the GuardLite™ fall protection system.

## RISK ASSESSMENT GUIDELINES ROOTED IN DAILY WORK

The risk assessment guidelines for internal assessments of Ramirent locations are rooted in our operations and projects. The risk assessment tool includes 150 indicators, such as physical and chemical dangers and rescue planning, for evaluating the risk level of a site. A risk evaluation is conducted at each site every three years and more often, if needed.

## CUSTOMER SAFETY IS OUR RESPONSIBILITY

Our customers' growing safety demands drive us to develop new innovations and applications. In addition to offering machines to rent, we provide our customers with user guidance, safety instructions and necessary safety equipment. Our range of safety training courses is broad and covers on-site safety trainings conducted by RamiSchool safety experts, including for example fall, noise and dust protection.

## SETTING A NEW BENCHMARK WITH OWN LINE OF UNIQUE SAFETY PRODUCTS

In terms of safety, we have identified development needs in current product lines and ways of working, and we have started to take measures to improve them. Ramirent has its own specialized R&D department, designing improved safety features to existing products especially related to fall protection and traffic safety. We have based the new products on the vast user data we collect at customer project sites everyday.

In 2017, we launched a protective barrier for roads to join the roster of previous products such as SafePass™, EnterSafe™, and GuardLite™. The products have all been launched in Sweden and selected products have also been introduced in Norway and Denmark. In 2018, the products will be rolled out in further Ramirent operating countries. This is clearly starting to be a competitive advantage for Ramirent.

# OPTIMIZING MACHINE REFURBISHMENTS HELPS US GROW MORE CAPITAL-EFFICIENTLY

Ramirent ensures the best use of machines through rigorous lifecycle management and efficient and sustainable procurement from the best brands with environmentally friendly features. The aim is to minimize the environmental impact of rental machinery.

We are committed to using resources efficiently and taking into consideration and minimizing their impacts throughout the lifecycle. This calls for an optimized fleet and supply chain, and operating our logistics as efficiently as possible. During 2017, we have continued to streamline our supply chain processes and developed the supplier evaluations and criteria on a Group level. The aim is to build the best performing supply chain in the industry.

## SUSTAINABLE PROCUREMENT

Procurement is a crucial step in ensuring sustainability in Ramirent's business model. It all begins with careful supplier selection during tenders, which always involve environmental criteria such as environmental management systems, resource efficiency and ethical standards.

Aside from sustainability, the selection criteria include aspects related to, for example, the company profile, quality, reliability, logistics, product development, degree of technological leadership, competence, lifecycle support, productivity, sourcing chain, as well as a financial evaluation. Emissions levels are also increasingly considered when procuring new machines.

A positive development we are witnessing is our customers' increasing interest in "green machines," i.e. hybrid and/or electric machines. We have consequently initiated discussions with suppliers to accommodate the demand, and our tenders now include hybrid machines as an option. The work will continue in 2018. In Finland, Ramirent has set targets for CO<sub>2</sub> emissions for its own vehicles, and this will be extended to further operating countries.

## MANAGING SUPPLIERS AND STREAMLINING SUPPLIER AUDITS

Ramirent has roughly 18,000 suppliers. We have defined guidelines for supply chain management on Group level, while the daily management and operations are carried

out locally. Also, guidance on which suppliers to use is provided for all customer centers. The continuous review of the vast supplier base is carried out through regular audits. In order to streamline the supplier process and sustainability, one strategic aim on a Group level is to optimize the number of suppliers.

During 2017, we continued with the audits of our main suppliers in order to ensure efficiency and streamline the supplier process. The auditing process included 11 categories, from examining ethical standards and risk management, to aspects related to environmental, health, safety and quality management. In total, we performed 12 audits on strategically important suppliers.

In addition, there were regular follow-up meetings on a day-to-day basis throughout the year between fleet suppliers and the line organization regarding HSEQ matters and how to improve the product lifecycle.

Based on the previous audits, we have identified action points for several suppliers to work on sustainability aspects in their own work, such as in regards to our Code of Conduct.

## LIFECYCLE MANAGEMENT CARES FOR THE PLANET

The best use of machines is guaranteed through careful analysis and also through relevant legislation. All Ramirent machines have a target life length from a span of 5–20 years on average. During procurement, we consider the economic, technical and environmental lifespans, and base our selection of equipment on an estimate of the total cost of ownership. In addition, we pursue to upgrade the existing fleet according to new technological or legislative developments – the modules, for instance, are developed in terms of ventilation, isolation and fire resistance. Lifecycle management starts with supplier training and subsequent customer training by Ramirent personnel. The machines also undergo maintenance and service programs at regular intervals.



## BETTER SUPPLY CHAIN EFFICIENCY THROUGH IMPROVED INTERNAL COMMUNICATION

During 2017, Ramirent Finland identified a number of issues arising from communication issues, such as working in silos and poor cross-functional information flow. These issues were perceived to stem at least partly from several organizational changes, which have resulted in unclear roles and responsibilities.

To tackle the challenges head-on, we initiated a project aimed at improving internal communication. The project was named Baton in the spirit of relay racing, where the baton is never dropped but diligently passed on.

The Baton project began within our Customer Center, Fleet and Solution Sales departments by introducing a new hub organization, internal digital ticketing tool, and yard logistics, among others. As a result, the quality and efficiency of processes in Southern Finland was enhanced. Best practices will be shared within all countries in our aim to build the industry's best performing supply chain.

## INCREASED REFURBISHMENT TO EXTEND THE LIFESPAN OF EQUIPMENT

To continuously improve the smart use of machines, we have begun a refurbishment program. When equipment comes to the end of its lifecycle, we evaluate whether a heavy refurbishment is in order. Refurbishment extends the lifespan of a machine by five years. Giving machines, such as lifts and modules, an extended life is both economically smart and environmentally friendly. The idea is to extend this practice onto additional types of equipment, such as heavy equipment.

## STREAMLINED TRANSPORTATION

As most of our environmental footprint comes from our transports, Ramirent's target is to optimize transportations in an eco-efficient and time-saving manner. With the careful planning of logistics, we can deliver equipment from the supplier directly to our customer's worksite, if needed. A focus area is optimizing our hub structure and further improving our transportation efficiency by increasing the role of

centralized warehousing in geographically dense areas.

In order to further reduce our environmental footprint, we are also developing processes which aim to reach the same sales levels with a smaller fleet capacity. This requires continuous focus on optimizing locations, high turnaround times of rental equipment to be inspected, washed and made available for rent after return. This also supports our capital-efficient growth target.

## OWN ASSEMBLY OPERATION FOR SITE MODULES

In 2017 Ramirent established its own assembly operation in connection with its new hub in Tallinn, Estonia. There is a high degree of competence in modular housing production in the Baltics and Ramirent's own product knowhow is used to improve quality of the modules. The assembly operation provides better control over the supply of our largest product group. In-house assembly improves both profitability and service levels. The first modules were delivered in 2017.

# STEP-BY-STEP MORE ECO-EFFICIENT IN OUR OPERATIONS

Ramirent offers environmentally sustainable equipment rental combined with related services that also make financial sense. Eco-efficiency is one of our sustainability focus areas, and we are advancing systematically step by step in our ongoing work on optimizing energy consumption and transport to and from customers' job sites. We are always looking for ways to help our customers reduce their environmental impact.

Ramirent is committed to sustainability from the ground up. Resource efficiency is the very core of our business, as renting and sharing equipment reduces environmental burden.

We continuously strive to minimize our daily environmental footprint in everything we do. Our focus areas include optimization of transports, energy efficiency, safe and efficient use of chemicals, and water and waste management. In 2017, we continued our nationwide energy efficiency reviews. Some of the key areas include increasing the amount of recycled waste, reducing and substituting the number of harmful chemicals used with safer alternatives, renewing our hardware to environmentally friendlier ones, and improving logistical coordination to meet full load capacity.

A significant development in Finland in 2017 involved gradually replacing fossil fuel with biodiesel in our own vehicles, which has a positive impact on our CO<sub>2</sub> emissions. An overall trend across operating countries is the increased customer interest in hybrid vehicles also used in our equipment rental delivery operation (see more on page 24). In Norway, we are studying the possibility of procuring electric cars.

## IMPROVED ENERGY EFFICIENCY THROUGH STEP-BY-STEP IMPROVEMENT

Ramirent's overall consumption of electricity is divided between heating, ventilation, lighting, technical equipment and fueling rental machinery and transportation vehicles. We ensure the energy efficiency of our operations by complying to the energy efficiency laws and by setting local KPI target levels and action plans.

In 2017, Ramirent followed up on the energy efficiency reviews in 2016 with a set of action points. These actions included adjusting the time settings for ventilation units, installing motion-detector lighting systems in the washing places, lowering the indoor temperature, switching to LED lights and other lighting adjustments, and improving the IMS systems according to CO<sub>2</sub> levels, among others.

Ramirent continued to rate all washing places by categorizing them according to the quality level of each location.

Our chemical management system EcoOnline is now an essential product used both internally and among customers. EcoOnline provides specialized information about chemicals in an easily accessible format, helping employees handle chemicals safely.

## FROM WASTE TO REUSABLE MATERIAL

We track the amount of waste. By having fewer partners in waste management, we can improve cooperation and ensure the high quality of reporting. Basing our action points on accurate reports, we are able to increase transparency and optimize actions on a country level: Denmark, for instance, focused especially on this in 2017.

## AUDITS TO RENEW RAMIRENT'S MULTISITE ISO CERTIFICATION

Ramirent's multisite ISO certification audits, with focus on the renewed ISO 9001, ISO 14001 and OHSAS 18001 standards, were conducted during the first quarter of 2017. Findings were handled by the HSEQ teams both locally and on the Group level. Based on the findings, the main processes in our quality management system, Ramiway, were further simplified and streamlined to enable efficient quality follow-up across the Group. The work will continue in 2018. These changes will help Ramirent further improve quality, safety and productivity of operations.

The Multisite certification covers Finland, Sweden, Norway, Denmark and the Baltic countries. Central European countries are certified locally: Czech Republic and Slovakia ISO 9001, ISO 14001 and Poland ISO 14001, OHSAS 18001. Efforts to expand the multisite certification to also cover the Central European countries will continue in 2018.



## RAMIRENT'S MOST IMPORTANT ENVIRONMENTAL IMPACTS



Business locations



Acquisition of equipment



Repair and maintenance



Transportation



Use of equipment



Sale / disposal of equipment

### AMOUNT OF TOTAL WASTE (TONNES)

SWEDEN	FINLAND	NORWAY	DENMARK	GROUP (2017)	GROUP (2016)
1,285	877	939	570	3,670	4,108

### TOTAL NUMBER OF CHEMICALS USED

SWEDEN	FINLAND	BALTICS	EUROPE CENTRAL	NORWAY	DENMARK	GROUP (2017)	GROUP (2016)
272	150	108	153/93/40*	238	273	1,327	1,058

\* Poland/Czech/Slovakia

### CONSUMPTION OF ELECTRICITY (MWH)

SWEDEN	FINLAND	BALTICS	EUROPE CENTRAL	NORWAY	DENMARK	GROUP (2017)	GROUP (2016)
595	4,387	1,721	1,369	5,368	992	14,431	14,673

# ENGAGING WITH OUR STAKEHOLDERS

We engage daily with thousands of people in numerous local communities. We work closely with our main stakeholder groups, listening to them, and developing our operations according to their needs and feedback.

STAKEHOLDER GROUP	COLLABORATION AND DIALOGUE IN 2017
<b>CUSTOMERS</b> We serve more than 150,000 customers in 293 customer centers in 10 countries	<ul style="list-style-type: none"> <li>Continuous dialogue in rental and solution services</li> <li>Training in safe use of the equipment</li> <li>Continuous customer satisfaction listening</li> <li>Sustainability event in Sweden</li> <li>Safety events across our countries</li> </ul>
<b>PERSONNEL</b> Competent and motivated personnel is a key asset for us. In 2017, we employed 2,820 employees (FTE)	<ul style="list-style-type: none"> <li>Regular performance discussions</li> <li>Daily dialogue in teams</li> <li>Continuous safety dialogue and management</li> <li>Trainings and competence development</li> <li>Regular personnel survey RamiEar</li> <li>Rami Day organized in each country</li> <li>Rami Leadership Day Conference</li> </ul>
<b>INVESTORS AND SHAREHOLDERS</b> Our long-term target is to pay out at least 50% of the net profit as dividends. We ensure compliance with corporate governance and risk management principles in all our operations	<ul style="list-style-type: none"> <li>Key building blocks of the new strategy</li> <li>Meeting with investors and analysts regularly</li> <li>Serving target groups through digital channels</li> <li>Comply with the Finnish Corporate Governance Code set by the Securities Market Association, as well as with the Finnish Companies Act, other applicable legislation and Ramirent's Articles of Association</li> </ul>
<b>SUPPLIERS</b> We choose equipment and machinery suppliers among recognized and leading brands	<ul style="list-style-type: none"> <li>Supplier evaluations and audits to improve supplier relationship management and enable dialogue</li> <li>Improving product features together with strategic suppliers</li> <li>Induction e-learning for suppliers</li> </ul>
<b>LOCAL COMMUNITIES</b> We are a neighbor in almost 300 local communities	<ul style="list-style-type: none"> <li>Continuous cooperation with local authorities, decision makers and governmental organizations</li> <li>Providing thesis work opportunities to students</li> <li>Ramirent Management trainee program to grow young talents for appointment to key management positions within Ramirent</li> </ul>
<b>INDUSTRIAL ASSOCIATIONS</b> We develop the equipment rental industry towards a more sustainable direction	<ul style="list-style-type: none"> <li>Active member of the European Rental Association (ERA)</li> </ul>
<b>MEDIA</b>	<ul style="list-style-type: none"> <li>Serving the media openly and in line with the laws and regulations that govern publicly listed companies</li> </ul>

## ECONOMIC VALUE TO OUR STAKEHOLDERS

Our strong financial position and a capital-efficient profitable growth strategy enable us to fulfill the needs, expectations and requirements of our stakeholders. A solid economic performance creates a foundation for other aspects of sustainability, from social to environmental responsibility. With the income from our operations, we generate financial well-being for our suppliers, personnel, communities, investors, shareholders and the public.

## DIRECT ECONOMIC IMPACT

Our Financials Statements 2017 gives detailed information about our financial targets and performance. Full-year 2017 net sales grew by 8.8 percent or 9.3 percent at comparable exchange rates to 723.7 (665.2) million euros. Full-year 2017 reported EBITA increased 97.7 (59.2) million, representing an EBITA margin of 13.5 (8.9) percent. Material and services costs increased to 251.4 (245.9) million euros or 34.7 (37.0) percent of net sales. Fixed costs

including personnel and other operating costs increased to 270.0 (253.8) million euros or 37.3 (38.2) percent of net sales.

In 2017, income taxes amounted to 13.5 (-6.3) million euros. Effective tax rate for the Group decreased to 17.6 (22.3) percent. The Board of Directors proposes to the Annual General Meeting 2018 a dividend of 0.44 (0.40) euros per share, corresponding 47.6 (43.1) million euros, to be paid for the financial year 2017.

## INDIRECT ECONOMIC IMPACT

Our business also has an indirect economic impact on

the societies we operate in. We offer our customers well-maintained machinery and equipment so they do not need to invest in their own fleet. We also improve the productivity of our customer industries, as using our solutions frees up time and capital for their core business. Furthermore, through the salaries paid to Ramirent employees, we affect private consumption in our operating countries. Cooperation with our suppliers creates new mutual business opportunities and additional demand in the supply chain of our suppliers. Taxes that we and our employees pay have an impact on society at large.

### CUSTOMERS: NET SALES / EMPLOYEE

EUR MILLION



### PUBLIC SECTOR: INCOME TAXES

EUR MILLION



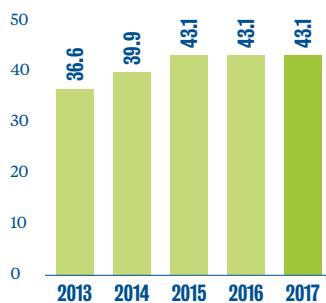
### SUPPLIERS: MATERIALS AND SERVICES COSTS

EUR MILLION



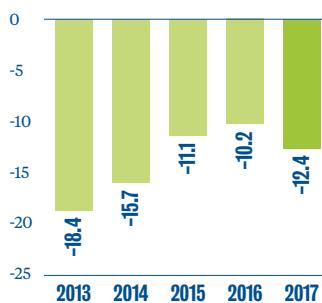
### SHAREHOLDERS: DIVIDENDS

EUR MILLION



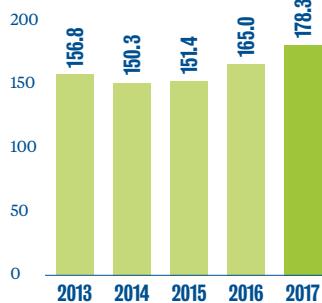
### CREDITORS: NET FINANCIAL ITEMS

EUR MILLION



### PERSONNEL COSTS

EUR MILLION



## DIRECT ECONOMIC VALUE GENERATED MEUR 723.7

### NET SALES MEUR 723.7

### DIRECT ECONOMIC VALUE DISTRIBUTED MEUR 599.1 (EXCLUDING BUSINESS EXPANSION)

SUPPLIERS	PERSONNEL	INVESTORS AND FINANCIAL COMMUNITY	PUBLIC SECTOR	BUSINESS EXPANSION
<ul style="list-style-type: none"> <li>Materials and services MEUR 251.4</li> <li>Other operating expenses MEUR 91.7</li> </ul>	<ul style="list-style-type: none"> <li>Wages and other employee benefit expenses MEUR 178.3</li> </ul>	<ul style="list-style-type: none"> <li>Dividends MEUR 43.1</li> <li>No repurchased own shares</li> <li>Financial expenses MEUR 21.1</li> </ul>	<ul style="list-style-type: none"> <li>Income taxes MEUR 13.5</li> </ul>	<ul style="list-style-type: none"> <li>Capital expenditure MEUR 166.4</li> </ul>
<b>ECONOMIC VALUE RETAINED MEUR 124.6*</b>				

\* Calculated as "direct economic value generated" less "economic value distributed". Business expansion not included.

# RESPONSIBLE BUSINESS PRACTICES

Our work at Ramirent is based on systematic policies and principles that guide and define the way of conducting business.

## OUR CODE OF CONDUCT

The Code of Conduct states our ethical principles and addresses anti-corruption, the right for collective bargaining and zero tolerance for harassment, child labor, forced labor and discrimination. New employees are familiarized with the Code of Conduct, and it is an important tool in our continuous work to prevent misconduct. We also expect our customers, suppliers and other cooperation partners to respect these principals. Violations of the Ramirent Code of Conduct are reported to Ramirent's Executive Management Team.

## SPEAKING UP TO BUILD A BETTER RAMIRENT

Ramirent has a system in place that gives all employees an opportunity to speak up about harassment incidents, any suspected financial misconduct or other fraudulent activities anonymously or under their own name. The service is available in the local languages of our operating countries. Suspected misconduct is investigated immediately and confidentially after which measures are taken. Cases are reported to Ramirent's Board of Directors and its Working Committee.

## QUALITY POLICY

We aim to take good care of our customers. Our industry expertise and continuous improvement of our operational execution enable us to deliver increased value to our customers. Ramirent's Quality Policy summarizes what this statement means in our daily operations.

## OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL POLICY

We invest in knowledge, skills and precautions for health, safety and environmental matters to develop our business operations and promote the safety of the environment and our stakeholders. The policy explains what this statement means in Ramirent's daily operations.

## RISK MANAGEMENT POLICY

The goal of Ramirent's risk management is to support our strategy and achievement of objectives by anticipating and managing potential threats and opportunities. Regular risk assessments are conducted as part of business planning and follow-up. The policy is developed based on the COSO ERM Framework and the ISO 31000 Risk management Principles and Guidelines standard.

## INTERNAL CONTROL POLICY

We aim to ensure that Ramirent's operations are run in an effective and efficient way, assets are safeguarded and illegal and fraudulent activities are prevented. We also work to make certain that management information is reliable and transparent, and activities follow Ramirent's way of operating as well as local laws and regulations. Internal control is based on the COSO 2013 framework and comprises five principal components: the control environment, risk assessment, control activities, information and communication, and monitoring.

## FRAUD AND ANTI-CORRUPTION POLICY

Ramirent promotes a business environment of fairness, ethics and honesty. Ramirent is committed to prevention, detection and correction of any misconduct. The policy facilitates the development and assigned responsibility of controls.

## CORPORATE GOVERNANCE

Ramirent complies with the Finnish Corporate Governance Code 2015 set by the Securities Market Association, as well as with the Finnish Companies Act, other applicable legislation and Ramirent's Articles of Association.

More information is available in the Ramirent Financial Statements and at [www.ramirent.com](http://www.ramirent.com).

**WE ARE SINCERELY  
COMMITTED TO MAKING  
RAMIRENT A GREAT PLACE TO  
WORK AND THROUGH THIS  
WE BELIEVE WE WILL ALSO  
ACHIEVE GREAT CUSTOMER  
SERVICE.**



# SUSTAINABILITY REPORTING PRINCIPLES

The Annual Report 2017 describes our operations and the material sustainability aspects for us and for our stakeholders in 2017. The Annual Report 2017 report contains standard disclosures from the GRI G4 sustainability reporting guidelines. Some of the information is given in the Financial Statements 2017. The specific standard disclosures with indicators are listed in the GRI table.

## SCOPE AND BOUNDARIES

The reporting covers Ramirent Plc and its subsidiaries in all countries of operation. If different boundaries are used, this is declared in conjunction with information. A list of the subsidiaries is in Note 7.2 in the Financial Statements. Joint venture companies are not included in the sustainability information. Sustainability information from previous years is mainly presented as pro forma information. The selection of material aspects is based on GRI G4 reporting guidelines and on Ramirent's own and our stakeholders' views (read more on p. 19).

## SUSTAINABILITY INFORMATION MEASUREMENT PRINCIPLES

Environment, health, safety and quality data is collected at customer centers and hubs by dedicated people. Country HR and HSEQ functions are responsible for collecting

the data for each country using local and Group-wide data systems. The Group HR and HSEQ functions compile the Group-wide data.

## CAPACITY CHANGES

The total number of customer centers and hubs varied during the year depending on new openings and closures of some locations. Also, the demand for Ramirent services has an effect on the environmental figures, such as the amount of waste.

## GLOBAL COMPACT INITIATIVE

Ramirent joined the United Nations' Global Compact initiative in 2015. The GRI index represents how we fulfill the principles of human rights, labor standards, environment and anti-corruption.



# GRI INDEX

## GENERAL STANDARD DISCLOSURES

FS = FINANCIAL STATEMENTS 2017

GRI	PAGE NUMBER	COMMENTS
<b>STRATEGY AND ANALYSIS</b>		
<b>ORGANIZATIONAL PROFILE</b>		
G4-1 Statement from the most senior decision maker of the organization	6–7	
GN-2 Description of key impacts, risks and opportunities	8–9, 10–11	Reported partly.
G4-3 Name of the organization	5	
G4-4 Primary brands, products and, services	5, 10–11, 12	
G4-5 Location of the organization's headquarters	Back cover	
G4-6 Number and names of countries where the organization operates	5, FS 56	
G4-7 Nature of ownership and legal form	FS 56	
G4-8 Markets served	5	
G4-9 Scale of the organization	5, 13–15	
G4-10 Employment types and workforce	5, 13–15 20–21	Reported partly. Personnel reported separately by region, by gender and by contract type. No significant variations in employment numbers and no substantial work performed by self-employed.
G4-11 Employees covered by collective bargaining agreements		Information is not currently available.
G4-12 Organization's supply chain	24–25	
G4-13 Significant changes during the reporting period regarding size, structure, ownership or supply chain.	32	
G4-14 Precautionary approach	FS 115–119	
G4-15 External charters, principles or initiatives subscribed to or endorsed	32	Ramirent joined UN Global Compact in 2015 and Ramirent Finland the climate Commitment "Ilmastokumppanit" in 2013.
G4-16 Memberships of associations and advocacy organizations	28	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17 Entities included in the organization's consolidated financial statements and report boundary	32, FS 90–91	
G4-18 Process for identifying the report content and implementation of Reporting Principles	18–19, 32	
G4-19 Material Aspects identified	19	
G4-20 Aspect Boundary for each material aspect within the organization	32	
G4-21 Aspect Boundary for each material aspect outside the organization		Not reported.
G4-22 Restatements of information provided in previous reports		No restatements of information.
G4-23 Significant changes from previous reporting periods in the scope and Aspect Boundaries		No significant changes.
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24 Stakeholder groups engaged by the organization	28	
G4-25 Basis for identification and selection of stakeholders with whom to engage		Not reported.
G4-26 Organization's approach to stakeholder engagement	28	
G4-27 Key topics and concerns raised through stakeholder engagement and organization's response	28	Reported partly.
<b>REPORT PROFILE</b>		
G4-28 Reporting period	32	
G4-29 Date of most recent previous report	9.3.2017	
G4-30 Reporting cycle	Annual	
G4-31 Contact point for questions regarding the report	Back cover	
G4-32 'In accordance' option and the GRI content index	32, 33	
G4-33 Policy and current practice regarding external assurance		The report has not been externally assured.
<b>GOVERNANCE</b>		
G4-34 Governance structure of the organization and committees of the highest governance body responsible for decision-making on economic, environmental and social impacts.	FS 114	
<b>ETHICS AND INTEGRITY</b>		
G4-56 Organization's values, principles, standards and norms	30	
<b>SPECIFIC STANDARD DISCLOSURES</b>		
DMA AND INDICATORS	PAGE NUMBER	IDENTIFIED OMISSION(S)
G4-DMA Generic disclosures on management approach	18, 20–21, 22, 24, 26, 30	
<b>CATEGORY: ECONOMIC</b>		
G4-EC1 Direct economic value generated and distributed	28–29	
G4-EC3 Coverage of the organization's defined benefit plan obligations	FS 63	Financial implications not reported.
G4-EC8 Significant indirect economic impacts	29	
<b>CATEGORY: ENVIRONMENTAL</b>		
G4-EN3 Energy consumption within the organization	27	Reported partly. Electricity and heat consumption reported.
GN-EN23 Total weight of waste by type and disposal method	27	Reported partly. Determination on the waste disposal method not reported.
<b>CATEGORY: SOCIAL – LABOUR PRACTICES AND DECENT WORK</b>		
G4-LA6 Injuries, lost days, absenteeism and fatalities	22–23	Reported partly. Information not reported by gender, regarding occupational diseases or for contractors. No fatalities.
G4-LA10 Programs for skills management and lifelong learning	20–21	Reported partly. Transition assistance programmes not reported.
G4-LA12 Composition of governance bodies and breakdown of employees	FS 114–116	Reported partly.

# FINANCIAL STATEMENTS

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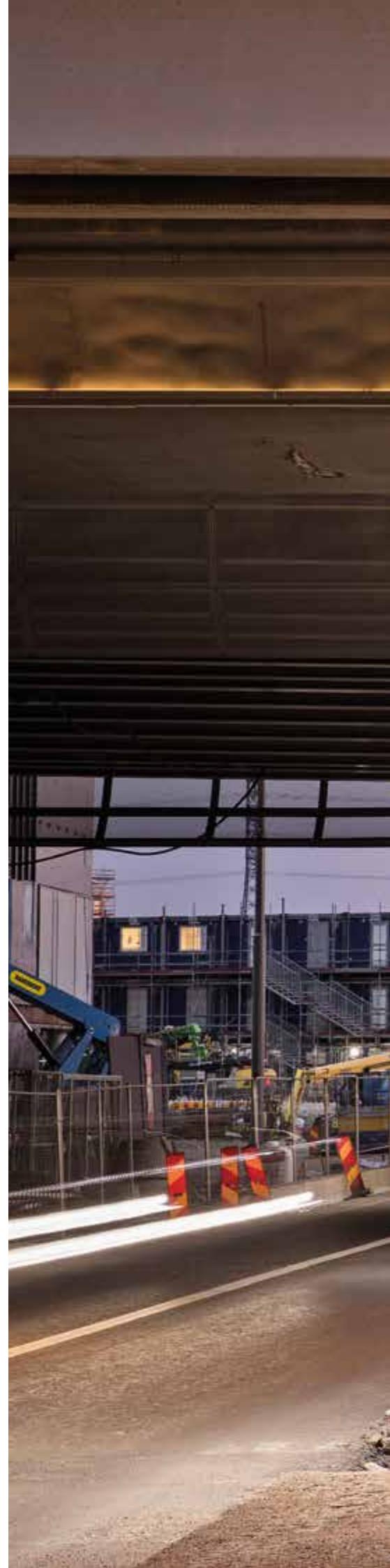
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# REPORT OF THE BOARD OF DIRECTORS

## RAMIRENT IN BRIEF

Ramirent is a leading rental equipment group combining the best equipment, services and know-how into rental solutions that simplify customer business. Ramirent serves a broad range of customer sectors including construction, industry, services, the public sector and households. In 2017, Ramirent Group sales totalled EUR 723.7 million. The Group has 2,820 employees in 293 customer centres in 10 countries. Ramirent is listed on the NASDAQ Helsinki (RMRIV). Ramirent – More Than Machines™.

## FINANCIAL REVIEW

Ramirent Group's January–December net sales grew by 9.3% at comparable exchange rates, being the fastest growth rate since 2012. Net sales grew in all segments except in Denmark. Comparable sales growth was strongest in Europe Central, Baltics and Sweden. Sales growth was also good in Finland. Sales development was positive in our key priority areas: rental sales and sales to small and medium-sized customers. The Group's reported net sales increased by 8.8% to EUR 723.7 (2016: 665.2; 2015: 613.5) million.

### NET SALES DEVELOPMENT BY SEGMENT:

(MEUR)	JAN–DEC 2017	JAN–DEC 2016	CHANGE	CHANGE AT COMPARABLE EXCHANGE RATE	OF GROUP IN 2017
Finland	191.5	180.4	6.1%	6.1%	26.4%
Sweden	260.3	237.0	9.8%	11.8%	35.9%
Norway	121.2	120.2	0.8%	1.2%	16.7%
Denmark	41.0	41.7	-1.6%	-1.7%	5.7%
Baltics	40.8	34.4	18.6%	18.6%	5.6%
Europe Central	70.2	55.8	25.8%	23.0%	9.7%
Elimination of sales between segments	-1.4	-4.4			
<b>Net sales, total</b>	<b>723.7</b>	<b>665.2</b>	<b>8.8%</b>	<b>9.3%</b>	<b>100.0%</b>

January–December EBITDA increased to EUR 205.5 (169.0) million. The EBITDA margin was 28.4% (25.4%) of net sales. Comparable depreciation of tangible assets was EUR 107.8 (103.9) million and including IACs EUR 107.8 (109.8) million.

The Group's January–December comparable EBITA increased to EUR 99.0 (68.1) million, representing 13.7% (10.2%) of net sales and reported EBITA increased to EUR 97.7 (59.2) million or 13.5% (8.9%) of net sales. Sales growth, a good sales mix and progress in turnaround actions in non-performing units contributed to improved EBITA. All our segments improved their comparable EBITA and particularly gratifying was the strong profit comeback of Sweden and Europe Central segments. Items affecting comparability in 2017 included EUR -2.6 million restructuring charges in Denmark and a non-comparable capital gain of EUR 1.3 million in Norway. In the comparison period, items affecting comparability in EBITA included asset write-downs, reorganization costs and the derecognition of an earn-out liability in total of EUR -8.9 million.

The share of Fortrent's (joint venture company in Rus-

sia and Ukraine) net result to Ramirent has been reported since January 1, 2017 under the Group's unallocated items. The Fortrent Group's net sales rose by 8.9% and amounted to EUR 31.8 (29.2) million or at comparable exchange rates decreased by 1.1%. In Russia, demand was strongest in Moscow and in new regions, while low construction activity impacted negatively on sales in St. Petersburg. In Ukraine, net sales increased supported by increased construction activity.

Fortrent's EBITA was EUR 4.4 (3.2) million or 13.9% (11.1%) of net sales. Good development in rental sales improved the sales mix and contributed positively to EBITA. Fortrent's net result was EUR 2.0 (2.8) million. The 2016 net result included EUR 1.0 million items affecting comparability related to loan reclassification in Fortrent Group. Ramirent's share of the net result was EUR 1.0 (1.3) million. The 2016 share of the consolidated net result includes items affecting comparability of EUR 0.5 million. On December 1, 2017, Ramirent announced the start of a process to explore strategic options for the equally-held joint venture company Fortrent between Ramirent and Cramo, including a potential sale.

## COMPARABLE EBITA BY SEGMENT

(MEUR AND % OF NET SALES)	JAN–DEC 2017	% OF NET SALES	JAN–DEC 2016	% OF NET SALES
Finland	26.5	13.9%	23.0	12.7%
Sweden	39.5	15.2%	28.8	12.1%
Norway	11.2	9.3%	7.6	6.3%
Denmark	3.0	7.3%	2.3	5.5%
Baltics	8.6	21.0%	5.8	16.8%
Europe Central	15.2	21.6%	4.4	7.9%
Unallocated items	-5.0		-3.7	
<b>Total</b>	<b>99.0<sup>1</sup></b>	<b>13.7%</b>	<b>68.1<sup>2</sup></b>	<b>10.2%</b>

1 The Group's reported EBITA was EUR 97.7 million in 2017

2 The Group's reported EBITA was EUR 59.2 million in 2016

## ITEMS AFFECTING COMPARABILITY IN EBITA:

(MEUR)	JAN–DEC 2017	JAN–DEC 2016
Finland	-	1.0
Sweden	-	-2.4
Norway	1.3	-5.9
Denmark	-2.6	-
Baltics	-	-
Europe Central	-	-0.5
Unallocated items	-	-1.2
<b>Total</b>	<b>-1.3</b>	<b>-8.9</b>

During 2017 the Group's comparable amortizations were EUR 8.4 (9.3) million and including IACs reported amortization and impairment charges were EUR 8.4 (20.9) million. The Group's comparable EBIT increased to EUR 90.6 (59.0) million, representing 12.5% (8.9%) of net sales. Reported EBIT increased to EUR 89.3 (38.4) million, representing 12.3% (5.8%) of net sales.

Net financial items were EUR -12.4 (-10.2) million, including EUR -1.4 (0.8) million net effects of exchange rate gains and losses. Income taxes amounted to EUR -13.5 (-6.3) million. Profit for the period attributable to the owners of the parent company amounted to EUR 63.5 (22.1) million and earnings per share (EPS) was 0.59 (0.20). Comparable Return on capital employed (ROCE) amounted to 13.8% (9.3%) and comparable return on equity (ROE) to 20.6% (12.1%). Return on capital employed (ROCE) amounted to 13.8% (2016: 6.2%; 2015: 10.0%) and return on equity (ROE) to 20.9% (2016: 7.2%; 2015: 12.1%).

Ramirent Group's January–December gross capital expenditure on non-current assets decreased to EUR 166.4 (190.8) million or 23.0% (28.7%) of net sales. Group investments in machinery and equipment decreased to EUR 153.5 (165.6) million. Sales of rental machinery and equipment amounted to EUR 30.8 (25.4) million. Committed investments on rental machinery amounted to EUR 23.7 (30.5) million at the end of 2017.

The Group's January–December cash flow from operating activities increased to EUR 202.2 (168.0) million, of which the change in working capital was EUR 3.9 (6.6) million. Cash flow from investing activities was EUR -150.6

(-188.6) million. Cash flow after investments amounted to EUR 51.6 (-20.7) million. The sale and leaseback transaction of the Enebakk hub facility in Norway contributed to the cash flow increase by EUR 15.1 million. Ramirent invested EUR 3.2 million in 2017 to building the hub facility.

## FINANCIAL POSITION

The Group's net debt decreased and amounted to EUR 337.9 (345.8) million at the end of 2017. The level of net debt corresponds to a gearing ratio of 109.2% (116.2%). Net debt to EBITDA ratio on a rolling 12 months' basis was 1.6x (2.0x) remaining well below Ramirent's financial target of a maximum of 2.5x at the end of each fiscal year. At the end of 2017, the Group had EUR 208.9 (153.9) million of unused committed back-up credit facilities available. The average interest rate of the loan portfolio was 1.8% (1.9%). The average interest rate including interest rate hedges was 1.9% (2.0%).

The Group's equity attributable to the parent company shareholders amounted to EUR 309.5 (297.6) million and the Group's equity ratio was at 36.2% (35.9%). Non-cancellable minimum future off-balance sheet lease payments amounted to EUR 82.0 (82.1) million at the end of 2017, which related mainly to premises.

## GROUP STRUCTURE

In January 2017, Ramirent's Norwegian subsidiary, Ramirent Module Systems AS, was merged to the parent company Ramirent AS in Norway.

In May 2017, Ramirent increased its ownership in its Swedish subsidiary, Safety Solutions Jonsereds AB, to 85.7%.

In November 2017, Ramirent finalized the sale of its Norwegian subsidiary, C6 Invest AS, the company owning Ramirent's hub facility located in Enebakk, and entered into a lease agreement for the premises.

## REVIEW BY SEGMENT

### CHANGES IN SEGMENT REPORTING

As of January 1, 2017 the share of Fortrent Group's net result to Ramirent has been reported under Group unallocated items not affecting any operating segment.

Previously this item was reported under segment Europe East, which was renamed segment Baltics as it contained only operations of the Baltic States after this change. The comparative figures have been restated accordingly in the report. As of January 1, 2018 segments Baltics and Europe Central will be combined to one segment, Eastern Europe.

## FINLAND

Ramirent is the largest equipment rental company in Finland serving customers through a nationwide network of 57 customer centers.

KEY FIGURES (MEUR)	JAN-DEC 2017	JAN-DEC 2016	CHANGE
Net sales	191.5	180.4	6.1%
Comparable EBITA	26.5	23.0 <sup>1</sup>	15.5%
% of net sales	13.9%	12.7%	
Reported EBITA	26.5	24.0	10.7%
% of net sales	13.9%	13.3%	
Comparable ROCE (%)	19.1%	18.0% <sup>1</sup>	
Reported ROCE (%)	19.1%	18.8%	

<sup>1</sup> Excluding items affecting comparability (IACS) of EUR 1.0 million in 1-12/2016

The strong momentum in the Finnish equipment rental market continued throughout the year supported by growing new residential construction especially in urban growth centers and large non-residential construction projects.

Finland segment's net sales grew by 6.1% supported by solid demand in the construction and industrial sectors.

The share of service sales grew in the sales mix driven by several large ongoing projects both in the construction and industry sector. Good sales growth among small and medium-sized customers was achieved during the year.

The segment's comparable EBITA increased to EUR 26.5 (23.0) million and reported EBITA to EUR 26.5 (24.0) million driven by good volume growth and cost savings.

## SWEDEN

Ramirent is the second largest equipment rental company in Sweden serving customers through a nationwide network of 79 customer centers.

KEY FIGURES (MEUR)	JAN-DEC 2017	JAN-DEC 2016	CHANGE
Net sales	260.3	237.0	9.8%
Comparable EBITA	39.5	28.8 <sup>1</sup>	37.3%
% of net sales	15.2%	12.1%	
Reported EBITA	39.5	26.4	49.5%
% of net sales	15.2%	11.1%	
Comparable ROCE (%)	17.6%	12.2%	
Reported ROCE (%)	17.6%	11.0%	

<sup>1</sup> Excluding IACS of EUR -2.4 million in 1-12/2016

Overall market conditions in the Swedish equipment rental market were strong supported by the robust momentum in the construction sector. Sweden segment's net sales increased by 9.8% or 11.8% at comparable exchange rates. The positive net sales development was supported by healthy growth especially in rental sales and sales

towards small and medium-sized customers.

The segment's comparable EBITA increased significantly to EUR 39.5 (28.8) million. Volume growth, favorable business mix, and improved equipment supply chain performance all contributed to improved EBITA. Reported EBITA was EUR 39.5 (26.4) million.

## NORWAY

Ramirent is the largest equipment rental company in Norway serving customers through a nationwide network of 42 customer centers.

KEY FIGURES (MEUR)	JAN-DEC 2017	JAN-DEC 2016	CHANGE
Net sales	121.2	120.2	0.8%
Comparable EBITA	11.2 <sup>1</sup>	7.6 <sup>2</sup>	48.0%
% of net sales	9.3%	6.3%	
Reported EBITA	12.5	1.7	n/a
% of net sales	10.3%	1.4%	
Comparable ROCE (%)	7.4% <sup>1</sup>	4.1% <sup>2</sup>	
Reported ROCE (%)	8.8%	-1.2%	

1 Excluding IACS of EUR 1.3 million in 1-12/2017

2 Excluding IACS of EUR -5.9 million in 1-12/2016

Overall market conditions in the Norwegian equipment rental market improved in the second half of the year after the relatively weak first half. Norway segment's net sales increased slightly by 0.8% or 1.2% at comparable exchange rates. Sales developed positively especially among small and medium sized customers during the year. The sale of a large installed Temporary Space site to the customer to the amount of EUR 5.6 million also contributed to the segment's net sales.

The segment's comparable EBITA increased to EUR

11.2 (7.6) million. Despite modest sales growth, comparable EBITA improved as a result of an improved sales mix and continuous improvement in cost efficiency. Reorganization actions to improve the competitiveness of the scaffolding and the Temporary Space businesses progressed during the year and supported EBITA. Reported EBITA rose to EUR 12.5 (1.7) million and included a capital gain of EUR 1.3 million for the sale and leaseback of Enebakk hub facility.

## DENMARK

Ramirent is the third largest equipment rental company in Denmark serving customers through a network of 7 customer centers.

KEY FIGURES (MEUR)	JAN-DEC 2017	JAN-DEC 2016	CHANGE
Net sales	41.0	41.7	-1.6%
Comparable EBITA	3.0 <sup>1</sup>	2.3	30.0%
% of net sales	7.3%	5.5%	
Reported EBITA	0.4	2.3	-83.4%
% of net sales	0.9%	5.5%	
Comparable ROCE (%)	7.9%	6.4%	
Reported ROCE (%)	-0.3%	6.4%	

1 Excluding IACS of EUR -2.6 million in 1-12/2017

Overall market conditions in the Danish equipment rental market were stable during the year. Denmark segment's net sales declined slightly by -1.6% or -1.7% at comparable exchange rates. Sales declined mainly due to lower sales of used equipment.

Despite modest volume development, the segment's comparable EBITA improved to EUR 3.0 (2.3) million due to good sales mix, better price realization and cost

efficiency. As part of the strategy of intensifying efforts to turnaround low-performing units, Ramirent initiated at the end of the year a restructuring of the Danish customer center network and sales force, which was successfully completed. The related restructuring charge of EUR -2.6 million was mainly due to the termination of leases of customer center facilities. Reported EBITA amounted to EUR 0.4 (2.3) million.

## BALTICS

Ramirent is the largest equipment rental company in Baltics serving customers through a network of 44 customer centers nationwide in Estonia, Latvia and Lithuania. The segment was previously called Europe East which also included Ramirent's share of Russia and Ukraine-based joint venture Fortrent Group's net result.

KEY FIGURES (MEUR)	JAN-DEC 2017	JAN-DEC 2016	CHANGE
Net sales	40.8	34.4	18.6%
Comparable EBITA	8.6	5.8	47.9%
% of net sales	21.0%	16.8%	
Reported EBITA	8.6	5.8	47.9%
% of net sales	21.0%	16.8%	
Comparable ROCE (%)	15.5%	11.4%	
Reported ROCE (%)	15.5%	11.4%	

Overall demand development improved in the equipment rental markets in the Baltic States supported by recovery in construction activity. Baltics segment's net sales increased by 18.6%. All three Baltic States contributed to the sales growth driven by good development in rental sales.

Sales growth was especially strong in Latvia.

The segment's EBITA increased to EUR 8.6 (5.8) million. EBITA improved as a result of strong volume growth, a favorable sales mix and cost efficiency.

## EUROPE CENTRAL

Ramirent is the largest equipment rental company in Europe Central serving customers through a network of 64 customer centers in Poland, Slovakia and the Czech Republic.

KEY FIGURES (MEUR)	JAN-DEC 2017	JAN-DEC 2016	CHANGE
Net sales	70.2	55.8	25.8%
Comparable EBITA	15.2	4.4 <sup>1</sup>	245.9%
% of net sales	21.6%	7.9%	
Reported EBITA	15.2	3.9	288.0%
% of net sales	21.6%	7.0%	
Comparable ROCE (%)	21.9%	7.2% <sup>1</sup>	
Reported ROCE (%)	21.9%	6.4%	

<sup>1</sup> Excluding IACS of EUR -0.5 million in 1-12/2016

Overall market conditions improved across the Europe Central segment. The equipment rental market in Poland was supported by accelerating construction activity during the year. In Slovakia demand for equipment rental was supported by good underlying market activity while recovery in construction activity supported demand in the Czech Republic.

Europe Central segment's net sales growth was strong, being 25.8% or 23.0% at comparable exchange rates. The strong growth was enabled by new fleet capacity and

solid operational execution. All countries contributed to sales growth. The sales mix developed favorably across all countries driven by strong rental sales growth especially among the small and medium-sized customers.

The segment's comparable EBITA increased significantly to EUR 15.2 (4.4) million. Reported EBITA was EUR 15.2 (3.9) million. Strong volume growth, favorable business mix, cost efficiency and solid execution of reorganization actions all boosted EBITA.

## PERSONNEL OCCUPATIONAL SAFETY AND NETWORK

At the end of 2017, Ramirent had 2,820 (2,686) full time equivalent employees (FTE) and Ramirent's rolling 12 months' accident frequency (LTIF, accidents per million working hours) was 7.9 (9.3). Ramirent's target for LTIF is to be below 5 by 2020.

	AVERAGE PERSONNEL (FTE)			CUSTOMER CENTERS		
	2017	2016	2015	2017	2016	2015
Finland	529	498	468	57	56	56
Sweden	808	757	773	79	78	78
Norway	401	401	405	42	42	42
Denmark	139	141	146	7	13	13
Baltics	269	258	250	44	43	44
Europe Central	436	491	486	64	58	55
Group staff <sup>1</sup>	192	161	110	-	-	-
<b>Total</b>	<b>2,774</b>	<b>2,706</b>	<b>2,639</b>	<b>293</b>	<b>290</b>	<b>288</b>

<sup>1</sup> Group Staff includes also employees of Ramirent's site module assembly plant in Tallinn, Estonia

## GROUP STRATEGY AND FINANCIAL TARGETS

Ramirent launched its new strategy and financial targets for 2018–2020 on November 30, 2017. With the new strategy, Ramirent aims to focus on capital efficient profitable growth in its core business - construction equipment rental and related services. Consequently, Ramirent also announced starting to explore strategic options for its Temporary Space business, including a potential sale. The key building blocks of the "Capital Efficient Profitable Growth in the Core" strategy are the following:

### WINNING IN THE SMALL AND MEDIUM-SIZED BUSINESS SECTOR

Our share among small and medium-sized businesses (SMBs) is still below our average and we aim to win in this sector by further improving our customer experience and availability.

### BECOMING THE LARGE CUSTOMER'S SUPPLIER OF CHOICE

We want to further strengthen our strong position and become the large customers' supplier of choice by providing advanced total solutions that improve safety, productivity and sustainability in construction and other industries. Ramirent has a market-leading offering in what it takes to help construction businesses improve their productivity.

### BUILDING THE INDUSTRY'S BEST PERFORMING SUPPLY CHAIN

We will make a step-change improvement in our availability, delivery accuracy and supply chain efficiency by 2020

### THE NEW FINANCIAL TARGETS TO SUPPORT OUR STRATEGY EXECUTION

INDICATOR	TARGET LEVEL
EPS growth (CAGR)	double digit % over 2018-2020
ROCE	16% by the end of 2020
Dividend payout ratio	> 50% of net profit
Net debt to EBITDA	< 2.5x at end of each fiscal year

by developing and digitizing our processes. There is sizable untapped potential in our supply chain management.

### TIGHTENING PERFORMANCE MANAGEMENT OF LOW-PERFORMING UNITS

We will strive to have no units nor customer centers delivering below 10% EBIT by 2020 and implement clear performance management standards in the company.

### GROWING CAPITAL EFFICIENTLY

We will seek above-average growth rates in capital-light product categories and raise our capital efficiency through supply chain improvements and by optimizing the replacement investments. We aim to grow min. 2% p.a. before the effect of growth investments.

### BECOMING A GREAT PLACE TO WORK BY FOCUSING ON LEADERSHIP AND SAFETY

To raise our performance and pursue the updated strategy and financial targets, we want to create a great place to work by developing the Ramirent leadership culture and our safety standards to be top-quartile by 2020.

## KEY BUSINESS RISKS AND RISK MANAGEMENT

At Ramirent, risk is the potential for loss or harm or the diminished opportunity for gain, that can adversely affect the achievement of Ramirent objectives. The purpose of risk management is to provide key stakeholders with reasonable assurance of achievement of objectives as well as reliability of financial and operative reporting and compliance with associated laws, regulations and internal policies. Risks described below are the key risks to which Ramirent and its shareholders are exposed to.

Changes in the demand of customer industries and economic cycles may happen fast and have a negative impact on the construction market as well as on Ramirent's operations and financial position. Ramirent strives to reduce the risk by maintaining a large and diversified customer base which cover a wide range of industries. The construction sector is the largest customer sector for Ramirent.

Ramirent operates in a highly competitive business environment where new entrants may establish competitive advantage over Ramirent. Ramirent aims to further improve its competitive position through the dual focus in its new strategy for both large as well as small and medium-sized businesses recognizing their different needs. Further opportunities to improve the efficiency and service levels in fleet management and supply chain can be seen. Ramirent aims to optimize the process flow, the fleet assortment, maximize fleet availability and utilization and further reduce operational costs. Ramirent also aims to develop rental industry's best performing supply chain.

Ramirent recognizes the dependencies on information technology services and solutions. Ramirent focuses on further improving its information technology solutions and information security management to avoid interruptions, exposure to data loss and compromised confidentiality or usability of information. Ramirent recognizes the risk of misconduct in our business. The SpeakUp Line is available on all group and local homepages and intranet. All employees and third parties are continuously reminded and encouraged to speak up in person or anonymously on any misconduct matters. All identified matters are investigated and responsible persons will be made accountable.

Ramirent has a decentralized organization model, which implies autonomy in its business units. Ramirent operates in different markets and countries, and recognizes the risk of non-compliance with the local laws and regulations. Managing business in such an organization imposes requirements on reporting and control, which may be cumbersome for the organization. Ramirent has developed communication and training on Group reporting instructions, and continues to improve reporting quality. Further development of internal controls for end-to-end processes is progressing.

The Board of Directors has approved the Risk Management Policy. The Risk Management Policy has been developed based on the COSO ERM Framework, the ISO 31000 standard "Risk Management - Principles and Guidelines" and corporate governance best practices. The Risk Man-

agement Policy is the basis for other policies in Ramirent, including the Internal Control Policy. Risk management is embedded in business processes and continuous. Regular risk assessments are conducted in different areas of business and results incorporated into overall group-wide risk assessment. The reporting to the Board is quarterly. An essential part of the risk management is to maintain and develop appropriate insurance coverage of our fleet. Group insures personnel, financial, operative, strategic and hazard risks, which after risk management measures remain above Group's risk retention limit and are cost-effective to insure.

Ramirent is subject to certain financial risks such as foreign currency, interest rate, liquidity and funding risks. The financial risk management in Ramirent strives to secure sufficient funding for operational needs and to minimize the funding costs and the effects of changes in foreign exchange rates, interest rates and other financial risks cost-effectively. Fluctuations in currency exchange rates can significantly affect Ramirent's financial result. The effect of exchange rate fluctuations is visible when translating the net sales and financial results of our subsidiaries outside the Eurozone to euros. Changes in exchange rates may increase or decrease net sales or results. Hedging operations are managed by Group Treasury. Credit risk is defined as the possibility of a customer not fulfilling its commitments towards Ramirent. Ramirent's business units are responsible for credit risks related to sales activities and assess the credit quality of their customers by taking into account the customer's financial position, past experience and other relevant factors. When appropriate, advance payments, deposits, letters of credit and third party guarantees are used to mitigate credit risks. Customer credit risks in Ramirent are diversified as trade receivables are generated by a large number of customers.

## CORPORATE RESPONSIBILITY, NON-FINANCIAL INFORMATION

### RAMIRENT'S BUSINESS MODEL

Ramirent's key to improving productivity for its customers is through circularity by sharing resources and knowledge. By sharing and re-using equipment and machines through rental, Ramirent supports the creation of a circular economy. Smooth flow of machines, services and information leads to improved productivity and minimized environmental impact. Key elements of how Ramirent improves productivity are through maximizing safety, operational excellence, and high availability of equipment and services. Sharing resources and information leads also to improved ways of working, improved product features, new innovations and ideas. Ramirent's supply chain management plays an important role in achieving a smooth flow of machines, services and information. Ramirent's responsible business practices form the foundation of all operations.

## RAMIRENT'S KEY NON-FINANCIAL KPI'S FOR ITS BUSINESS

GREAT AND SAFE PLACE TO WORK	TARGET LEVEL	2017	2016
Leadership quality (Leadership Index)	Top quartile of companies by 2020	74.4 <sup>1</sup>	70.7 <sup>1</sup>
Employee engagement (Engagement Index)	Top quartile of companies by 2020	83.0 <sup>1</sup>	80.0 <sup>1</sup>
Safe place to work (LTIF) <sup>2</sup>	LTIF <5 by 2020	7.9	9.3
ENVIRONMENTAL KPI'S	TARGET LEVEL	2017	2016
Total amount of waste, T <sup>3</sup>	Declining	3,670	4,108
Overall electricity consumption, MWh <sup>4</sup>	Declining	14,431	14,673

<sup>1</sup> 2017 outcome is from the RamiEar employee survey of January 2018 and the comparable 2016 figure from the January 2017 survey.

<sup>2</sup> LTIF - Accidents per million working hours

<sup>3</sup> Excl. Baltics & Europe Central

<sup>4</sup> In customer centers, hubs, office by segment

## EMPLOYEE MATTERS

Ramirent is committed to making Ramirent a "Great Place to Work" that has motivated and engaged employees with skills to deliver operational excellence. Ramirent aims to become a Great Place To Work by developing its leadership and safety culture. Ramirent wants to serve as an example in directing the industry towards more conscious and modern leadership, where equal opportunities are available for everyone. Ramirent continuously strives for developing work environment safety, job satisfaction and employee engagement with zero tolerance for any kind of discrimination or harassment. Ramirent aims for consistent performance management combined with fair reward and recognition.

### EMPLOYEE COMPETENCE AND ENGAGEMENT

Ramirent aims for increasing personnel's competence levels in areas that are strategically important for the Group which will at the same time ensure employee engagement. Ramirent Academy is the Group's internal competence development program, focusing on increasing the personnel's competence level in areas that are strategically important for the Group. Ramirent's Management Trainee Program ensures that we have capable managers to take the company further. In terms of recruiting, Ramirent is among the many companies to whom digitalization brings new demands on the skills of our employees. We are also looking to hire individuals with a background in the retail sector, as similar commercial skills are sought after also for our customer center employees. Ramirent's leadership behaviors define what good leadership at Ramirent should look like and aim at creating a Great Place to Work and a first class customer experience at all levels.

### OCCUPATIONAL HEALTH AND SAFETY

Safety is a top priority for Ramirent. We aim to make the construction industry safer. As a company serving a large customer base in the construction and general manufacturing industry, Ramirent actively promotes safety culture within the organization and business partners, and to

all customers by providing training in matters related to safe use of machines and equipment, and building a safe working environment. Ramirent continuously develops tools and practices to help construction projects to be run safely and efficiently in every phase and be completed on time and within budget. Ramirent's own R&D work specializes in safety, in particular, fall protection and traffic safety. Based on the vast machine user data collected from customer project sites throughout the year, Ramirent has developed new products with improved unique safety features.

### EMPLOYEE AND SOCIAL MATTERS RELATED RISK MANAGEMENT

Together the Ramirent Human Resources Board and Health, Safety, Environmental and Quality (HSEQ) board manage and develop key areas related to Ramirent's staff as well as health and safety risks in Ramirent's operations. Ramirent has developed and implemented internal controls to mitigate the employee related key risks, established relevant transfers of risk where mitigation is not possible and insured certain unforeseen and unexpected events.

Risks related to employee competence and engagement are monitored in annual RamiEar employee surveys. Annual development discussions of personnel have a key role in supporting the well-being and engagement of Ramirent employees. In Ramirent we recognize potential hazard categories of accidents, physical, chemical, biological hazards as well as physical and psychosocial work load. Examples of hazard risks include situations where employees need to work outside in difficult weather conditions or operate non-standard and complex machinery.

The social and employee related risk management practices cover physical inspection of sites, fleet, work-spaces and control activities (monitoring of overtime, supervision, medical inspection, internal audits) as well as data analysis and follow up of key performance indicators on a regular basis. Ramirent has invested in good, high-quality and safe working clothes and safety equipment and instructed employees and business partners on Ramirent sites to follow safety instructions. Instructions

and training is provided to employees and customers in regards to the safe use of our machinery and equipment to avoid any personal damages.

## HUMAN RIGHTS, ANTI-CORRUPTION AND BRIBERY

In Ramirent we show respect for human rights. Ramirent Code of Conduct sets forth the key principles of the UN Global Compact which in short are: supporting the protection of human rights, freedom of association and collective bargaining, free labor and undertaking initiatives to promote greater environmental responsibility and working against corruption in all forms. The key principles of conduct at Ramirent are: equality, respect, integrity and confidentiality. The purpose of Code of Conduct is to guide the decisions, procedures and systems of Ramirent in a way that contributes to the welfare of its key stakeholders, and respects the rights of all constituents affected by its operations. The Code is applicable to all Ramirent employees, directors, subcontractors and suppliers working with the Ramirent Group. All employees are introduced to the Code at the start of the employment. Conduct matters are also part of annual professional development discussions with the supervisor and surveyed in the RamiEar group-wide employee survey. Results are analyzed and subject for next year development and training programs.

Ramirent's SpeakUp Line is also available for reporting of all suspected violations of human rights or any fraudulent activity. In 2017 no violations of human rights were identified. Zero violations of human rights is also the target for the future. Ramirent continues to improve its policies and practices to better guide employees and business partners as well as to invest into development and education of employees. Key risks related to violation of human rights are similar to the risks mentioned in social and employee related matters. Further risks are potential violations against the freedom of association, right for collective bargaining, unequal treatment of people as well as unfair pay for the employees or subcontractors. Ramirent evaluates the respect for human rights in the tendering process when selecting subcontractors and business partners. The human rights related risk is evaluated as part of regular HR and HSEQ risk management practices and quarterly as part of overall Enterprise Risk Management process.

Ramirent aims to work against corruption in all its forms, including extortion and bribery, according to key principles of the UN Global Conduct. Fraud and Anti-Corruption Policy as well as Compliance Policy have been developed in 2017 to help in communicating these issues to all staff. The implementation of these policies is proceeding during 2018 with internal process improvements, Group wide communication and development of follow-up process and KPIs. Ramirent Code of Conduct gives behavioral guidance and sets basis for addressing corruption and bribery. The Code of Conduct is an important tool in our work to prevent misconduct. Violations of the Ramirent Code of Conduct are reported to Ramirent's

Executive Management Team. Ramirent Supplier Code of Conduct is in development for 2018.

Key risks in equipment rental business include fraudulent use of our equipment, fraudulent invoicing from vendors and subcontractors, customer fraud, manipulation of bidding and sourcing processes and bribery of customers.

Managing fraud, corruption and bribery risks is continuous and embedded in Ramirent's business processes. Ramirent is developing the design and implementation for the internal controls system in order to optimize the follow-up activities and ensure better and holistic assurance to the Board. The segment management is working locally on improving the implementation of the key control points in Ramirent end-to-end processes as well as further formalizing the controls and their follow-up.

Ramirent uses the SpeakUp Line to report on suspected anti-corruption and bribery related issues. The Internal Audit function acts as the owner of the line with regular follow-up of messages in it and reports to the Working Committee on the findings. Regular communication to promote and encourage employees and external parties to speak up on fraud and corruption as well as other matters will continue. Policies, procedures and practices are being developed based on the findings.

## ENVIRONMENTAL MATTERS

Ramirent is committed to sustainability from the ground up. Resource efficiency is the very core of our business, as renting and sharing equipment reduces the environmental burden. Ramirent continuously strives to minimize our daily environmental footprint in everything we do. Ramirent offers environmentally sustainable solutions that also make financial sense and we are always looking for innovative ways of helping our customers reduce their environmental impact. The Ram-iWay includes key procedures related to environmental issues and covers instructions for environmental impact assessments, use of chemicals, waste management and transports of hazardous chemicals. We train our employees and customers' staff on environmental issues on a continuous basis. We follow the development of the rules and regulations, modify our routines and methods according to the changing conditions and inform our customers continuously, e.g. in common projects. Our environmental focus areas include optimization of transports, energy-efficiency, safe and efficient use of chemicals, and water and waste management.

## ENVIRONMENTAL RISK MANAGEMENT

The key environmental risks for Ramirent include operating own premises, handling fleet, repair and maintenance, transportation and disposals of fleet, manufacturing, mobilization and demobilization of modules and scaffolding as well as managing project sites. The requirements concerning environment extend from our own activity also to our suppliers, so that our customers know that our offering fulfills the environmental standards.

Ramirent environmental risk management is based on Group level policies. Ramirent's Health, Safety, Environ-

mental and Quality (HSEQ) Board manages the environmental risks and takes proactive measures to mitigate them. Based on this, Ramirent segments have developed and implemented locally internal controls to mitigate key environmental risks. Ramirent has established relevant transfers of risk where mitigation is not possible and maintains insurance cover for unforeseen and unexpected events. The environmental risk management practices cover physical inspection of sites, properties and control activities as well as data analysis and follow up of key performance indicators on a regular basis.

## CHANGES IN THE GROUP MANAGEMENT TEAM

Ulrika Dunker was appointed as Executive Vice President responsible for Human Resources and a member of Ramirent Plc's Executive Management Team on November 30, 2016. She assumed her position at Ramirent on February 6, 2017.

The Group Executive Management Team composition is as follows:

- Tapi Kolunsarka, President and CEO
- Pierre Brorsson, EVP and CFO
- Ulrika Dunker, EVP, Human Resources
- Øyvind Emblem, EVP, Norway
- Mikael Kämpe, EVP, Finland
- Dino Leistenschneider, EVP, Fleet and Sourcing
- Heiki Onton, EVP, Baltics and Europe Central
- Jonas Söderkvist, EVP, Sweden and Denmark

## LONG-TERM INCENTIVE PLANS

### SETTLEMENT OF THE LONG-TERM INCENTIVE PLAN 2014

On February 16, 2017, the Board of Directors of Ramirent Plc decided on a directed share issue for the reward payment from the Ramirent long-term incentive plan 2014. A total of 18,920 of Ramirent Plc's treasury shares were conveyed without consideration to the key employees participating in the Ramirent Long-term Incentive Program 2014 under the terms and conditions of the plan.

### LONG-TERM INCENTIVE PLAN 2018

On December 14, 2017, Ramirent Plc's Board of Directors resolved on two new long-term incentive plans: A Performance Share Plan 2018-2020 for the members of the Executive Management Team and a Deferred Incentive Plan 2018 for other key employees of the company.

The aim of the Performance Share Plan 2018-2020 for the Executive Management Team is to align the objectives of the shareholders and the Executive Management Team Members in order to increase the value of the company in the long-term, to retain the Executive Management Team Members at the company, and to offer them a competitive reward plan that is based on earning and accumulating the company's shares. The potential reward from this plan will be paid partly in the company's shares and partly in

cash in 2021. The cash proportion is intended to cover taxes arising from the reward to the plan participants. The potential reward from the Performance Share Plan 2018-2020 will be based on the participant's short-term incentive plan targets in 2018 as well as on the Group's cumulative EPS development in 2018-2020. The rewards to be paid on the basis of the Performance Share Plan 2018-2020 correspond to an approximate maximum total of 270,000 Ramirent Plc shares including also the proportion to be paid in cash.

The aim of the new Deferred Incentive Plan 2018 for other key employees of the company is to maximally support the implementation of the company's renewed strategy and to offer key employees a competitive reward and retention program. The Deferred Incentive Plan includes one earning period, calendar year 2018, with a lock-up period of two years whereby the potential reward will be paid in cash in 2021. The incentive plan includes approximately 160 key employees. The potential reward from the incentive plan for the earning period 2018 will be based on the participant's short-term incentive plan targets. The maximum reward of the Deferred Incentive Plan 2018 to be paid in 2021 will amount up to approximately EUR 2.6 million. The members of the Executive Management Team are not included in the target group of the Deferred Incentive Plan as they are part of the Performance Share Plan where the potential reward is paid in Ramirent shares.

## CONVEYANCE OF TREASURY SHARES

The Board of Directors of Ramirent Plc decided on 16 February 2017 on a directed share issue for the reward payment from the Long-term incentive program 2014. In the share issue 18,920 Ramirent Plc's treasury shares were issued and conveyed without consideration to the key persons participating in the program. In addition, a total of 228,344 of Ramirent Plc's treasury shares were conveyed without consideration to the management of Ramirent's subsidiary Safety Solutions Jonsereds AB as a part of the purchase price for the non-controlling interest.

The Board of Directors of Ramirent Plc decided on May 9, 2017 on a directed share issue of 149,147 of Ramirent Plc's treasury shares conveyed to the minority shareholders of Ramirent's subsidiary Safety Solutions Jonsereds AB as part of the purchase price for the non-controlling interest.

The value of the issued shares, EUR 2,477,013 was recognized in the invested unrestricted equity fund.

## DECISIONS OF THE ANNUAL GENERAL MEETING 2017 AND BOARD OF DIRECTORS' ORGANISING MEETING

Ramirent's Annual General Meeting (AGM) 2017, which was held on March 16, 2017 adopted the 2016 annual financial accounts and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting approved a dividend of EUR 0.40 per share to be paid in two equal installments of EUR 0.20 per share. The first installment of the dividend was paid to shareholders in April 2017 and the second installment in October 2017.

The number of members of the Board of Directors was confirmed to be seven. Kevin Appleton, Kaj-Gustaf Bergh, Ulf Lundahl, Tobias Lönnevall and Susanna Renlund were re-elected as members of the Board of Directors and Ann Carlsson and Erik Bengtsson were elected as new Board members. In the formative meeting, the Board elected Ulf Lundahl to continue as Chairman and Susanna Renlund as Deputy Chairman.

The following remuneration for the Board was approved by the AGM: for the Chairman EUR 3,800 per month and additionally EUR 1,600 for attendance at meetings; for the Vice-Chairman EUR 2,500 per month and additionally EUR 1,300 for attendance at meetings; and for the members EUR 2,250 per month and additionally EUR 1,000 for attendance at meetings.

PricewaterhouseCoopers Oy ("PwC") was re-elected as the company's auditor with APA Ylva Eriksson as principally responsible auditor for the term that will continue until the end of the next AGM.

The AGM authorized the Board of Directors to decide on the repurchase of a maximum of 10,869,732 Company's own shares. The authorization is valid until the Annual General Meeting 2018.

The minutes of the AGM are available on Ramirent's website at [www.ramirent.com](http://www.ramirent.com)

## SHARE TRADING

Ramirent Plc's market capitalization at the end of 2017 was EUR 848.9 (803.3) million. Excluding the company's treasury shares, the market capitalization was EUR 844.6 (796.3) million. The share price closed at EUR 7.81 (7.39). The highest quotation for the period was EUR 9.50 (7.91), and the lowest EUR 6.76 (5.05). The volume weighted average trading price was EUR 8.15 (6.51).

The value of share turnover in 2017 was EUR 400.1 (361.7) million, equivalent to 49,345,011 (55,577,242) traded Ramirent shares, i.e. 45.6% (51.6%) of Ramirent's number of shares outstanding. The average daily trading volume was 196,594 (219,673) shares, representing an average daily turnover of EUR 1,593,984 (1,429,797).

At the end of 2017, Ramirent Plc's share capital was EUR 25.0 million, and the number of Ramirent shares outstanding was 108,145,725 (107,749,314). Ramirent Plc held 551,603 (948,014) of the Company's own shares at the end of 2017, representing 0.51% (0.87%) of the total

number of Ramirent's shares. No own shares were acquired during 2017.

## RAMIRENT'S GUIDANCE FOR 2018

In 2018, Ramirent's comparable EBIT is expected to increase from the level in 2017.

## MARKET OUTLOOK FOR 2018

Ramirent's market outlook is based on the available forecasts disclosed by local construction and industry associations in its operating countries.

The demand outlook for the start of 2018 looks favorable for equipment rental across Ramirent's diverse customer base and geographies. In Finland, market conditions in the equipment rental market are expected to continue to be favorable. In Sweden, continued strong momentum in the construction sector is expected to maintain the demand for equipment rental going into 2018, although the medium-term outlook is more uncertain and the risk level is elevated. The Danish and Norwegian equipment rental markets are estimated to remain fairly stable. In the Baltic countries, Poland, Czech Republic and Slovakia, the market conditions for equipment rental are expected to remain favorable.

## PROPOSAL OF THE BOARD ON THE USE OF DISTRIBUTABLE FUNDS

The parent company's distributable equity on December 31, 2017 amounted to EUR 245,975,831.02 of which the net result from the financial year 2017 is EUR 15,926,255.72.

The Board of Directors has decided to propose to the Annual General Meeting that a dividend of EUR 0.44 per share be paid based on the adopted balance sheet for the financial year ended on December 31, 2017. The dividend shall be paid in two installments. The first installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment 19 March 2018. The first installment is to be paid on April 4, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2018 for shareholders whose shares are registered in Euroclear Sweden AB. The second installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment September 18, 2018. The second installment is to be paid on October 3, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on October 4, 2018 for shareholders whose shares are registered in Euroclear Sweden AB. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations of the Finnish book-entry system would be changed, or otherwise so require, prior to the payment of the second installment of the dividend.

## CORPORATE GOVERNANCE STATEMENT

Ramirent has issued a Corporate Governance Statement for financial year 2017 as a separate report which is available in Ramirent's Annual Report 2017 and on the company's web page at [www.ramirent.com](http://www.ramirent.com).

## ANNUAL GENERAL MEETING 2018

Ramirent's Annual General Meeting 2018 will be held on March 15, 2018 at 10:00 a.m. at Group headquarters, Tapulikaupungintie 37, Helsinki, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 09:00 a.m.

## FORWARD-LOOKING STATEMENTS

Certain statements in this report, which are not historical facts, including, without limitation, those regarding expectations for general economic development and market situation; regarding customer industry profitability and investment willingness; regarding Company growth, development and profitability; regarding cost savings; regarding fluctuations in exchange rates and interest levels; regarding the success of pending and future acquisitions and restructurings; and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions are forward-looking statements. These statements are based on current expectations and currently known facts. Therefore, they involve risks and uncertainties that may cause actual results to differ materially from results currently expected by the Company. In conjunction with the strategy process, Ramirent's Board of Directors assesses the need to revise the financial targets. Changes in financial targets are published as a stock exchange release. Based on its financial targets and the current market outlook, Ramirent gives a general outlook for the current financial year in conjunction with the full year report and interim reports. The outlook is given for the entire year and not for each quarter.

# FINANCIAL AND SHARE-RELATED KEY FIGURES

		2017	2016	2015	2014	2013
Net sales	MEUR	723.7	665.2	635.6	613.5	647.3
Change in net sales	%	8.8	4.6	3.6	-5.2	-9.4
Operating result before depreciation and amortization (EBITDA)	MEUR	205.5	169.0	168.1	167.9	195.1
	% of net sales	28.4	25.4	26.4	27.4	30.1
Operating result before amortization of intangible assets (EBITA)	MEUR	97.7	59.2	66.8	65.8	92.1
	% of net sales	13.5	8.9	10.5	10.7	14.2
Operating result (EBIT)	MEUR	89.3	38.4	57.9	58.1	82.3
	% of net sales	12.3	5.8	9.1	9.5	12.7
Earnings before taxes (EBT)	MEUR	77.0	28.1	46.9	42.5	63.9
	% of net sales	10.6	4.2	7.4	6.9	9.9
Result for the period	MEUR	63.5	22.1	39.0	32.6	54.0
	% of net sales	8.8	3.3	6.1	5.3	8.3
Invested capital, end of period	MEUR	654.4	645.0	600.5	555.2	579.8
Return on capital employed (ROCE)	%	13.8	6.2	10.0	10.2	13.9
Return on invested capital (ROI)	%	13.6	6.4	10.1	9.8	13.3
Return on equity (ROE)	%	20.9	7.2	12.1	9.4	14.7
Interest-bearing debt	MEUR	344.8	347.4	281.4	230.2	208.8
Net debt	MEUR	337.9	345.8	280.9	227.1	206.9
Net debt to EBITDA ratio		1.6x	2.0x	1.7x	1.4x	1.1x
Gearing	%	109.2	116.2	88.0	69.9	55.8
Equity ratio	%	36.2	35.9	41.4	43.7	48.9
Personnel, FTE						
Average during financial year		2,774	2,706	2,639	2,566	2,725
At end of financial year		2,820	2,686	2,654	2,576	2,589
Gross capital expenditure	MEUR	166.4	190.8	139.2	144.6	125.8
	% of net sales	23.0	28.7	21.9	23.6	19.4

	2017	2016	2015	2014	2013
Earnings per share (EPS), weighted average					
Basic, EUR	0.59	0.20	0.36	0.30	0.50
Diluted, EUR	0.58	0.20	0.36	0.30	0.50
Equity per share, at end of financial year					
Basic, EUR	2.86	2.76	2.96	3.01	3.44
Diluted, EUR	2.85	2.76	2.96	3.01	3.44
Dividend per share, EUR *	0.44	0.40	0.40	0.40	0.37
Pay-out ratio, %*	74.9%	195.2%	110.6%	132.0%	73.7%
Effective dividend yield, % *	5.6%	5.4%	6.2%	6.2%	4.0%
Price/earnings ratio (P/E)	13.3	36.1	17.8	21.3	18.2
Highest share price, EUR	9.50	7.91	8.29	10.25	9.86
Lowest share price, EUR	6.76	5.05	6.03	5.61	6.31
Average share price, EUR	8.15	6.51	6.90	7.71	7.96
Share price at end of financial year, EUR	7.81	7.39	6.45	6.45	9.15
Market capitalization at end of financial year, MEUR	844.6	796.3	694.9	694.8	985.4
Number of shares traded, thousand	49,345.0	55,577.2	38,995.9	40,519.4	28,117.2
Shares traded, % of total number of shares	45.4%	51.1%	35.9%	37.6%	26.1%
Number of shares, weighted average, basic	108,010,139	107,747,243	107,734,564	107,717,557	107,691,347
Number of shares, weighted average, diluted	108,481,975	107,747,243	107,734,564	107,717,557	107,691,347
Number of shares, at end of financial year, basic	108,145,725	107,749,314	107,736,679	107,723,371	107,698,697
Number of shares, at end of financial year, diluted	108,617,561	107,749,314	107,736,679	107,723,371	107,698,697

The calculation of share related key is based on outstanding shares.

\* The Annual General Meeting will make the decision on the year 2017 dividend on March 15, 2018.

## DEFINITIONS OF KEY FINANCIAL AND SHARE RELATED FIGURES

## ALTERNATIVE PERFORMANCE MEASURES

**EBITDA:**

Operating result before depreciation, amortization and impairment charges

**EBITA:**

Operating result before amortization and impairment of intangible assets

**Return on capital employed (ROCE) %:**

$\text{EBIT} \times 100$

Group or segment capital employed  
(average over the financial period)

**Return on equity (ROE) %:**

Result for the financial period  $\times 100$

Total equity (average over the financial period)

**Return on invested capital (ROI) %:**

(Result before taxes + interest and other financial expenses,  
excluding FX differences)  $\times 100$

Total assets – non-interest-bearing debt (average over the  
financial period)

**Capital employed:**

Group or segment assets - non-interest-bearing liabilities

**Net debt:** Interest-bearing debt – cash and cash equivalents**Net debt to EBITDA ratio:**

Net debt

Earnings before interest, taxes, depreciation and amortization

**Equity ratio %:**

$\text{Total equity} \times 100$

Total assets – advances received

**Gearing %:**

$\text{Net debt} \times 100$

Total equity

## SHARE-RELATED RATIOS

**Earnings per share (EPS) EUR:**

Result for the financial year +/- non-controlling interest's  
share of result for the period

Average number of shares adjusted for share issues during the  
financial period

**Shareholders' equity per share EUR:**

Equity attributable to the parent company's shareholders

Number of shares adjusted for share issues on reporting date

**Payout ratio %:**

$\text{Dividend per share} \times 100$

Earnings per share

**Dividend per share EUR:**

Dividend paid

Number of shares on the registration date for dividend  
distribution

**Effective dividend yield %:**

Share-issued-adjusted dividend per share  $\times 100$

Share-issued-adjusted final trading price at the end of financial  
year

**Price/earnings ratio:**

Share-issued-adjusted final trading price

Earnings per share

**Market capitalization:**

Number of shares outstanding at the end of period  $\times$  share  
closing price at the end of period

## COMPARABLE MEASURES

**Comparable EBITA:**

Operating result before amortization and impairment of intangible  
assets - items affecting comparability in EBITA

**Comparable return on capital employed (ROCE) %:**

$\text{EBIT} - \text{items affecting comparability in EBIT} \times 100$

Group or segment capital employed – items affecting comparability  
in capital employed (average over the financial period)

**Comparable return on equity (ROE) %:**

Result for the financial period - items affecting comparability in  
result  $\times 100$

Total equity - items affecting comparability in equity (average over  
the financial period)

**Comparable earnings per share (EPS), EUR**

Result for the financial year +/- non-controlling interest's share of  
result for the period - items affecting comparability in result

Average number of shares adjusted for share issues during the  
financial period

## Alternative performance measures

In addition to performance measures according to IFRS, Ramirent's consolidated financial statements and other communication to investors contain certain financial performance measures that are not defined by IFRS. These alternative performance measures are used by management to assess the financial and operational performance of the Group. Management believes that the alternative performance measures provide useful information on Ramirent's financial and operational performance and enhance comparability between financial periods.

The alternative performance measures used by Ramirent include e.g. EBITDA, EBITA, Return on capital employed, Return on equity, Equity ratio, Net debt to EBITDA -ratio and Cash flow after investments.

In addition to alternative performance measures Ramirent presents comparable key figures such as Comparable EBITA, Comparable EBIT, Comparable Return on capital employed and Comparable return on equity. These comparable key figures are calculated from the IFRS or alternative performance measures by adjusting "items affecting comparability (IAC)", i.e. incomes, expenses, assets, equity and liabilities arising from activities that amend Ramirent's business operations or are incurred outside its normal course of business, such as restructuring costs, impairment losses, significant write-downs of assets and significant gains or losses on sale of assets and businesses. The comparable key figures are disclosed to enhance comparability between financial periods. Definitions of all IFRS performance measures, alternative performance measures and comparable key figures are disclosed on page 50 of these financial statements.

The alternative performance measures should not be considered as substitute for measures of performance in accordance with the IFRS.

**RECONCILIATION OF COMPARABLE KEY FIGURES**

ITEMS AFFECTING COMPARABILITY (IAC) (MEUR)	JAN-DEC 2017	JAN-DEC 2016
<b>EBIT</b>	<b>89.3</b>	<b>38.4</b>
Amortization	-8.4	-20.9
<b>EBITA</b>	<b>97.7</b>	<b>59.2</b>
Items affecting comparability (IACS) in EBITA:		
Write-downs of tangible assets	-	5.9
Projects reassessments	-	2.2
Recognized accruals and provisions	2.6	2.4
Reclassification of loans	-	-0.5
Gain on sales of subsidiary shares	-1.3	-
Derecognition of continent consideration liabilities	-	-1.0
<b>Comparable EBITA</b>	<b>99.0</b>	<b>68.1</b>
Amortization	-8.4	-20.9
Items affecting comparability (IACS) after EBITA:		
Write-downs of intangible assets	-	10.9
Write-downs of investments	-	0.8
<b>Comparable EBIT</b>	<b>90.6</b>	<b>59.0</b>
<b>EBT</b>	<b>77.0</b>	<b>28.1</b>
Income taxes	-13.5	-6.3
Non-controlling interests	0.0	0.2
IACS before EBT	1.3	20.6
Tax effect of IACS	-0.6	-4.6
<b>Comparable Result for the Period for Parent Company Shareholders</b>	<b>64.2</b>	<b>38.1</b>
<b>Comparable ROCE (%):</b>		
Comparable EBIT	90.6	59.0
Capital employed, average	649.4	622.7
IACS affecting Capital employed, average	8.8	8.8
Comparable Capital employed, average	658.2	631.5
Comparable ROCE (%)	13.8%	9.3%
<b>Comparable ROE (%):</b>		
Comparable Result for the Period	64.2	38.1
Equity, average	303.6	308.3
IACS affecting Equity, average	8.4	6.2
Comparable Equity, average	311.9	314.5
Comparable ROE (%)	20.6%	12.1%
<b>Comparable EPS:</b>		
Comparable Result for the Period for Parent Company Shareholders	64.2	38.1
Number of shares (in million), weighted average	108.0	107.7
Comparable EPS, EUR	0.59	0.35

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF INCOME

(EUR 1,000)	NOTE	JAN-DEC 2017	JAN-DEC 2016
<b>NET SALES</b>	2.2.	723,694	<b>665,164</b>
Other operating income	2.3.	2,193	2,297
Materials and services	2.4.	-251,377	-245,875
Employee benefit expenses	2.5.	-178,295	-164,950
Other operating expenses	2.6.	-91,720	-88,894
Share of result of associates and joint ventures	7.3.	994	1,309
Depreciation, amortization and impairment charges	2.7.	-116,145	-130,697
<b>OPERATING RESULT (EBIT)</b>		<b>89,345</b>	<b>38,353</b>
Financial income	4.3.	8,712	9,179
Financial expenses	4.3.	-21,091	-19,428
Total financial income and expenses		-12,379	-10,249
<b>EARNINGS BEFORE TAXES (EBT)</b>		<b>76,966</b>	<b>28,104</b>
Income taxes	6.1.	-13,514	-6,273
<b>RESULT FOR THE FINANCIAL YEAR</b>		<b>63,452</b>	<b>21,832</b>
Result for the period attributable to:			
Shareholders of the parent company		63,452	22,081
Non-controlling interests		-	-249
<b>TOTAL</b>		<b>63,452</b>	<b>21,832</b>
<b>Earnings per share (EPS) on parent company shareholders' share of result</b>			
Basic, EUR	2.8.	0.59	0.20
Diluted, EUR	2.8.	0.58	0.20

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1,000)	NOTE	JAN-DEC 2017	JAN-DEC 2016
<b>RESULT FOR THE FINANCIAL YEAR</b>		<b>63,452</b>	<b>21,832</b>
Other comprehensive income:			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of defined benefit obligation, net of tax	6.1.	-1,312	-940
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>			
Translation differences		-8,643	-3,285
Cash flow hedges, net of tax	6.1.	219	323
Share of other comprehensive income of associates and joint ventures	7.3.	-1,290	3,348
<b>Total</b>		<b>-9,714</b>	<b>385</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>-11,026</b>	<b>-555</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>52,426</b>	<b>21,277</b>
Total comprehensive income for the period attributable to:			
Shareholders of the parent company		52,426	21,526
Non-controlling interests		-	-249
<b>Total</b>		<b>52,426</b>	<b>21,277</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(EUR 1,000)	NOTE	DEC 31, 2017	DEC 31, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3.2.	134,660	138,499
Other intangible assets	3.2.	23,800	29,668
Property, plant and equipment	3.1.	524,768	495,334
Investments in associates and joint ventures	7.3.	7,785	8,082
Non-current receivables	3.3.	10,892	13,751
Available-for-sale financial assets	3.4.	89	101
Deferred tax assets	6.2.	1,154	578
<b>Total non-current assets</b>		<b>703,148</b>	<b>686,013</b>
<b>Current assets</b>			
Inventories	3.5.	12,718	11,194
Trade and other receivables	3.6.	130,585	124,428
Current tax assets	6.1.	2,572	6,850
Cash and cash equivalents	4.1.	6,896	1,570
<b>Total current assets</b>		<b>152,772</b>	<b>144,041</b>
<b>TOTAL ASSETS</b>		<b>855,920</b>	<b>830,054</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	4.2.	25,000	25,000
Revaluation fund		-231	-443
Invested unrestricted equity fund		116,428	113,951
Retained earnings from previous years		104,871	136,979
Result for the period		63,452	22,081
Equity attributable to the parent company shareholders		309,520	297,568
<b>Total equity</b>		<b>309,520</b>	<b>297,568</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	6.2.	47,987	47,427
Pension obligations	2.5.	22,357	20,005
Non-current provisions	3.8.	2,563	589
Non-current interest-bearing liabilities	4.4.	174,559	186,991
Other non-current liabilities	3.9.	4,968	4,749
<b>Total non-current liabilities</b>		<b>252,434</b>	<b>259,762</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	3.10.	116,557	108,579
Current provisions	3.8.	2,634	1,834
Current tax liabilities	6.1.	4,501	1,885
Current interest-bearing liabilities	4.4.	170,273	160,426
<b>Total current liabilities</b>		<b>293,965</b>	<b>272,724</b>
<b>Total liabilities</b>		<b>546,400</b>	<b>532,486</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>855,920</b>	<b>830,054</b>

**CONSOLIDATED CASH FLOW STATEMENT**

(EUR 1,000)	NOTE	JAN-DEC 2017	JAN-DEC 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Earnings before taxes (EBT)		76,966	28,104
Adjustments			
Depreciation, amortization and impairment charges	2.7.	116,145	130,697
Adjustment for proceeds from sale of used rental equipment		11,429	8,992
Financial income and expenses	4.3.	12,379	10,249
Adjustment for proceeds from disposals or subsidiaries		-1,269	-1,898
Other adjustments		-1,898	306
<b>Cash flow from operating activities before change in working capital</b>		<b>213,752</b>	<b>178,348</b>
<b>Change in working capital</b>			
Change in trade and other receivables		-10,836	-10,377
Change in inventories		-1,827	1,711
Change in non-interest-bearing liabilities		16,604	15,280
<b>Cash flow from operating activities before interest and taxes</b>		<b>217,693</b>	<b>184,962</b>
Interest paid		-9,836	-8,024
Interest received		576	826
Income tax paid		-6,193	-9,815
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>202,241</b>	<b>167,951</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of businesses and subsidiaries, net of cash		-1,001	-835
Investment in tangible non-current assets (rental machinery)		-155,138	-165,836
Investment in other tangible non-current assets		-10,072	-21,716
Investment in intangible non-current assets		-2,759	-3,256
Proceeds from sale of tangible and intangible non-current assets (excluding used rental equipment)		356	579
Proceeds from sales of subsidiaries		15,114	-
Loan receivables, increase, decrease and other changes		2,773	2,340
Proceeds from sale of associated companies		-	84
Received dividends		121	31
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-150,606</b>	<b>-188,609</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Paid dividends		-43,228	-43,100
Changes in ownership interests in subsidiaries		-911	-1,441
Borrowings and repayments of short-term debt (net)	4.9.	9,847	70,181
Borrowings of non-current debt	4.9.	-	87,561
Repayments of non-current debt	4.9.	-12,015	-91,543
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-46,308</b>	<b>21,658</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>		<b>5,327</b>	<b>999</b>
Cash at the beginning of the period		1,570	571
Change in cash		5,327	999
Cash at the end of the period		6,896	1,570

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	SHARE CAPITAL	REVALUATION FUND	INVESTED UNRESTRICTED EQUITY FUND	TRANSLATION DIFFERENCES	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
<b>EQUITY JAN 1, 2016</b>	<b>25,000</b>	<b>-770</b>	<b>113,862</b>	<b>-38,514</b>	<b>219,309</b>	<b>318,886</b>	<b>199</b>	<b>319,085</b>
Translation differences	-	5	-	-3,290	-	-3,285	-	-3,285
Remeasurement of defined benefit obligation	-	-	-	-	-940	-940	-	-940
Cash flow hedges	-	323	-	-	-	323	-	323
Share of other comprehensive income of associates and joint ventures	-	-	-	3,348	-	3,348	-	3,348
Result for the period	-	-	-	-	22,081	22,081	-249	21,832
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-</b>	<b>328</b>	<b>-</b>	<b>57</b>	<b>21,141</b>	<b>21,526</b>	<b>-249</b>	<b>21,277</b>
Share based payments	-	-	-	-	217	217	-	217
Issue of treasury shares	-	-	89	-	-	89	-	89
Dividend distribution	-	-	-	-	-43,100	-43,100	-	-43,100
Changes in ownership interests in subsidiaries	-	-	-	-	-50	-50	50	-
<b>TOTAL TRANSACTIONS WITH SHAREHOLDERS</b>	<b>-</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>-42,933</b>	<b>-42,844</b>	<b>50</b>	<b>-42,793</b>
<b>EQUITY DEC 31, 2016</b>	<b>25,000</b>	<b>-443</b>	<b>113,951</b>	<b>-38,457</b>	<b>197,517</b>	<b>297,568</b>	<b>-</b>	<b>297,568</b>
Translation differences	-	-7	-	-8,636	-	-8,643	-	-8,643
Remeasurement of defined benefit obligation	-	-	-	-	-1,312	-1,312	-	-1,312
Cash flow hedges	-	219	-	-	-	219	-	219
Share of other comprehensive income of associates and joint ventures	-	-	-	-1,290	-	-1,290	-	-1,290
Result for the period	-	-	-	-	63,452	63,452	-	63,452
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-</b>	<b>211</b>	<b>-</b>	<b>-9,926</b>	<b>62,140</b>	<b>52,426</b>	<b>-</b>	<b>52,426</b>
Share based payments	-	-	-	-	277	277	-	277
Issue of treasury shares	-	-	2,477	-	-	2,477	-	2,477
Dividend distribution	-	-	-	-	-43,228	-43,228	-	-43,228
<b>TOTAL TRANSACTIONS WITH SHAREHOLDERS</b>	<b>-</b>	<b>-</b>	<b>2,477</b>	<b>-</b>	<b>-42,951</b>	<b>-40,474</b>	<b>-</b>	<b>-40,474</b>
<b>EQUITY DEC 31, 2017</b>	<b>25,000</b>	<b>-231</b>	<b>116,428</b>	<b>-48,383</b>	<b>216,705</b>	<b>309,520</b>	<b>-</b>	<b>309,520</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## HOW TO READ THE NOTES SECTION OF THE FINANCIAL STATEMENTS:

The notes to the consolidated financial statements are grouped into sections based on their context. The accounting principles applied to the consolidated financial statements as total are described in the first chapter of the notes information. The accounting principles and critical accounting estimates and judgements relating to specific income statement and balance sheet lines or other specific information are disclosed in connection with the relevant note.

Accounting principles are marked with **P**. Accounting estimates and judgements and marked with **E**.

## 1. BASIC INFORMATION

### DESCRIPTION OF THE COMPANY

Ramirent Plc (“the company”) is a Finnish public limited liability company organized under the laws of Finland and domiciled in Helsinki, Finland. Ramirent Plc’s registered address is Tapulikaupungintie 37, FI-00750 Helsinki, Finland. Ramirent Plc’s shares are listed on the NASDAQ Helsinki (RMR1V).

Ramirent Plc is the parent company for Ramirent Group (together, “Ramirent” or the “Group”). The Group’s business activities comprise rental of machinery and equipment for construction and process industries, the public sector and households. In addition to this, the Group provides services related to the rental of machinery and equipment and also conducts some trade of construction related machinery, equipment and accessories.

Ramirent is an international Group with operations in 10 countries at the end of 2017 – Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Czech Republic and Slovakia. The business operations were conducted from a total of 293 (290) rental outlets located in these countries. In Russia and Ukraine the operations were carried out through a joint venture.

At the end of 2017 Ramirent employed 2,820 (2,686) people. The consolidated net sales amounted to EUR 723.7 (665.2) million, of which 74% (73%) was generated outside Finland.

These consolidated financial statements were authorized for release by the Board of Directors on February 7, 2018. According to the Finnish Companies Act, the Annual General Meeting of shareholders is entitled to decide on the adoption of the company’s financial statements.

### BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All IAS and IFRS standards effective on December 31, 2017 that are applicable to Ramirent’s business operations, including all SIC and IFRIC interpretations thereon, have been applied with when preparing both year 2017 and

comparative year 2016 figures. The notes to the consolidated financial statements conform also with the Finnish accounting and company legislation.

New IFRS standards of IFRIC interpretations effective from 2017 did not have any material impact on Ramirent’s financial reporting.

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss, available for sale financial assets, derivative instruments, cash –settled share-based payment transactions and pension obligations which are measures at fair value.

Consolidated financial statements have been presented in thousand euros unless otherwise stated. Due to rounding the sum of individual figures may differ from the totals. The figures in parentheses refer to the previous financial year.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the Group’s management to make and rely on estimates and to make judgements when applying the accounting principles. Although these estimates are based on management’s best knowledge of events and transactions, actual results may, nevertheless, differ from the estimates.

The most common and significant situations when management uses judgement and makes estimates are when it decides on the following:

- estimates of future financial performance of the Group, affecting the reward realization of the long term incentive programs (note 2.5),
- economic lives of non-current assets (note 3.1),
- future business estimates and other elements of impairment testing (note 3.2),
- fair value (collectable amount) of trade receivables (note 5.1, section credit risk),
- probability of future taxable profits against which tax deductible temporary differences can be utilized thus giving rise to recognition of deferred income tax assets

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(note 6.2),

- measurement of fair value of assets acquired in connection with business combinations (note 7.4), and
- contingent consideration arrangements in acquisitions (note 7.4).

Detailed information about each of the above estimate and judgement and the basis of calculation for each affected line item in the financial statements is included in the respective notes to the consolidated financial statements.

## 2. OPERATING RESULTS

### 2.1. SEGMENT INFORMATION

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Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO of the Ramirent Group.

Segment information is presented for Ramirent's operating segments, which are determined by geographical split. Operating segments are managed separately and they are separately reported in internal management reporting to the CEO.

Ramirent's operating segments are:

- |           |   |
|-----------|---|
| • Finland | • Baltics and   |
| • Sweden  | • Europe Central (Poland, Czech Republic and Slovakia). |
| • Norway  |   |
| • Denmark |   |

As of January 1, 2017 the share of the joint venture Fortent Group's net result to Ramirent is reported under the Group's unallocated items not affecting any operating segment. Previously it was reported under Europe East segment. After this change Europe East segment was renamed segment Baltics as it contains only operations of the Estonian, Latvian and Lithuanian entities. The comparative information has been restated accordingly.

Revenue in all segments consists of rental income, service income, sales income of goods and sales income of used rental equipment.

Segment assets and liabilities are items that are used by a segment in its operating activities and can be allocated to a segment on a reasonable basis. Non-current assets in the following tables include all non-current assets other than financial instruments, post-employment benefit assets and deferred tax assets. Segment liabilities in the following tables include non-current and current liabilities other than interest-bearing liabilities. The segments' invested capital comprises of assets and liabilities that the segments utilize in their business operations to the extent assets and liabilities are reported regularly to the chief operating decision maker in Ramirent Group.

Segment performance is evaluated and decisions on resource allocation are made based on operating result (EBIT). In the Ramirent Group the Group's CEO (chief operating decision maker) reviews regularly a report of

operating result and invested capital of the operating segments.

Ramirent Plc charges a management fee for the services rendered from its subsidiaries. The cost is included in segments' operating results.

Parent company expenses consist of e.g. personnel cost including social costs, headquarter costs, expenses related to development of business and IT systems and certain marketing expenses that relate to development of Ramirent brand. These costs are recharged to the operating segments to the extent that they benefit the segments. The shareholder costs, costs that relate to parent company's status as a listed company and related reporting requirements are not recharged to the operating segments. Unallocated items at EBITA level consist of such expenses that have not been recharged internally to operating segments.

The pricing of Group internal transactions between the different operating segments is based on the arm's length principle.

**YEAR 2017 SEGMENT INFORMATION**

(EUR 1,000)	FINLAND	SWEDEN	NORWAY	DENMARK	BALTICS	EUROPE CENTRAL	UNALLOCATED ITEMS AND ELIMINATIONS	GROUP TOTAL
External net sales	191,261	259,479	121,060	41,017	40,768	70,097	12	723,694
Inter-segment net sales	212	864	164	15	54	65	-1,372	-
Total net sales	191,472	260,343	121,223	41,032	40,822	70,163	-1,361	723,694
Depreciation and impairment charges	-27,526	-35,570	-18,222	-6,135	-8,046	-12,625	334	-107,790
EBITA	26,549	39,502	12,526	381	8,582	15,156	-4,998	97,699
Amortization and impairment charges	-1,261	-3,099	-2,575	-484	-125	-128	-684	-8,355
Operating profit (EBIT)	25,288	36,404	9,951	-102	8,457	15,028	-5,682	89,345
Reportable non-current assets	144,532	258,081	111,407	33,311	57,395	68,443	29,979	703,148
Reportable assets	182,313	312,556	134,323	42,733	65,080	86,836	32,079	855,920
Reportable liabilities	37,542	99,861	32,847	10,610	8,625	13,977	-1,894	201,568
Gross capital expenditure	38,474	63,191	23,689	11,963	14,946	20,516	-6,330	166,450
Number of employees								
At reporting date	535	831	396	130	276	440	212	2,820
Average during the year	529	808	401	139	269	436	192	2,774

**YEAR 2016 SEGMENT INFORMATION**

(EUR 1,000)	FINLAND	SWEDEN	NORWAY	DENMARK	BALTICS	EUROPE CENTRAL	UNALLOCATED ITEMS AND ELIMINATIONS	GROUP TOTAL
External net sales	180,101	236,673	117,019	41,323	34,391	55,650	6	665,164
Inter-segment net sales	298	362	3,195	384	41	143	-4,423	-
Total net sales	180,399	237,035	120,213	41,708	34,432	55,793	-4,417	665,164
Depreciation and impairment charges	-26,541	-32,847	-24,545	-5,957	-7,584	-12,688	333	-109,830
EBITA	23,977	26,421	1,678	2,293	5,802	3,906	-4,857	59,220
Amortization and impairment charges	-1,333	-4,280	-3,109	-478	-73	-126	-11,468	-20,867
Operating profit (EBIT)	22,644	22,141	-1,431	1,815	5,729	3,780	-16,325	38,353
Reportable non-current assets	136,339	242,825	136,609	28,231	51,458	59,409	31,142	686,013
Reportable assets	172,564	294,063	162,066	37,043	60,336	73,818	30,164	830,054
Reportable liabilities	52,345	91,969	36,625	6,318	7,670	9,659	-19,518	185,068
Gross capital expenditure	43,796	64,812	32,032	15,795	12,152	22,668	-430	190,825
Number of employees								
At reporting date	519	760	397	138	253	446	173	2,686
Average during the year	498	757	401	141	258	491	161	2,706

Information on recognized impairment charges is presented in notes 3.1. and 3.2.

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**RECONCILIATIONS**

(EUR 1,000)	2017	2016
Total profit (operating profit) for reportable segments	95,027	54,678
Unallocated income	1,069	1,549
Unallocated expenses	-6,751	-17,874
Consolidated operating result	89,345	38,353
Financial income	8,712	9,179
Financial expenses	-21,091	-19,428
<b>Consolidated profit before taxes</b>	<b>76,966</b>	<b>28,104</b>

**2.2. NET SALES****P**

Sales consist of rental income, income from services, sales of machinery and equipment and sales of goods. The revenues are reported at the fair value of the consideration received or receivable, net of sales discounts, VAT and other taxes directly linked to the sales amount.

Rental revenue from operating leases is recognized on a straight line basis over the term of the relevant lease. Revenues from services are recognized in the period when the service is rendered to the customer. Ramirent may in the course of its ordinary activities, routinely sell machinery or equipment that it has held for rental to others. Such assets shall be transferred to inventories at the carrying amount when they cease to be rented and become held for sale. Income from sales of rental machinery and equipment is recognized in net sales on a gross basis. Income from sale of inventories and sale of rental machinery and equipment is recognized as revenue when the significant risks and benefits related to the ownership have been transferred to the buyer and the seller no longer retains control or managerial involvement in the goods.

Primary activity in Ramirent relates to rental business. Rental sales represent approximately 60% of the total net sales in Ramirent Group. Ramirent also provides rental related services to its customers and sells used rental machinery and equipment as well as consumables, fuel and spare parts for rental machinery. Services are provided related to rental of machinery and equipment and separately. Service sales represent approximately 30% of the total net sales in Ramirent Group. They comprise a wide range of different kind of services, e.g. work site planning, logistics, on-site support, training and assembly and disassembly services.

All Ramirent operating segments provide rental and services to their customers and sell equipment and inventories, but their sales mix is different and varies from year to year.

**SALES MIX IN 2017 AND 2016:**

(EUR 1,000)	2017	SHARE OF TOTAL	2016	SHARE OF TOTAL
Rental income	455,401	62.9%	417,168	62.7%
Service income	204,906	28.3%	189,014	28.4%
Sale of used rental machinery and equipment	30,779	4.3%	25,380	3.8%
Sale of goods	32,608	4.5%	33,602	5.1%
<b>Net sales</b>	<b>723,694</b>	<b>100.0%</b>	<b>665,164</b>	<b>100.0%</b>

**2.3. OTHER OPERATING INCOME**

Other operating income comprises amounts that do not relate to Ramirent's basic business.

(EUR 1,000)	2017	2016
Gain on disposals of and non-rental machinery and equipment	276	111
Rental income of real estates	130	235
Reversal of earn-out liabilities	-	1,000
Other income	1,787	951
<b>Total</b>	<b>2,193</b>	<b>2,297</b>

## 2.4. MATERIALS AND SERVICES

**P**

The costs related to re-renting, the carrying value of sold rental machinery and equipment and the costs related to their sale, as well as and external service providers' cost for performing repair, maintenance, transportation and other services and cost of sold fuel are recognized as material and service expenses. They are expensed when incurred for the same reporting period as the related income is recognized as revenue.

(EUR 1,000)	2017	2016
Cost of re-renting	-24,881	-25,349
Cost of sold rental equipment	-12,062	-9,016
Cost of goods sold	-25,016	-24,585
Repair and maintenance expenses	-29,005	-30,747
Cost of external services	-104,051	-101,712
Transportation expenses	-55,875	-54,181
Expensed equipment	-487	-286
<b>Total</b>	<b>-251,377</b>	<b>-245,875</b>

## 2.5. EMPLOYEE BENEFIT EXPENSES

(EUR 1,000)	2017	2016
Wages and salaries	-122,766	-111,996
Termination benefits	-952	-2,096
Social security	-27,169	-23,338
Post-employment benefits		
Pension expenses – defined benefit plans	-907	-1,089
Pension expenses – defined contribution plans	-9,898	-10,783
Equity-settled share-based payment transactions	-277	-217
Cash-settled share-based payment transactions	-1,090	-357
Other personnel expenses	-15,235	-15,074
<b>Total</b>	<b>-178,295</b>	<b>-164,950</b>

Information on related party transactions is presented in note 8.1. related party transactions. This note also contains information about the CEO's voluntary pension plan.

## SHARE-BASED PAYMENTS

**P**

Ramirent has long-term incentive plans for its key managers. The plans have been established to form of the long-term incentive and commitment program for the key personnel of the company and its subsidiaries. The aim is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer the key personnel a competitive reward program based on holding the company's shares. Any reward is subject to achievement of the targets set by Ramirent Plc's Board of Directors.

The incentive programs are partly equity-settled and partly cash-settled. The costs are accrued over the vesting period for each program. The part of the reward that is settled in shares is valued at the fair value of the equity instrument at the grant date and the costs are recognized as an expense with a corresponding credit to equity. The part of the reward that is settled in cash is recognized as an expense and as a liability. The liability is remeasured at each reporting date for subsequent changes in the fair value and changes are recognized in the profit or loss for the year. The cash-settled portion relates to personal taxes and other employer's contributions.

## LONG-TERM INCENTIVE PLANS

In the Long term Incentive Plans the participants are offered the opportunity to earn matching shares on the basis of share ownership and performance shares on the basis of performance targets set for a three-year earning period. During the financial year Ramirent Plc had three long-term incentive plans in operation.

Plan 2014–2017 ended in 2017 and a total number of 18,920 net shares were conveyed to the key persons participating in the incentive program and a cash payment equaling to 28,311 shares was paid. An eventual reward from the earning periods 2015–2017 and 2016–2018 is based on the share ownership (matching), Economic Profit (performance) and Total Shareholder Return (TSR), which may cut the total number of shares earned. No reward shall be paid to a person who's employment ends prior to the reward payment.

## PERFORMANCE SHARE PLAN 2018–2020 FOR THE EXECUTIVE MANAGEMENT TEAM

At the end of 2017 the Board of Directors of Ramirent Plc approved a new Performance Share Plan 2018–2020 for the Executive Management Team members. The aim of the new plan is to align the objectives of the shareholders and the Executive Management Team Members in order to increase the value of the company in the long-term, to retain the Executive Management Team Members at the company, and to offer them a competitive reward plan that is based on earning and accumulating the company's shares. The potential reward from this plan will be paid partly in the company's shares and partly in cash in 2021. The cash proportion is intended to cover taxes arising from the reward to the plan participants.

The potential reward from the Performance Share Plan 2018–2020 will be based on the participant's short-term incentive plan targets in 2018 as well as on the Group's

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cumulative EPS development in 2018–2020.

The rewards to be paid on the basis of the Performance Share Plan 2018–2020 correspond to an approximate maximum total of 270,000 Ramirent Plc shares including also the proportion to be paid in cash. No cost was recognized on 2017 based on the plan.

## DEFERRED INCENTIVE PLANS

The Deferred Incentive Plan (DIP) for 2017 is established to maximally support the company's short-term key priority of delivering improved EBITA and to offer key employees a competitive reward and retention program. The incentive plan includes one earning period, calendar year 2017, with a lock-up period of two years whereby the potential reward will be paid in cash in 2020. The incentive plan includes approximately 120 key employees. The members of the Executive Management Team are included in the target group of the new incentive plan.

The potential reward from the incentive plan for the earning period 2017 is based on the participant's short term incentive plan targets. In addition, to combine the objectives of the shareholders and the Executive Management Team, the total reward potential for Executive Management Team members will also be based on the Group's Total Shareholder Return (TSR) for the earning period

2017 and the two-year lock-up period. The maximum reward of the new Deferred Incentive Plan 2017 to be paid in cash in 2020 will correspond to up to 3.7 million euros.

### DEFERRED INCENTIVE PLAN 2018 FOR OTHER KEY EMPLOYEES OF THE COMPANY

At the end of 2017 the Board of Directors of Ramirent Plc approved a new Deferred Incentive Plan 2018 to maximally support the implementation of the company's renewed strategy and to offer key employees a competitive reward and retention program. The Deferred Incentive Plan includes one earning period, calendar year 2018, with a lock-up period of two years whereby the potential reward will be paid in cash in 2021. The incentive plan has been extended from 120 key employees to include approximately 160 key employees. The potential reward from the incentive plan for the earning period 2018 will be based on the participant's short-term incentive plan targets. The maximum reward of the Deferred Incentive Plan 2018 to be paid in 2021 will amount up to approximately EUR 2.6 million. The members of the Executive Management Team are not included in the target group of the Deferred Incentive Plan as they are part of the Performance Share Plan where the potential reward is paid in Ramirent shares. No cost was recognized in 2017 based on the plan.

### INFORMATION ON INCENTIVE PLANS ON DECEMBER 31, 2017

	LONG-TERM INCENTIVE PLAN 2014–2016	LONG-TERM INCENTIVE PLAN 2015–2017	LONG-TERM INCENTIVE PLAN 2016–2018	DEFERRED INCENTIVE PLAN 2017–2019
Maximum shares	360,000	450,000	540,000	N/A
Initial allocation date	23/5/2014	14/5/2015	27/4/2016	19/12/2016
Vesting date	1/3/2017	15/3/2018	15/3/2019	15/3/2020
Maximum contractual life, years	2.8	2.8	2.9	3.2
Remaining contractual life, years	0	0.2	1.2	2.2
Employees at the balance sheet date	0	32	28	119
Settlement	Equity and cash	Equity and cash	Equity and cash	Cash
<b>CHANGES DURING 2017</b>	<b>LONG-TERM INCENTIVE PLAN 2014–2016</b>	<b>LONG-TERM INCENTIVE PLAN 2015–2017</b>	<b>LONG-TERM INCENTIVE PLAN 2016–2018</b>	<b>REMAINING CONTRACTUAL LIFE, YEARS</b>
<b>Jan 1, 2017</b>				
Outstanding at the beginning of the reporting period	161,759	256,830	463,588	
<b>Changes during the period</b>				
Forfeited	114,528	25,710	29,641	
Exercised	47,231	–	–	
<b>Dec 31, 2017</b>				
Outstanding at the end of the period	–	231,120	433,947	0.86

## INFORMATION ON INCENTIVE PLANS ON DECEMBER 31, 2016

	LONG-TERM INCENTIVE PLAN 2013–2015	LONG-TERM INCENTIVE PLAN 2014–2016	LONG-TERM INCENTIVE PLAN 2015–2017	LONG-TERM INCENTIVE PLAN 2016–2018	DEFERRED INCENTIVE PLAN 2017–2019
Maximum shares	390,244	360,000	450,000	540,000	N/A
Initial allocation date	23/5/2013	23/5/2014	14/5/2015	27/4/2016	19/12/2016
Vesting date	29/2/2016	1/3/2017	15/3/2018	15/3/2019	15/3/2020
Maximum contractual life, years	2.8	2.8	2.8	2.9	3.2
Remaining contractual life, years	–	0.2	1.2	2.2	3.2
Employees at the balance sheet date	–	31	38	31	120
Settlement	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Cash
<b>CHANGES DURING 2016</b>	<b>LONG-TERM INCENTIVE PLAN 2013–2015</b>	<b>LONG-TERM INCENTIVE PLAN 2014–2016</b>	<b>LONG-TERM INCENTIVE PLAN 2015–2017</b>	<b>LONG-TERM INCENTIVE PLAN 2016–2018</b>	<b>REMAINING CONTRACTUAL LIFE, YEARS</b>
<b>Jan 1, 2016</b>					
Outstanding at the beginning of the reporting period	268,935	287,594	446,764	–	
<b>Changes during the period</b>					
Granted	–	–	–	484,168	
Forfeited	243,810	125,835	189,934	20,580	
Exercised	25,125	–	–	–	
<b>Dec 31, 2016</b>					
Outstanding at the end of the period	–	161,759	256,830	463,588	1.54

## EFFECT OF SHARE-BASED INCENTIVES ON THE RESULT AND FINANCIAL POSITION DURING THE PERIOD

(EUR)	2017	2016
Expenses for the financial year, share-based payments	1,367,041	574,163
Expenses for the financial year, share-based payments, equity-settled	277,001	217,421
Liabilities arising from share-based payments Dec 31	1,944,630	542,405

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## PENSION OBLIGATIONS

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The Group companies have organized their pensions by means of various pension plans in accordance with local conditions and practices. Such plans are either defined contribution plans or defined benefit plans. Ramirent has defined contribution plans in all countries where it operates and a defined benefit plan in Sweden.

In defined contribution plans, the Group makes fixed payments to separate entities or plans, in which the Group has no legal or constructive obligation to make any additional payments if the party receiving them is unable to pay the pension benefits in question. All arrangements that do not qualify as defined contribution plans are defined benefit plans.

The pension contributions paid or payable for defined contribution pension plans are expensed in profit or loss during the financial period to which the costs relate.

The defined benefit pension obligation due to defined benefit pension plan has been recognized in the balance sheet on the basis of actuarial calculations. The actuarial calculations are based on projected unit credit method. Under this method, the cost of providing pensions is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans every year. The pension obligation is measured as the present value of estimated future cash outflows using interest rates of highly rated government securities or corporate bonds, as appropriate that materially corresponds to the currency and expected maturity of the defined benefit pension obligation.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in equity in Other Comprehensive Income as they occur. The Group reports the service cost in employee benefit expenses and the net interest in financial items. The Group reports the net pension asset or liability in the Balance Sheet.

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The future pension benefit at the time of retirement for the employees covered by the defined benefit pension plans is determined on the basis of certain factors e.g. the salary level and the total number of years of service.

### PENSION COST RECOGNIZED IN THE INCOME STATEMENT

(EUR 1,000)	2017	2016
Defined benefit pension plan expenses	-1,504	-1,681
Defined contribution pension plan expenses	-9,898	-10,783
<b>Total</b>	<b>-11,402</b>	<b>-12,464</b>

### ELEMENTS OF DEFINED BENEFIT PENSION PLAN EXPENSES

(EUR 1,000)	2017	2016
Current service cost	-907	-1,089
Interest cost	-597	-592
<b>Total</b>	<b>-1,504</b>	<b>-1,681</b>

### ELEMENTS OF DEFINED BENEFIT PLAN NET OBLIGATION

(EUR 1,000)	2017	2016
Present value of unfunded obligations	22,357	20,005
Net obligation on December 31	22,357	20,005
Amounts recognized in the balance sheet		
Liabilities	22,357	20,005
Net liability	22,357	20,005

### CHANGE OF THE PRESENT VALUE OF THE DEFINED BENEFIT PENSION OBLIGATIONS

(EUR 1,000)	2017	2016
Present value of obligation on January 1	20,005	18,009
Exchange differences	-624	-687
Current service cost	907	1,089
Interest cost	597	592
Experience adjustments to plan liabilities	540	-515
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	1,142	1,720
Benefits paid	-210	-203
<b>Present value of obligation on December 31</b>	<b>22,357</b>	<b>20,005</b>

### PRINCIPAL ACTUARIAL ASSUMPTIONS

	2017	2016
Discount rate	2.65%	2.90%
Future salary increase expectation	2.00%	2.00%
Future benefit increase expectation	2.00%	2.00%

### PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION AT THE YEAR END

(EUR 1,000)	2017	2016
Present value of the defined benefit obligation	22,357	20,005
Surplus (-) / deficit (+)	22,357	20,005
Experience adjustments to plan liabilities	540	-515

The estimated year 2018 employer contributions amount to EUR 0.2 million (year 2017 estimate was EUR 0.2 million at year end 2016).

**E**

Ramirent has in Sweden a pension plan ITP 2, which is an additional pension plan for private sector officials. The pension plan has been arranged by an external insurance company. The plan does not include any plan assets thus the Group is not exposed to risks related to changes in assets fair values. Risks relate only to increase in defined benefit obligation. Increase in obligation may be due to changes in actuarial assumptions and most significant assumptions are referred earlier in section "Principal actuarial assumptions". Changes in actuarial assumptions effect to the amount of obligation according to IAS 19 through other comprehensive income. Therefore the Groups profit or loss does not significantly expose to volatility caused by changes in actuarial assumptions.

**SENSITIVITY ANALYSIS****DECEMBER 31, 2017****Sensitivity analysis of discount rate +/- 0.5%**

	2.15%	2.65%	3.15%
Present value of obligation December 31, 2017	24,895	22,357	20,150

**DECEMBER 31, 2016****Sensitivity analysis of discount rate +/- 0.5%**

	2.40%	2.90%	3.40%
Present value of obligation December 31, 2016	22,297	20,005	18,014

**2.6. OTHER OPERATING EXPENSES****P**

Expenses are recognized in the income statement when service has been received and cost is incurred.

**P LEASES**

Leases of assets where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Ramirent's operating leases comprise of lease agreements of rental machinery and equipment, renting agreements for property and other operating lease agreements.

Operating lease agreements are usually made for a certain period of time. The agreements may include clauses on termination period or termination fee payable in case of termination before expiration date. Their expenses are recognized as other operating expenses in the profit or loss.

(EUR 1,000)	2017	2016
Property operating lease expenses	-26,465	-25,352
Other property expenses	-10,381	-10,709
IT and office expenses	-18,089	-17,975
Other operating lease expenses	-6,170	-6,088
External services expenses	-12,796	-13,167
Credit losses	-3,199	-5,291
Change of allowance for bad debt	-684	1,242
Restructuring and other non-recurring expenses	-2,538	-146
Marketing and representation expenses	-8,699	-8,195
Other expenses	-2,698	-3,215
<b>Total</b>	<b>-91,720</b>	<b>-88,894</b>

Audit and other fees to auditors		
Audit fees	-346	-281
Audit related fees	-	-10
Tax consulting fees	-58	-70
Other fees	-	-105
<b>Total</b>	<b>-404</b>	<b>-466</b>

PricewaterhouseCoopers Oy has provided non-audit services to entities of Ramirent in total 8 thousand euros during the financial year 2017. These services comprised of tax services.

The restructuring expenses recognized during the financial year 2017 relate mainly to restructuring of the Danish customer center network.

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## 2.7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

(EUR 1,000)	2017	2016
Depreciation, amortization and impairment charges by class of assets:		
Depreciation of tangible non-current assets		
Buildings and structures	-2,346	-1,260
Machinery and equipment	-102,719	-99,369
Other tangible assets	-2,725	-3,289
Amortization of intangible non-current assets		
Other intangible assets	-3,987	-5,001
Other capitalised long-term expenditure	-4,368	-4,312
Impairment charges		
Tangible non-current assets	-	-5,912
Intangible non-current assets	-	-10,935
Investments	-	-620
<b>Total</b>	<b>-116,145</b>	<b>-130,697</b>

The estimated useful lives per asset category are presented in notes 3.1. and 3.2.

No impairment charges were recognized in 2017 on tangible or intangible assets. In 2016 write-downs of EUR 5.9 million of machinery and equipment were recognized related to discontinuing the highly customized non-standard modules business in Temporary Space in Norway and refocusing the business on using standardized high-class modules. In addition, write-downs of EUR 10.9 million of other capitalized long-term expenditure were recognized due to discontinuing the planned roll-out of the common ERP-platform outside Scandinavia.

## 2.8. EARNINGS PER SHARE

P

The basic earnings per share (EPS) is calculated by dividing the net result attributable to the parent company's shareholders with the weighted average number of shares outstanding during the financial period. Treasury shares, if any, are subtracted from the number of outstanding shares.

The diluted EPS is calculated by dividing the net result attributable to the parent company's shareholders with the weighted average number of shares outstanding during the financial period. Share-based payment arrangements have a diluting effect if the share market price is higher than the subscription price of the shares which includes the fair value of any services to be supplied to the Group in the future under the share-based payment arrangements and if all the conditions have been realized at the reporting date.

	2017	2016
Profit attributable to the parent company shareholders (EUR thousand)	63,452	22,081
Weighted average number of outstanding shares, basic (thousand)	108,010	107,747
Weighted average number of outstanding shares, diluted (thousand)	108,482	107,747
Earnings per share, basic (EUR)	0.59	0.20
Earnings per share, diluted (EUR)	0.58	0.20

### 3. FINANCIAL POSITION

#### 3.1. PROPERTY, PLANT AND EQUIPMENT

**P**

A tangible asset is recognized in the balance sheet only if it is probable that future economic benefits associated with the asset will flow to the entity and its cost can be measured reliably.

Tangible assets (land, buildings and structures, machinery and equipment, other tangible assets) acquired by Group companies are stated at original acquisition cost less accumulated depreciation and accumulated impairment charges, except when acquired in connection with a business combination when they are measured at fair value at acquisition date less depreciation and impairment charges accumulated after the acquisition date.

The acquisition cost includes all expenditure attributable to bringing the asset to working condition. In addition to direct purchasing expenses it also includes other expenses related to the acquisition, such as duties, transport costs, installation costs, inspection fees, etc.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major repairs may qualify for the capitalization criteria for subsequent expenditures. This is the case when the costs spent on the repair enhance the capacity of the asset or extends its useful life compared to its capacity or useful life before the repair. If not, subsequent expenditures are not capitalized in the balance sheet, but instead recognized as expenses in the profit or loss. Ordinary repair and maintenance expenditures are expensed to the profit or loss when incurred.

Tangible assets are subject to straight-line item-by-item depreciation during their estimated useful life. Land is not subject to depreciation.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation ceases when assets are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Assets classified as held for sale are carried at the lower of carrying value and fair value less costs to sell.

Gains and losses on disposed tangible assets are recognized in the profit or loss. Sales income from sold rental machinery and equipment is recognized in net sales and the costs related to the sales are recognized as material and service expenses. Sales gains from sold other tangible assets are recognized as other operating income and sales losses are recognized as other operating expenses.

**E**

The estimated useful lives per asset category as follows:

- Buildings, structures and land improvements 10–30 years
- Machinery and equipment for own use 3–10 years
- Other tangible non-current assets 3–8 years
- Itemized rental machinery, fixtures and equipment
  - Lifting and loading equipment 8–15 years
  - Light equipment 3–8 years
  - Modules and site equipment 10–15 years
- Non-itemized rental machinery, fixtures and equipment
  - Scaffolding
  - Formwork and supporting fixtures
  - Other non-itemized tangible assets

#### IMPAIRMENT AND IMPAIRMENT TESTING OF NON-CURRENT ASSETS

**P**

Non-current assets are reviewed regularly to determine whether there are any indications of impairment, i.e. whether any events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount for non-current assets is the higher of their fair value less cost to sell and their value in use. The value in use is determined by reference to discounted cash flows expected to be generated by the asset. The financial valuation models used for impairment testing require application of estimates.

A recognized impairment loss is reversed only if such changes of circumstances have occurred which have had an increasing effect on the recoverable amount compared to its amount when the impairment loss was recognized. Impairment losses may not, however, be reversed in excess of such a reversal amount which would cause the assets carrying value after the reversal to be higher than the carrying value it would have had if no impairment loss would have been recognized.

For machinery and equipment in rental use special attention is paid to utilization rate and in cases where the utilization rate is low the need for impairment is considered. An impairment loss is recognized when an asset's carrying amount is higher than its recoverable amount. Impairment losses are recognized in the profit or loss.

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**MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT IN 2017**

(EUR 1,000)	LAND	BUILDINGS & STRUCTURES	MACHINERY & EQUIPMENT	LEASED MACHINERY & EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
Historical cost on January 1	6,477	27,748	1,095,840	-	29,174	1,159,239
Exchange differences	-283	-1,029	-19,999	-	-529	-21,840
Additions	1,452	4,566	153,198	-	3,820	163,035
Business combinations	-	-	277	-	-	277
Disposals	-	-1,316	-11,639	-	-3,673	-16,628
Disposals of subsidiaries*	-4,862	-8,432	-	-	-	-13,294
Reclassifications	-	-129	-55,069	-	2,260	-52,938
Historical cost on December 31	2,784	21,407	1,162,608	-	31,051	1,217,851
Accumulated depreciation and impairment charges on January 1	-	-10,122	-632,736	-	-21,047	-663,905
Exchange differences	-	354	12,115	-	476	12,945
Disposals	-	1,188	11,637	-	3,642	16,467
Disposals of subsidiaries*	-	203	-	-	-	203
Reclassifications	-	47	50,005	-	-1,055	48,997
Depreciation	-	-2,346	-102,719	-	-2,725	-107,790
Accumulated depreciation and impairment charges on December 31	-	-10,675	-661,699	-	-20,710	-693,083
Carrying value on January 1	6,477	17,626	463,104	-	8,127	495,334
Carrying value on December 31	2,784	10,732	500,909	-	10,342	524,768

\*Information on disposals of subsidiaries in 2017 is presented in note 7.4.

**MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT IN 2016**

(EUR 1,000)	LAND	BUILDINGS & STRUCTURES	MACHINERY & EQUIPMENT	LEASED MACHINERY & EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
Historical cost on January 1	2,136	13,360	1,047,163	971	14,405	1,078,035
Exchange differences	-	158	-4,232	-37	173	-3,937
Additions	4,341	12,757	166,008	-	4,831	187,938
Disposals	-	-954	-20,642	-934	-4,056	-26,587
Reclassifications	-	2,427	-92,458	-	13,821	-76,210
Historical cost on December 31	6,477	27,748	1,095,840	-	29,174	1,159,239
Accumulated depreciation and impairment charges on January 1	-	-8,289	-633,384	-971	-9,746	-652,390
Exchange differences	-	-141	2,594	37	-150	2,340
Disposals	-	430	20,824	934	3,795	25,984
Reclassifications	-	-861	82,510	-	-11,658	69,991
Depreciation	-	-1,260	-105,281	-	-3,289	-109,830
Accumulated depreciation and impairment charges on December 31	-	-10,122	-632,736	-	-21,047	-663,905
Carrying value on January 1	2,136	5,071	413,780	-	4,659	425,645
Carrying value on December 31	6,477	17,626	463,104	-	8,127	495,334

In 2016 the Group recognized write-downs of property, plant and equipment of EUR 5.9 million related to discontinuing the highly customized non-standard modules business in Temporary Space in Norway and refocusing the business on using standardized high-class modules.

## 3.2. GOODWILL AND OTHER INTANGIBLE ASSETS

### P GOODWILL

Goodwill is measured as the excess of the sum of consideration transferred, the amount of any non-controlling interests in the acquired entity, and the acquisition date fair value of any previous equity interest in the acquired equity over the fair value of the net identifiable assets acquired. It represents a consideration made by the acquirer in anticipation of future economic benefits from assets that cannot be individually identified and separately recognized as assets. Goodwill is not amortized, but instead it is subject to impairment testing procedure once a year, or more frequently if events or changes in circumstances indicate that it might be impaired. For this purpose goodwill is allocated to the cash-generating units "CGU" which it relates to. An impairment charge on goodwill is recognized in the consolidated income statement, if the impairment test shows that its carrying amount exceeds its estimated recoverable amount, in which case its carrying amount is written down to its recoverable amount. Thus, subsequent to its initial recognition, goodwill acquired in a business combination is carried at initial cost less any accumulated impairment charges recognized after the acquisition date. An impairment loss on goodwill is never reversed.

### OTHER INTANGIBLE ASSETS

An intangible asset is recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the entity, and the cost can be measured reliably. They are carried at initial fair value at the date of acquisition less cumulative amortization and accumulated impairment charges.

Amortization ceases when an asset is classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Assets classified as held for sale are carried at the lower of carrying value and fair value less costs to sell.

Gains on sold intangible assets are recognized as other operating income, whereas losses are recognized as other operating expenses in the profit or loss.

Other intangible assets comprise software licenses, costs for IT-systems and development costs for new products. The initial cost comprises expenses directly attributable to the acquisition of the asset and other expenses associated with the development of the system.

In addition to the aforementioned categories, other intangible assets also include non-competition, customer and cooperation agreements, customer relationships and development costs for new products acquired and identified in business combinations.

### E

The estimated useful lives per asset category are as follows:

- Software licenses and IT-systems 3–5 years
- Costs for development of new products 5 years
- Non-competition agreements 2–5 years
- Customer agreements and relationships 3–10 years
- Cooperation agreements 3–5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### MOVEMENT IN GOODWILL AND OTHER INTANGIBLE ASSETS IN 2017

(EUR 1,000)	GOODWILL	OTHER INTANGIBLE ASSETS	OTHER CAPITALIZED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	143,931	51,327	29,993	225,251
Exchange differences	-4,104	-1,750	-4	-5,858
Additions	-	189	2,528	2,718
Business combinations	184	236	-	420
Disposals	-	-2,850	-143	-2,993
Reclassifications	-	264	-236	27
Historical cost on December 31	140,011	47,417	32,137	219,565
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Accumulated amortization and impairment charges on January 1	-5,432	-38,130	-13,522	-57,084
Exchange differences	81	1,259	-14	1,326
Disposals	-	2,850	158	3,008
Reclassifications	-	-166	166	-
Amortization	-	-3,846	-4,509	-8,355
Accumulated amortization and impairment charges on December 31	-5,351	-38,033	-17,720	-61,105
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Carrying value on January 1	138,499	13,197	16,471	168,167
Carrying value on December 31	134,660	9,383	14,417	158,460

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## MOVEMENT IN GOODWILL AND OTHER INTANGIBLE ASSETS IN 2016

(EUR 1,000)	GOODWILL	OTHER INTANGIBLE ASSETS	OTHER CAPITALIZED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	145,022	52,100	37,670	234,791
Exchange differences	-1,091	60	39	-992
Additions	-	29	3,349	3,378
Disposals	-	-697	-10,937	-11,634
Reclassifications	-	-165	-128	-293
Historical cost on December 31	143,931	51,327	29,993	225,251
Accumulated amortization and impairment charges on January 1	-5,366	-34,170	-9,239	-48,774
Exchange differences	-66	147	46	127
Disposals	-	696	3	699
Reclassifications	-	197	-20	177
Amortization	-	-5,001	-4,312	-9,313
Accumulated amortization and impairment charges on December 31	-5,432	-38,130	-13,522	-57,084
Carrying value on January 1	139,656	17,930	28,432	186,017
Carrying value on December 31	138,499	13,197	16,471	168,167

In 2016 the Group recognized write-downs of other capitalized long term expenditure of EUR 10.9 million from discontinuing planned roll-out of the common ERP-platform outside Scandinavia.

## IMPAIRMENT TESTING OF GOODWILL

Goodwill is allocated to groups of cash-generating units (CGUs). Operating segments Finland, Sweden, Norway, Denmark, Baltics and Europe Central are each defined as a CGU.

The goodwill allocated to CGUs is set out in the table below. CGUs are operating segments in accordance with IFRS 8 before assessment of aggregation criteria.

### ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS (CGUS)

(EUR 1,000)	2017	2016
Finland	22,380	22,380
Sweden *	64,319	66,280
Norway	26,711	28,728
Denmark	402	403
Baltics	10,298	10,298
Europe Central	10,550	10,410
<b>Total</b>	<b>134,660</b>	<b>138,499</b>

\* Safety Solutions Jonsereds AB is included in Sweden segment figures.

The goodwill is recorded in local currencies and currency exchange rate fluctuations affect the amounts of goodwill in euros.

The recoverable amount of each CGU is determined by using the discounted cash flow (DCF) method.

### E

In the impairment testing the estimates for the 2018 cash flows are based on the budget for the year 2018. The cash flow estimates projected for years 2019–2022 are based on management's views on the growth and profitability of business, as well as capital requirements.

In the long term the EBIT margin used in the testing varies from 10% to 18%. The revenue/capital ratio of approximately 100% is used for testing on a Group level. The medium term growth varies between 2.0%–2.5% p.a. depending on each country's medium term growth and inflation expectations. The long term growth is estimated to be 2.0 % p.a. for all segments. It reflects both the expected growth and inflation in the operating country. The capital structure of CGU's used in the calculations reflects the target capital structure of Ramirent Group.

The most important assumptions, in addition to the future cash flow estimates, are those made on the weighted average cost of capital (WACC), which is used in discounting the future cash flows. The cost of capital also includes the risk-free interest rates and risk premiums in the different countries where the CGUs are operating. Debt/equity ratio of 30% / 70% has been used in the DCF-calculations. The elements affecting the WACC are Ramirent's capital structure, equity beta, the CGU specific cost of equity and the cost of interest-bearing debt.

Discount rate (pre-tax WACC) used in year 2017 impairment testing were on the same level as in the previous testing.

The principal assumptions used in the year 2017 and 2016 impairment test are set forth in the below two tables.

### YEAR 2017 IMPAIRMENT TEST

	FINLAND	SWEDEN	NORWAY	DENMARK	BALTICS	EUROPE CENTRAL
Growth in net sales *)	2.6%	2.9%	1.2%	3.6%	4.1%	3.5%
Long-term growth	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Average EBIT margin 2018–2022	16.0%	16.1%	13.3%	9.2%	20.5%	19.6%
WACC (after tax)	7.9%	7.8%	7.8%	7.8%	9.9%	8.2%
WACC (pre-tax)	9.5%	9.6%	9.6%	9.5%	11.4%	9.9%

\*) Average growth in net sales (2018–2022) p.a.

### YEAR 2016 IMPAIRMENT TEST

	FINLAND	SWEDEN	NORWAY	DENMARK	BALTICS	EUROPE CENTRAL
Growth in net sales *)	2.6%	4.2%	2.4%	3.2%	2.6%	4.4%
Long-term growth	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Average EBIT margin 2017–2021	14.4%	14.3%	12.0%	8.8%	18.3%	15.4%
WACC (after tax)	7.7%	7.6%	7.6%	7.6%	9.7%	7.9%
WACC (pre-tax)	9.1%	9.3%	9.4%	9.2%	11.1%	9.3%

\*) Average growth in net sales (2017–2021) p.a.

The impairment test has been done on the assets as per October 31 2017. The previous impairment test was done as per October 31 2016.

Based on the impairment test 2017 and 2016, the recoverable amounts of the CGUs are higher than their carrying amounts for all units.

### SENSITIVITY ANALYSIS

The main element of uncertainty connected with impairment testing is the management's assumption on future EBIT level for each CGU. The outcome of future year EBIT is in turn dependent on the outcome of the estimated future net sales and the EBIT %.

The EBIT margins used in the terminal period in the impairment testing are based on management assessment of long term growth and profitability. In all CGU's the recoverable amount exceeds the carrying amount and no impairment has been recognized. The amount by which the recoverable amount exceeds the carrying amount is about or over 40 % for all CGU's.

The below tables show the required decline of estimated future free cash flow and the increase in discount rate per segment which would cause the recoverable amount of a CGU to equal the carrying amount of that CGU. Sensitivity analysis is prepared from the basis of the free cash flow since the development of the business is highly dependent on the amount of capital expenditure allocated for each CGU.

### DECLINE OF FREE CASH FLOW

	2017	2016
Finland	-51.5%	-54.5%
Sweden	-37.2%	-37.2%
Norway	-19.4%	-22.0%
Denmark	-33.7%	-41.7%
Baltics	-22.0%	-9.1%
Europe Central	-39.8%	-39.7%

Free cash flow comprises of EBIT added by depreciation and amortization deducted by net capital expenditure and change in working capital.

### INCREASE IN DISCOUNT RATE (PRE-TAX), PERCENTAGE-POINT

	2017	2016
Finland	8.0%	8.4%
Sweden	4.7%	4.0%
Norway	1.8%	2.0%
Denmark	3.1%	4.1%
The Baltics	2.7%	0.9%
Europe Central	5.3%	4.9%

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### 3.3. NON-CURRENT RECEIVABLES

**P**

Loans and other receivables are measured at amortized cost using the effective interest method. They are presented as non-current assets to the extent that they fall due more than 12 months after the reporting date.

Ramirent's loans receivables are mainly from the joint venture Fortrent.

(EUR 1,000)	2017	2016
Non-current loan receivables from Fortrent	10,153	12,926
Non-current receivables from others	739	825
<b>Carrying value on December 31</b>	<b>10,892</b>	<b>13,751</b>

### 3.4. AVAILABLE-FOR SALE FINANCIAL ASSETS

**P**

Available-for-sale financial assets are measured at fair value. The fair value of unlisted equity shares is based on valuations of external consultants or they are, provided that a fair value is not available, carried at original cost.

(EUR 1,000)	2017	2016
Other shares	89	101
<b>Carrying value on December 31</b>	<b>89</b>	<b>101</b>

Available-for-sale financial assets include shares in non-listed companies in Norway.

### 3.5. INVENTORIES

**P**

Inventories are valued at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Cost is determined using the weighted average cost formula. The cost is defined as all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventories comprise assets that are held for sale in the ordinary course of business, or in the form of materials or supplies to be sold or consumed in the rendering of services. The main categories of inventories are goods for sale, used rental machinery & equipment as well as fuel, spare parts, accessories and materials to be consumed in the rendering of services.

(EUR 1,000)	2017	2016
Goods for sale	11,360	10,547
Spare parts and accessories to be consumed in rendering of services	1,358	647
<b>Carrying value on December 31</b>	<b>12,718</b>	<b>11,194</b>

In 2017, consumables and changes in inventories included in "Materials and Services" amounted to EUR 25.0 (24.6) million.

### 3.6. TRADE AND OTHER RECEIVABLES

**P**

Trade receivables are measured at amortized cost which is the originally invoiced amount minus any reduction for impairment or uncollectability. Trade receivables are included in bad debt allowance when there is objective evidence that their value is impaired and that they may not be collectable. Trade receivables are analyzed client by client and receivable by receivable to determine whether they are collectable.

(EUR 1,000)	2017	2016
Trade receivables	123,747	116,676
Allowance for bad debt	-8,780	-7,969
Other receivables	317	164
Prepayments and accrued income	15,302	15,558
<b>Carrying value on December 31</b>	<b>130,585</b>	<b>124,428</b>

Prepayments and accrued income consist of

(EUR 1,000)	2017	2016
Accrued rental income	1,090	4,508
Accrued interest income	131	87
VAT receivables	385	959
Prepaid insurance expenses	507	640
Prepaid property operating leases	2,120	2,603
Prepaid other operating leases	22	143
Other prepayments	11,047	6,617
<b>Total</b>	<b>15,302</b>	<b>15,558</b>

## 3.7. ASSETS HELD FOR SALE

**P**

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary or business, all of the assets and liabilities of the subsidiary or business are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary or business after the sale.

Assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

No assets were classified as held for sale at the end of 2017 and 2016.

## 3.8. PROVISIONS

**P**

A provision is recognized when

- there is a present obligation (legal or constructive) as a result of a past event,
- it is probable that a future outflow of resources embodying economic benefits will be required to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

The most common provisions that the Group has are restructuring provisions. They are recognized only when general recognition criteria for provisions are fulfilled and the Group has a detailed formal plan about the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and appropriate timeline. Recognized provisions relate mainly to reorganizing of non-profitable businesses and optimizing of customer centre structure and are disaggregated into provisions for termination benefits, terminated lease agreement for premises and rental machinery and other restructuring costs. Other provisions include also environmental provisions related to sold properties in Sweden. Provisions recognized in 2017 relate mainly to Sweden and Denmark.

### CARRYING VALUE ON DECEMBER 31

(EUR 1,000)	2017	2016
Non-current provisions	2,563	589
Current provisions	2,634	1,834
<b>Total</b>	<b>5,197</b>	<b>2,423</b>

### MOVEMENTS IN PROVISIONS PER CATEGORY 2017

(EUR 1,000)	TERMINATION BENEFITS	LEASES OF PREMISES	OTHER PROVISIONS	TOTAL
Provisions on January 1	461	1,514	448	2,423
Provisions made during the period	1,061	2,415	1,219	4,695
Provisions used during the period	-497	-615	-252	-1,365
Provisions reversed during the period	-189	-333	-	-521
Exchange rate differences	17	-40	-12	-35
<b>Provisions on December 31</b>	<b>852</b>	<b>2,941</b>	<b>1,404</b>	<b>5,197</b>

### Expected timing of outflows:

During 2018	839	1,316	539	2,694
During 2019	13	569	423	1,005
During 2020	-	371	-	371
During 2021	-	383	-	383
Later	-	302	442	744
<b>Total</b>	<b>852</b>	<b>2,941</b>	<b>1,404</b>	<b>5,197</b>

### MOVEMENTS IN PROVISIONS PER CATEGORY 2016

(EUR 1,000)	TERMINATION BENEFITS	LEASES OF PREMISES	OTHER PROVISIONS	TOTAL
Provisions on January 1	525	1,985	644	3,154
Provisions made during the period	493	215	164	871
Provisions used during the period	-394	-574	-291	-1,259
Provisions reversed during the period	-176	-112	-46	-333
Exchange rate differences	12	0	-23	-10
<b>Provisions on December 31</b>	<b>461</b>	<b>1,514</b>	<b>448</b>	<b>2,423</b>

### Expected timing of outflows:

During 2017	436	999	399	1,834
During 2018	25	110	26	161
During 2019	-	110	23	134
During 2020	-	96	-	96
Later	-	198	-	198
<b>Total</b>	<b>461</b>	<b>1,514</b>	<b>448</b>	<b>2,423</b>

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### 3.9. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities comprise mainly non-current portion of contingent considerations and other liabilities for the purchase prices of acquired subsidiaries and business operations. Total amount of fixed and variable purchase price liabilities including the short term portions is EUR 5.0 (7.4) million. As the valuation of contingent considerations is not based on observable market data, they are classified as level III liabilities in the fair value hierarchy.

### 3.10. TRADE AND OTHER PAYABLES

(EUR 1,000)	2017	2016
Trade payables	40,271	33,012
Other current liabilities	15,273	27,948
Accrued expenses and deferred income	60,912	47,371
Advances received	101	248
<b>Total</b>	<b>116,557</b>	<b>108,579</b>

#### ACCRUED EXPENSES AND DEFERRED INCOME CONSIST OF

(EUR 1,000)	2017	2016
Accrued interest expenses	4,772	4,989
Accrued employee-related expenses	28,328	15,891
Deferred income	1,352	2,515
Other items	26,460	23,976
<b>Total</b>	<b>60,912</b>	<b>47,371</b>

The short-term part of liabilities for the purchase price of acquired subsidiaries and business operations, EUR 0.4 (2.8) million are included in other liabilities in the above table.

## 4. CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS

### 4.1. CASH AND CASH EQUIVALENTS

**P**

Cash and cash equivalents consist of cash in hand and at banks, deposits held at call with banks and other short-term highly liquid financial investments with a maturity shorter than 3 months. When bank overdrafts show a liability balance, they are presented as interest-bearing liabilities.

(EUR 1,000)	2017	2016
Cash at banks and in hand	6,896	1,570
<b>Carrying value on December 31</b>	<b>6,896</b>	<b>1,570</b>

## 4.2. EQUITY

(EUR 1,000)	NUMBER OF OUTSTANDING SHARES (THOUSAND)	NUMBER OF TREASURY SHARES (THOUSAND)	TOTAL NUMBER OF SHARES (THOUSAND)	SHARE CAPITAL
Carrying value on December 31, 2015	107,736	961	108,697	25,000
Directed share issue on February 29, 2016	13	-13		
Carrying value on December 31, 2016	107,749	948	108,697	25,000
Directed share issue on February 16, 2017	247	-247		
Directed share issue on August 23, 2017	149	-149		
Carrying value on December 31, 2017	108,146	552	108,697	25,000

## NUMBER OF SHARES AND SHARE CAPITAL

The company's share capital on December 31, 2017 consists of 108,697,328 shares the counter-book value of which is EUR 0.2300 per share. The company has one class of shares, each share giving equal voting right of one vote per share. At the end of 2017, Ramirent Plc held 551,603 own shares.

## AUTHORIZATION OF THE BOARD OF DIRECTORS TO REPURCHASE THE COMPANY'S OWN SHARES

Ramirent's Board of Directors is authorized to decide on the repurchase of a maximum of 10,869,732 Company's own shares. The authorization contains also an entitlement for the Company to accept its own shares as pledge.

Shares may be repurchased to be used as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, as part of the Company's incentive program or to be retained, otherwise conveyed or cancelled by the Company.

The share repurchase authorization shall be valid until the next Annual General Meeting and it shall revoke the repurchase authorization given by the Annual General Meeting on March 16, 2017.

The authorization to repurchase the Company's own shares was not used in 2017.

## AUTHORIZATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE SHARE ISSUE AND THE ISSUANCE OF OPTION RIGHTS, CONVERTIBLE BONDS AND/OR SPECIAL RIGHTS

Ramirent's Board of Directors is authorized to decide on the issuance of a maximum of 10,869,732 new shares and on the conveyance of a maximum of 10,869,732 own shares held by the Company.

By virtue of the authorization the Board of Directors also has the right to grant option rights, convertible bonds and/or other special rights referred to in Chapter 10, Section 1 of the Companies Act, which entitle to new shares or the Company's own shares against payment in such a manner that the subscription price of the shares is paid in cash or by using the subscriber's receivable to set off the subscription price. New shares may be issued and the Company's own shares held by the Company may be

conveyed either against payment or for free.

The Board of Directors shall decide on all other terms and conditions related to the authorizations. The authorizations shall be valid until 17 March 2021.

## DIRECTED SHARE ISSUES WITH OWN SHARES

On February 16, 2017 the Board decided, based on the share issue authorization granted by the AGM, to convey 18,920 of the company's own shares, held by the company, without cash payment to the key persons of the Group as a settlement of the Performance Share Program 2014. As the program was set to combine the objectives of the shareholders and the key persons of the Group in order to increase the value of the company, there was an especially weighty financial reason for the directed share conveyance.

In addition, the Board decided to convey a total of 228,344 of Ramirent Plc's treasury shares without consideration to the minority shareholders of Ramirent's subsidiary Safety Solutions Jonsereds AB as a part of the purchase price for the non-controlling interest.

On May 9, 2017 the Board decided to convey a total of 149,147 of Ramirent Plc's treasury shares without consideration to the minority shareholders of Ramirent's subsidiary Safety Solutions Jonsereds AB as a part of the purchase price for the non-controlling interest.

The value of the issued shares, EUR 2,477,013, was recognized as an increase in the invested unrestricted equity fund.

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## SHAREHOLDERS

ON DECEMBER 31, 2017	NUMBER OF SHARES	% OF SHARES AND VOTING RIGHTS
Nordstjernan AB	21,863,716	20.11%
Oy Julius Tallberg Ab	12,207,229	11.23%
Ilmarinen Mutual Pension Insurance Company	2,304,905	2.12%
OP-Finland funds	2,022,802	1.86%
Aktia Funds	1,907,599	1.75%
Mandatum Life Insurance Company Limited	1,650,000	1.52%
Nordea Funds	922,150	0.85%
Föreningen Konstsamfundet rf	593,150	0.55%
Ramirent Oyj treasury shares	551,603	0.51%
The State Pension Fund	532,000	0.49%
Other shareholders	64,142,174	59.01%
<b>Total</b>	<b>108,697,328</b>	<b>100.00%</b>
ON DECEMBER 31, 2016	NUMBER OF SHARES	% OF SHARES AND VOTING RIGHTS
Nordstjernan AB	21,863,716	20.11%
Oy Julius Tallberg Ab	12,207,229	11.23%
Nordea Funds	5,036,675	4.63%
Ilmarinen Mutual Pension Insurance Company	3,445,154	3.17%
Varma Mutual Pension Insurance Company	2,340,865	2.15%
Aktia Funds	2,055,558	1.89%
OP-Finland funds	1,305,286	1.20%
Ramirent Oyj treasury shares	948,014	0.87%
Fondita Funds	820,000	0.75%
Pensionsförsäkringsaktiebolaget Veritas	600,000	0.55%
Other shareholders	58,074,831	53.43%
<b>Total</b>	<b>108,697,328</b>	<b>100.00%</b>

## DIVIDENDS

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The dividend proposed by Ramirent's Board of Directors is included in retained earnings in the consolidated balance sheet. Retained earnings are reduced by the dividend payable only after it has been approved by the General Meeting of Shareholders.

The parent company's distributable equity on December 31 2017 amounted to EUR 245,975,831.02 of which the net result from the financial year 2017 is EUR 15,926,255.72.

The Board of Directors has decided to propose to the Annual General Meeting 2018 that a dividend of EUR 0.44 (0.40) per share be paid based on the adopted balance sheet for the financial year ended on December 31, 2017. The proposed dividend shall be paid in two installments. The first installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment 19 March 2018. The first installment is to be paid on April 4, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2018 for shareholders whose shares are regis-

tered in Euroclear Sweden AB. The second installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment September 18, 2018. The second installment is to be paid on October 3, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on October 4, 2018 for shareholders whose shares are registered in Euroclear Sweden AB. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations of the Finnish book-entry system would be changed, or otherwise so require, prior to the payment of the second installment of the dividend.

The proposed dividend represents a 75 % (195%) payout ratio for 2017 which is above Ramirent's long-term financial target to payout at least 50% of net profit in dividend. The proposed dividend is not reflected in the year 2017 financial statements.

The dividends paid in 2017 were EUR 0.40 per share totalling EUR 43,228,460.60.

## 4.3. FINANCIAL INCOME AND EXPENSES

### P BORROWING COSTS

Interest and other costs related to interest-bearing liabilities are recognized as an expense in the profit or loss when incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form a part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

### RECOGNIZED IN INCOME STATEMENT

(EUR 1,000)	2017	2016
Financial income		
Dividend income on available-for-sale investments	81	31
Interest income on loans and receivables	582	574
Exchange rate gains on financial liabilities measured at amortized cost	8,049	8,573
<b>Total</b>	<b>8,712</b>	<b>9,179</b>
Financial expenses		
Interest expenses		
Bank loans	-6,400	-6,967
Other financial expenses	-4,124	-3,838
Interest expenses on derivative instruments	-1,133	-885
Exchange rate losses on financial liabilities measured at amortized cost	-9,433	-7,738
<b>Total</b>	<b>-21,091</b>	<b>-19,428</b>
<b>Net financial income and expenses</b>	<b>-12,379</b>	<b>-10,249</b>

## 4.4. FINANCIAL LIABILITIES

### INTEREST-BEARING LIABILITIES ON DECEMBER 31, 2017

(EUR 1,000)	CURRENT	NON-CURRENT	TOTAL
Loans from financial institutions	2,273	74,770	77,043
Bond	-	99,789	99,789
Commercial papers	168,000	-	168,000
<b>Total</b>	<b>170,273</b>	<b>174,559</b>	<b>344,832</b>

### INTEREST-BEARING LIABILITIES ON DECEMBER 31, 2016

(EUR 1,000)	CURRENT	NON-CURRENT	TOTAL
Loans from financial institutions	5,426	87,370	92,797
Bond	-	99,621	99,621
Commercial papers	155,000	-	155,000
<b>Total</b>	<b>160,426</b>	<b>186,941</b>	<b>347,418</b>

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## 4.5. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Ramirent classifies financial instruments as financial assets at fair value through profit or loss, loans and other receivables, available-for-sale financial assets and liabili-

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### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial assets are classified into this category when they are either held for trading trading or when they are designated as FVTPL. Derivatives that do not meet the hedge accounting criteria, such as foreign exchange forwards, are classified into this category.

Financial assets in this category are originally stated at fair value, with any gains or losses arising on remeasurement recognized in the income statement.

### LOANS AND OTHER RECEIVABLES

Loans and other receivables are non-derivative financial assets, the settlements of which are fixed or can be determined and which are not quoted on active markets and which the company does not hold for trade. These include the financial assets that the company has received by transferring money, goods or services. Ramirent's loans and other receivables comprise the long-term loan receivable from the joint venture Fortrent as well as trade and other receivables.

Loans and other receivables are measured at amortized cost using the effective interest method. They are presented as non-current assets to the extent that they fall due more than 12 months after the reporting date.

Trade receivables are measured at amortized cost which is the originally invoiced amount minus any reduction for impairment or uncollectibility. Trade receivables are included in bad debt allowance when there is objective evidence that their value is impaired and that they may not be collectable. Trade receivables are analyzed client by client and receivable by receivable to determine whether they are collectable.

### AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are measured at fair value. The fair value of unlisted equity shares is based on valuations of external consultants or they are, provided that a fair value is not available, carried at original cost. Fair value changes of available-for-sale financial assets are recognized net of income taxes in other comprehensive income and presented in the revaluation fund.

### LIABILITIES AT AMORTIZED COST

All financial liabilities are initially recognized at fair value. In subsequent periods they are measured at amortized cost using the effective interest method.

Transaction expenses directly attributable to the raising of loans from financial institutions, and which are clearly connected to a specific loan, are offset against the initial loan amount in the balance sheet and recognized as financial expenses in profit or loss using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that

ities at amortized cost. The Group determines the classification of financial assets and liabilities at the date of the initial acquisition on the basis of the purpose for which the financial assets or liabilities were acquired. Purchases and sales of financial assets are recognized on the trade date.

some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Financial liabilities are included in both non-current and current liabilities and they can be interest or non-interest-bearing. Other liabilities comprise of contingent considerations and other liabilities for the purchase prices of acquired subsidiaries and business operations.

### EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash inflows or outflows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income or expense is recognized on an effective interest basis for debt instruments other than those classified as at fair value through profit or loss.

### CASH FLOW HEDGES

The hedging instruments are initially recognized at fair value on the date of entering the derivative contract. After the initial recognition they are re-measured at fair values, which are based on quoted market prices and rates by the banks. The change of the fair value is recognized in other comprehensive income and presented in the revaluation fund to the extent that the hedging is effective. The ineffective part of the hedging is recognized as financial income or expenses in profit or loss immediately.

Amounts recognized as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. If the hedging instrument expires, or is sold, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction affects profit or loss. If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognized in other comprehensive income is transferred to profit or loss.

The hedging relationship is documented according to the requirement of IAS 39 and the hedging instruments are subject to prospective and retrospective testing of effectiveness.

Hedge accounting is applied for interest rate swaps. The hedged item comprises the future cash flow on interest expenses payable on interest-bearing debt.

Hedge accounting is not applied for the foreign exchange forwards, and thus they have been classified as financial instruments at fair value through profit or loss. Their fair value changes are recognized fully as financial income or expenses in profit or loss.

## 4.6. CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

(EUR 1,000)	NOTE	2017	2016
<b>Receivables</b>			
Non-current loan receivables	3.3.	10,153	12,926
Trade receivable	3.6.	123,747	116,676
Allowance for credit loss	5.1.	-8,780	-7,969
<b>Total</b>		<b>125,119</b>	<b>121,633</b>
<b>Available-for-sale financial assets</b>			
Other shares	3.4.	89	101
<b>Cash and cash equivalents</b>	<b>4.1.</b>	<b>6,896</b>	<b>1,570</b>
<b>Financial liabilities measured at amortized cost</b>			
Committed loans from financial institutions	4.4.	74,770	87,370
Bond	4.4.	99,789	99,621
Bank overdrafts	4.4.	2,273	5,426
Commercial papers	4.4.	168,000	155,000
Deferred payments on acquisitions		1,893	3,543
Trade payables	3.10.	40,271	33,012
<b>Total</b>		<b>386,996</b>	<b>383,973</b>
<b>Financial liabilities at fair value through profit or loss</b>			
Contingent considerations	4.7.	3,110	3,902
Interest rate swaps (market value)	4.8.	-480	-741
Foreign exchange forwards (market value)	4.8.	-276	-346

## 4.7. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

### DECEMBER 31, 2017

(EUR 1,000)	LEVEL 1	LEVEL 2	LEVEL 3
Interest rate derivatives	-	-480	-
Foreign exchange derivatives	-	-276	-
Contingent consideration non-current	-	-	3,110

### DECEMBER 31, 2016

(EUR 1,000)	LEVEL 1	LEVEL 2	LEVEL 3
Interest rate derivatives	-	-741	-
Foreign exchange derivatives	-	-346	-
Contingent consideration non-current	-	-	2,824
Contingent consideration current	-	-	1,078

The table above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### RECONCILIATION OF LEVEL 3 FAIR VALUES

(EUR 1,000)	
<b>Carrying value January 1, 2016</b>	<b>10,098</b>
Exchange differences	116
Payments	-1,441
Reclassification as deferred payment	-4,205
Recognized in other operating income	-1,000
Discount interest recognized in financial expenses	334
<b>Carrying value December 31, 2016</b>	<b>3,902</b>
Exchange differences	-83
Payments	-1,823
Discount interest recognized in financial expense	1,114*
<b>Carrying value December 31, 2017</b>	<b>3,110</b>

\* Additional non-cash interest costs of EUR 0.8 million were recognized due to a change in the redemption schedule of the non-controlling shareholders' shares of Safety Solutions Jonsereds AB.

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## CHANGE IN FAIR VALUES OF CONTINGENT CONSIDERATIONS

Cost of a business combination includes in certain acquisitions also a contingent consideration, which is recognized at fair value. Subsequent changes in fair value are recognized to profit or loss. The management's assessment of the fair value of contingent consideration liability is based on acquisition specific agreed terms and time val-

ue of money. Typically contingent consideration is based on financial performance of the acquired business during the pre-agreed measurement period.

In 2016 the Group has derecognized a portion of contingent consideration liability due to the actual consideration being lower than the carrying amount of the liability. The amount that was derecognized was EUR 1.0 million and it was recognized in other operating income.

## 4.8. FAIR VALUES VERSUS CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

(EUR 1,000)	NOTE	CARRYING AMOUNT 2017	FAIR VALUE 2017	CARRYING AMOUNT 2016	FAIR VALUE 2016
<b>FINANCIAL ASSETS</b>					
Non-current loan receivables	3.3.	10,153	10,153	12,926	12,926
Available-for-sale financial assets	3.4.	89	89	101	101
Trade receivables	3.6.	114,966	114,966	108,707	108,707
Cash and cash equivalents	4.1.	6,896	6,896	1,570	1,570
<b>Total</b>		<b>132,105</b>	<b>132,105</b>	<b>123,304</b>	<b>123,304</b>
<b>FINANCIAL LIABILITIES</b>					
Loans from financial institutions	4.4.	77,043	77,043	92,797	92,797
Bond	4.4.	99,789	104,344	99,621	106,159
Commercial papers	4.4.	168,000	168,000	155,000	155,000
Contingent considerations and deferred payments on acquisitions	4.7.	5,003	5,003	7,446	7,446
Trade payables	3.10.	40,271	40,271	33,012	33,012
<b>Total</b>		<b>390,106</b>	<b>394,662</b>	<b>387,875</b>	<b>394,413</b>
Cross currency and interest rate swaps (nominal and fair value)		115,000	-480	97,656	-741
Foreign exchange forwards (nominal and fair value)		58,277	-276	61,106	-346

## FINANCIAL IMPACT OF NETTING FOR INSTRUMENTS SUBJECT TO AN ENFORCEABLE MASTER NETTING AGREEMENT

The Group has entered into master netting agreements with all of its derivative instrument counterparties.

### DECEMBER 31, 2017

(EUR 1,000)	OFFSETTING DERIVATIVE INSTRUMENTS		
	GROSS AMOUNT OF RECOGNIZED FINANCIAL INSTRUMENTS	RELATED LIABILITIES (-) OR ASSETS (+) SUBJECT TO MASTER NETTING AGREEMENTS	COLLATERAL RECEIVED (-) OR GIVEN (+)
Derivative assets	39	-39	-
Derivative liabilities	-794	39	-756

### DECEMBER 31, 2016

(EUR 1,000)	OFFSETTING DERIVATIVE INSTRUMENTS		
	GROSS AMOUNT OF RECOGNIZED FINANCIAL INSTRUMENTS	RELATED LIABILITIES (-) OR ASSETS (+) SUBJECT TO MASTER NETTING AGREEMENTS	COLLATERAL RECEIVED (-) OR GIVEN (+)
Derivative assets	37	-37	-
Derivative liabilities	-1,124	37	-1,087

## 4.9. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

(EUR 1,000)	2016	CASH FLOW	NON CASH FLOW RELATED CHANGES			2017
			EXCHANGE DIFFERENCES	FAIR VALUE CHANGES	OTHER CHANGES	
Non-current interest-bearing liabilities	186,991	-12,015	-585		168	174,559
Current interest-bearing liabilities	160,426	9,847				170,273
<b>Total</b>	<b>347,418</b>	<b>-2,168</b>	<b>-585</b>		<b>168</b>	<b>344,832</b>

## 5. RISK MANAGEMENT

### 5.1. FINANCIAL RISK MANAGEMENT

#### FINANCIAL RISK MANAGEMENT PRINCIPLES

Ramirent is subject to certain financial risks in its business activities. Main financial risks are foreign exchange rate risk, interest rate risk, funding and liquidity risks, counterparty risk and credit risk. In order to control those financial risks and to reduce their adverse effects on the business activities, assets and liabilities and results, Ramirent has adopted a risk management policy which is described in the Finance Policy approved by the Board of Directors.

The Finance Policy defines risk management principles for the risks which have been concluded to have the most potential impact on the Group. It also provides an overall framework for the financial activities of the Ramirent Group, with the aim of setting objectives, and defines the strategy of managing the financial risks, as well as clarifies the organizational assignment of risk management responsibilities (management of the risk delegated within the Group and the roles and responsibilities in order to handle the risk defined in terms of a risk mandate).

According to Ramirent's Finance Policy financial risk management strives to secure sufficient funding for operational needs and to minimize the funding costs and the effects of foreign exchange rate, interest rate and other financial risks cost-effectively. The policy outlines the financing and financial risk management responsibilities covering also the use of financial instruments to hedge the selected risk exposures and acceptable risk levels.

Ramirent's Board of Directors has the overall responsibility for establishing norms and guidelines for Ramirent's financial risk exposure. The operative management, namely CEO and CFO, controls that the risk management has been conducted in an appropriate way in the Group.

The overall operative financial risk management has been centralized to the Group Treasury of Ramirent. Group Treasury acts as the in-house bank and is, in general, the counterparty for all financial transactions within the Group and also mainly externally. Group Treasury is responsible for implementation of the Finance Policy and

monitoring the financial risks of the Group. Ramirent's Group Treasury is responsible for managing Group-level foreign exchange, interest rate, liquidity and funding risks in close co-operation with the business entities.

The management of Ramirent business entities is responsible for monitoring the financial risk exposures and managing the financial risks of the business entities according to the Finance Policy and other instructions given by Group Treasury.

#### FOREIGN EXCHANGE RATE RISK

Ramirent is an international Group operating in Northern, Eastern and Central European countries. The sales and rental income of the business entities accrue predominantly in their local currency. The purchases of the Group companies are mainly in local currency and partly in euros, while the major part of investment arises in euros. The Group is also exposed to foreign exchange risks through intra-group purchases and sales, internal funding and net investments in foreign-currency entities.

#### TRANSACTION RISK

Ramirent's policy is to reduce the effects of foreign exchange rate fluctuations on the Group. This is done by spreading the purchases, sales and financial contracts over time and fixing the rates of major exposures for certain periods of time. When determining the exposures to be hedged the contracted and 12-month forecasted cash flows and dividend receivables are taken into account. The hedging of transaction exposure is done by using currency forward contracts. Business entities' counterparty in hedging transaction is the parent company of the Group. Group Treasury consolidates and hedges centrally, if necessary, the business entity exposures externally by external borrowing in corresponding currencies and by external currency forward contracts.

The largest transaction exposures derive from foreign purchases and intra-group funding. Due to Ramirent's size of business operations in Sweden, Norway as well in Poland, it is exposed to foreign exchange rate risks mainly

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caused by the fluctuations of the Swedish Krona (SEK), the Norwegian Krona (NOK) and the Polish Zloty (PLN), especially in intra-group funding. Group Treasury hedges the exposures externally with foreign currency nominated borrowings and foreign exchange forward contracts.

On December 31, 2017, Ramirent had outstanding foreign exchange forwards of EUR 58.3 (61.1) million (nominal value) with a market value of EUR -0.3 (-0.3) million.

The Group's exposure to foreign currency risk as of December 31 was as follows based on notional amounts.

#### EUR EXPOSURE IN COMPANIES REPORTING IN FOREIGN CURRENCY

(EUR 1,000)	2017	2016
Trade receivables	108	511
Trade payables	-2,073	-1,237
<b>Total</b>	<b>-1,965</b>	<b>-726</b>

#### INTEREST-BEARING DEBT BY CURRENCY

(EUR 1,000)	2017	2016
EUR	344,832	331,514
SEK	-	1,604
NOK	-	14,120
DKK	-	179
<b>Total</b>	<b>344,832</b>	<b>347,418</b>

#### SENSITIVITY ANALYSIS

The following table demonstrates the sensitivity of the Group's profit for the year and equity to changes of +/-10% in exchange rates resulting from financial instruments such as financial assets and liabilities and foreign exchange derivative instruments included in the balance sheet at the end of the financial year. This analysis assumes that all other variables remain constant.

(EUR 1,000)	2017	2016
+/-10% change in EUR/SEK	-/+ 126	-/+ 466
+/-10% change in EUR/NOK	-/+ 716	-/+ 762
+/-10% change in EUR/PLN	-/+ 39	-/+ 136
+/-10% change in EUR/DKK	-/+ 490	-/+ 340
+/-10% change in EUR against other currencies	-/+ 616	-/+ 597
<b>+/-10% change in EUR Total</b>	<b>-/+ 1 988</b>	<b>-/+ 2 301</b>

#### TRANSLATION RISK

Translation risk arises from the fact that, the financial needs of Group companies are funded partly through equity. In addition, the parent company provides internal funding in local currencies. Ramirent has decided not to hedge currently the foreign exchange rate risk associated with net investment exposures.

## INTEREST RATE RISK

Ramirent is exposed to interest rate risk mainly through its interest-bearing debt. The interest rate risk exposure represents the uncertainty of profit of a company due to changes in interest rates. To reduce the interest rate risk affecting Ramirent's profitability, interest rates are fixed for certain periods of time and fixing dates are spread over time.

The interest rate risk is minimized when the Group's interest rate position of financial instruments is neutralizing the interest rate sensitivity. The duration (average interest fixing period) for the Group's consolidated net borrowing is used to measure the interest rate risk exposure.

Group Treasury is responsible for interest rate risk management in Ramirent Group. Guideline of the interest rate risk exposure management in Ramirent's Finance Policy is that the periods of interest rates shall be diversified. Interest rate swaps and swaptions may only be used to fix the floating rate of underlying loans. Ramirent applies hedge accounting for all interest rate derivatives. The actual average interest rate fixing period of interest-bearing debt on December 31 2017 was 19.9 months and the hedging level for variable rate loans was 62%. Group Treasury is responsible for monitoring and updating the estimated interest rate benchmark position of Ramirent.

On December 31 2017, Ramirent had outstanding interest rate swaps of EUR 115.0 (97.7) million (nominal value) with a market value of EUR -0.5 (-0.7) million.

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## WEIGHTED AVERAGE MATURITY AND AVERAGE INTEREST RATE ON DECEMBER 31, 2017

(EUR 1,000)	WEIGHTED AVERAGE Maturity (years)	WEIGHTED AVERAGE INTEREST RATE (%)
Loans from financial institutions	3.9	1.38%
Bond	1.2	4.38%
Commercial papers	0.2	0.39%

## WEIGHTED AVERAGE MATURITY AND AVERAGE INTEREST RATE ON DECEMBER 31, 2016

(EUR 1,000)	WEIGHTED AVERAGE Maturity (years)	WEIGHTED AVERAGE INTEREST RATE (%)
Loans from financial institutions	4.7	1.53%
Bond	2.2	4.38%
Commercial papers	0.1	0.39%

The repricing and maturity schedule of outstanding interest-bearing debt and interest rate hedges is shown below.

## INTEREST RATE HEDGE COVERAGE OVER TIME (BALANCES AT PERIOD ENDS) ON DECEMBER 31 2017

(EUR 1,000)	2017	2018	2019	2020	2021	2022	LATER
Debt, fixed rate	99,789	99,961	–	–	–	–	–
Debt, variable rate	245,043	74,827	74,883	74,939	73,995	–	–
Interest rate hedges	115,000	115,000	115,000	85,000	20,000	–	–

## INTEREST RATE HEDGE COVERAGE OVER TIME (BALANCES AT PERIOD ENDS) ON DECEMBER 31 2016

(EUR 1,000)	2016	2017	2018	2019	2020	2021	LATER
Debt, fixed rate	99,621	99,789	99,961	–	–	–	–
Debt, variable rate	247,797	87,636	87,656	87,656	87,656	75,000	–
Interest rate hedges	97,656	85,000	85,000	85,000	65,000	–	–

## SENSITIVITY ANALYSIS

The following table demonstrates the sensitivity of Ramirent's profit or loss for 2017 and equity as at December 31 2017 to possible changes in interest rates. A change of 1 percentage point in interest rates at the reporting date would have increased/decreased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2016.

(EUR 1,000)	PROFIT OR LOSS		EQUITY (OTHER COMPREHENSIVE INCOME)	
	1 PERCENTAGE POINT INCREASE	1 PERCENTAGE POINT DECREASE	1 PERCENTAGE POINT INCREASE	1 PERCENTAGE POINT DECREASE
Variable rate instruments	-1,646	–	–	–
Interest rate swaps	837	-200	2,604	-2,491
<b>Cash flow sensitivity (net)</b>	<b>-809</b>	<b>-200</b>	<b>2,604</b>	<b>-2,491</b>

## DECEMBER 31, 2016

(EUR 1,000)	PROFIT OR LOSS		EQUITY (OTHER COMPREHENSIVE INCOME)	
	1 PERCENTAGE POINT INCREASE	1 PERCENTAGE POINT DECREASE	1 PERCENTAGE POINT INCREASE	1 PERCENTAGE POINT DECREASE
Variable rate instruments	-2,481	134	–	–
Interest rate swaps	977	-327	2,835	-1,273
<b>Cash flow sensitivity (net)</b>	<b>-1,504</b>	<b>-193</b>	<b>2,835</b>	<b>-1,273</b>

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The testing for the equity change was carried out by re-pricing the future interest flows of the outstanding interest rate swap agreements with one percentage point higher/lower rate than interest rates prevailing at the reporting date by net present value method. Some of Ramirent's interest rate swaps have floating rates zero floors. Since all the outstanding interest rate swaps are effective, they have all been assumed to affect equity.

## FUNDING RISK

Funding risk is the risk that refinancing of the existing debt portfolio and/or raising new funding will not be available, or is available at high price. The aim is to minimize Ramirent's refinancing risk by spreading debt and debt facility maturities over time and by securing refinancing early enough.

Ramirent's goal is to secure the availability of sufficient funding for conducting its various operations at all times. A further goal is to minimize funding costs over time. According to the Finance Policy, Ramirent shall use multiple sources of funding to secure its long-term financing at favourable terms. The goal is that no single financial institution shall provide more than 50% of the total funding of the Group.

According to the Finance Policy, in the long term perspective Ramirent shall not to be obliged to amortize during any one year more than 30% of the total interest-bearing debt, and if such situations occur, the Group Treasury is obliged to start negotiations to alter this structure no later than eighteen months before the planned amortization.

As of the end of 2017, Ramirent had funding from a drawn committed term loan in total of EUR 75.0 million and committed revolving credit facilities in total of EUR 320.0 million under two different agreements with financial institutions and un-drawn committed term loan facility in total of EUR 50.0 million with European Investment Bank. Ramirent issued an inaugural unsecured senior bond of EUR 100.0 million in 2013. In addition, an uncommitted EUR 250.0 million domestic commercial paper program was used in 2017.

The average maturity of the committed debt facilities as of December 31 2017 was 3.3 years. Ramirent's borrowing facilities with financial institutions will mature in 2020, 2021 and 2022. The bond will mature in 2019.

As at December 31 2017 Ramirent was in compliance with all covenants and other terms of its debt instruments.

## LIQUIDITY RISK

Liquidity risk is the risk that existing funds and borrowing facilities become insufficient to meet the Group's business needs or high extra costs are incurred for arranging them. The objective of the liquidity risk management in Ramirent Group is to minimize the risk by having a well-balanced liquidity reserve to hedge against foreseen and unforeseen liquidity requirements. The parent company raises most of Ramirent's interest-bearing debt central-

ly. Ramirent seeks to reduce liquidity risk by keeping sufficient amount of credit facilities available. Ramirent's liquidity risk is reduced also by efficient cash management procedures and cash management structures such as cash pools and overdraft facilities. In the long-run the principal source of liquidity is expected to be cash flow generated by the operations.

Ramirent's Finance Policy states that liquidity reserves shall equal at minimum of 8% of the forecasted rolling 12-month net sales or EUR 50 million, whichever of the two is higher, plus the total outstanding amount of the commercial papers, to cover the operative and risk liquidity requirement. In addition, there shall be a strategic liquidity reserve that management of the Ramirent Group estimates for the foreseeable future. Top management shall constantly review the optimal level of the strategic liquidity requirement to allow the company to react effectively.

The liquidity reserve should be available within three banking days, without paying any extra fee, penalty or similar cost at any time. At year-end 2017, Ramirent had EUR 208.9 (153.9) million or 28.9 (23.1)% of net sales of committed liquidity reserves readily available.

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The table below summarizes the contractual maturities of financial liabilities and including interest payments at balance sheet date:

### DECEMBER 31, 2017

(EUR 1,000)

Non-derivative financial liabilities	CONTRACTUAL CASH FLOWS	2018	2019	2020	2021	2022	LATER
Committed loans from financial institutions	-79,783	-1,013	-1,050	-1,238	-1,425	-75,058	-
Bond	-105,347	-4,375	-100,972	-	-	-	-
Commercial papers	-168,118	-168,118	-	-	-	-	-
Bank overdrafts	-2,292	-2,292	-	-	-	-	-
Contingent considerations and deferred payments on acquisitions	-5,603	-444	-3,086	-592	-1,481	-	-
Trade payables	-40,271	-40,271	-	-	-	-	-
Total	-401,414	-216,512	-105,108	-1,829	-2,906	-75,058	-
<b>Derivative financial liabilities</b>							
Interest rate swaps (fair value)	-480	-174	-174	-110	-19	-5	-
Foreign exchange forwards (fair value)	-276	-276	-	-	-	-	-
Total	-756	-450	-174	-110	-19	-5	-
<b>Total</b>	<b>-402,170</b>	<b>-216,962</b>	<b>-105,282</b>	<b>-1,939</b>	<b>-2,925</b>	<b>-75,063</b>	<b>-</b>

### DECEMBER 31, 2016

(EUR 1,000)

Non-derivative financial liabilities	CONTRACTUAL CASH FLOWS	2017	2018	2019	2020	2021	LATER
Committed loans from financial institutions	-98,673	-1,367	-1,587	-1,806	-2,025	-14,900	-76,988
Bond	-113,125	-4,375	-4,375	-104,375	-	-	-
Commercial papers	-155,087	-155,087	-	-	-	-	-
Bank overdrafts	-5,486	-5,486	-	-	-	-	-
Contingent considerations and deferred payments on acquisitions	-9,232	-2,824	-457	-3,654	-610	-1,688	-
Trade payables	-33,012	-33,012	-	-	-	-	-
Total	-414,615	-202,151	-6,419	-109,834	-2,635	-16,588	-76,988
<b>Derivative financial liabilities</b>							
Interest rate swaps (fair value)	-741	-285	-169	-169	-106	-13	-
Foreign exchange forwards (fair value)	-346	-346	-	-	-	-	-
Total	-1,087	-631	-169	-169	-106	-13	-
<b>Total</b>	<b>-415,702</b>	<b>-202,782</b>	<b>-6,588</b>	<b>-110,003</b>	<b>-2,741</b>	<b>-16,601</b>	<b>-76,988</b>

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## CREDIT RISK

### OPERATIONAL CREDIT RISK

Credit risk is defined as the possibility of a customer not fulfilling its commitments towards Ramirent. The Group has a Credit Risk Management Principle that sets the guidelines for credit management and controls it in all Group companies. According to the Group Credit Risk Management Principle, the operative management of each operating Ramirent entity is responsible for setting specific local procedures to evaluate and manage credit risk. The Group Credit Risk Management Principle identifies occasions when a customer can be classified as a high

risk-profile customer for which Ramirent applies stricter terms such as lower credit limit amounts. To decrease credit risk, customers may be required to place securities or guarantees.

Customer credit risks are diversified as Ramirent's sales are generated by a large number of customers. Thus there was no major customer credit risk concentration at end of financial year 2017. The quality of receivables is evaluated by the aging of the receivables and based on customer specific analysis.

The carrying amount of financial assets represents the maximum credit exposure.

### ANALYSIS OF TRADE RECEIVABLES BY AGE

(EUR 1,000)	GROSS 2017	ACCUMULATED ALLOWANCE FOR BAD DEBT 2017	GROSS 2016	ACCUMULATED ALLOWANCE FOR BAD DEBT 2016
Undue trade receivables	83,741	-	85,554	-
Trade receivables 1–30 days overdue	26,139	-	18,410	-
Trade receivables 31–90 days overdue	5,062	-	5,031	-445
Trade receivables 91–180 days overdue	1,854	-1,830	1,150	-1,150
Trade receivables 181–360 days overdue	1,906	-1,906	1,338	-1,338
Trade receivables more than 360 days overdue	5,043	-5,043	5,194	-5,036
<b>Total</b>	<b>123,747</b>	<b>-8,780</b>	<b>116,676</b>	<b>-7,969</b>

### THE MOVEMENT IN THE ALLOWANCE FOR BAD DEBT IN RESPECT OF TRADE RECEIVABLES DURING THE YEAR

(EUR 1,000)	2017	2016
Allowance for bad debt on January 1	-7,969	-9,348
Exchange rate differences	-12	78
Increase during the financial year	-5,318	-3,659
Decrease due to actual credit losses during the financial year	2,753	4,045
Decrease due to customer payments during the financial year	1,766	916
<b>Net movement of allowance for bad debt during the financial year</b>	<b>-881</b>	<b>1,379</b>
<b>Allowance for bad debt on December 31</b>	<b>-8,780</b>	<b>-7,969</b>

## FINANCIAL COUNTERPARTY RISK

Financial counterparty risk is defined as the risk of banks or financial institutions not being able to fulfil their undertakings to the Ramirent Group. The financial counterparty risk is minimized by selecting instruments with a high degree of liquidity and counterparties with a high credit rating. Ramirent co-operates only with counterparties judged to be capable of meeting their undertakings to Ramirent.

Group Treasury manages the main part of the credit risk related to financial transactions and financial counterparties by having three to five main financial institutions and by efficient cash and financial asset management so that Ramirent does not have any major risk concentration in any financial counterparty.

## CASH FLOW HEDGES

The main derivative instruments used by the company for the financial years 2017 and 2016 were interest rate

and foreign currency derivatives. They have been used as hedging instruments in accordance with the company's finance policy.

Ramirent Group uses interest rate derivatives to reduce the volatility of interest expenses in the income statement and to adjust the duration of the debt portfolio. Interest rate derivative agreements have been designated as hedges of forecasted transactions, i.e. cash flow hedges.

All the interest rate derivatives are directly linked to underlying funding transactions and they meet the qualifications for hedge accounting, and thus they are designated as cash flow hedges. Under cash flow hedging, Ramirent has predetermined the interest expense cash flow between 2018 and 2022.

Prospective effectiveness testing is conducted on a constant basis. Retrospective testing is conducted on a quarterly basis to review the effectiveness of hedging transactions. Cash flow hedges have been effective both during 2017 and 2016.

Gains and losses accumulated in other comprehensive income are recycled in the income statement within

financial income or expenses during the periods when the hedged item affects profit or loss. Movements in hedging reserve are presented in other comprehensive income. For 2017, interest rate hedge effect to other comprehensive income was EUR 0.2 (0.3) million (after taxes).

## 5.2. CAPITAL MANAGEMENT

The targets of capital management in Ramirent have been adopted by the Board of Directors in the Finance Policy and in the strategic plan. Ramirent's target is to have a strong financial position that provides financial stability, relatively independently of the economic cycles and external financing possibilities. This enables Ramirent to make long-term business decisions and to act effectively over a business cycle. In addition the company is to earn a sustainable return that is higher than the market cost of its capital.

Ramirent launched its new strategy and set financial targets for 2018-2020 on November 30, 2017. With the new strategy Ramirent aims to focus on capital efficient profitable growth in its core business – general equipment rental and related services. The objective of the Group strategy for 2018-2020 is to drive further profitability improvement by having a disciplined focus on profitable businesses, performance management, process excellence, capital efficiency and people leadership.

In connection with the new strategy Ramirent also updated its financial targets:

### THE NEW FINANCIAL TARGETS

Indicator	Target	Previous indicator & target
EPS growth (CAGR)	double digit % 2018-2020	net sales growth > GDP +2%-points p.a.
ROCE	16% by the end of 2020	ROE 12% per fiscal year
Dividend payout ratio	> 50% of net profit	> 40% of net profit
Net debt to EBITDA	< 2.5x at end of each fiscal year	< 2.5x at end of each fiscal year

Ramirent's business is capital intensive and the investments in new fleet and efficient use of existing fleet reflect the growth possibilities and the profitability. The amount of Ramirent's future capital expenditure depends on a number of factors, including general economic conditions and growth prospects. The business is cyclical, but if investments are halted, the effects on cash flow are relatively immediate. The timing and amount of investments are key factors in the achievement the targeted capital structure.

Ramirent aims to pay an ordinary dividend each year that corresponds to at least 50% of the annual earnings per share. The Board has proposed that the Annual General Meeting in 2018 resolves in favour of paying a dividend of EUR 0.44 cent per share, which corresponds to 75 % of the annual net profit. Total dividend distribution during the past 5 years corresponds with 103 % of the accumulated net profit for the past five years.

In 2017 the Annual General Meeting adopted the Board's proposal that a dividend of EUR 0.40 per share be

paid based on the adopted balance sheet for the financial year ended on December 31, 2016. The dividend was paid in two installments. The date of record for the first installment of EUR 0.20 per share was March 20, 2017 and the dividend was paid on April 4 2017 for shareholders whose shares were registered in Euroclear Finland Ltd and on April 5, 2017 for shareholders whose shares were registered in Euroclear Sweden AB. The date of record for the second installment of EUR 0.20 per share was September 18, 2017 and the dividend was paid on October 3, 2017 for shareholders whose shares were registered in Euroclear Finland Ltd and on October 4, 2017 for shareholders whose shares were registered in Euroclear Sweden AB.

Capital structure of the Group is reviewed by the Board on a regular basis. The Net Debt to EBITDA -ratio and other financial target measures are reviewed regularly.

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## THE NET DEBT TO EBITDA -RATIO AS OF DECEMBER 31 2017 AND 2016

(EUR 1,000)	2017	2016
Interest-bearing liabilities	344,832	347,418
Cash and cash equivalents	-6,896	-1,570
Net debt	337,936	345,848
Earnings before interest, taxes, depreciation and amortization (EBITDA)	205,490	169,050
Net Debt to EBITDA	1.6x	2.0x
<b>RECONCILIATION OF NET DEBT</b>	<b>2017</b>	<b>2016</b>
Net debt at January 1	345,848	280,855
Decrease/(increase) in cash during the year	-5,327	-999
Repayments of non-current debt	-12,015	-4,026
Borrowings and repayments of current debt (net)	9,847	70,181
Exchange rate differences	-585	-325
Non-cash movements:		
– deferred costs of raising debt	168	163
Increase/(decrease) in net debt during the year	-7,912	64,993
Net debt at December 31	337,936	345,848

## 6. INCOME TAXES

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Income taxes consist of current income taxes and deferred income taxes.

Current income taxes include income taxes for the current fiscal year as well as adjustments to the current income taxes for previous fiscal years in terms of tax expenses or tax refunds that had not been recognized in the prior year profit or loss. The income tax charge for the current fiscal year is the sum of the current income taxes recorded in each Group company, which are calculated on the company specific taxable income using the tax rates prevailing in the different countries where the Group companies are operating.

Deferred income taxes are calculated on all temporary differences between the carrying value and the tax bases of assets and liabilities. The main temporary differences arise from the depreciation difference on non-current assets, the measurement at fair value of derivative financial instruments, defined benefit pension plans, tax losses carried forward and the measurement at fair value in business combinations. Deferred income taxes are not recognized on subsidiary retained earnings to the extent that it is not probable that the timing difference will materialize in the foreseeable future.

Deferred income taxes are calculated using the country specific tax rates enacted or substantially enacted in local tax laws as at balance sheet date. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Income taxes on items recognized in other comprehensive income are also recognized in other comprehensive income.

## 6.1. INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT

(EUR 1,000)	2017	2016
Current income tax for the year	-12,325	-6,908
Income tax for prior years	793	-381
Deferred income taxes	-1,981	1,016
<b>Total income taxes</b>	<b>-13,514</b>	<b>-6,273</b>

### RECONCILIATION OF INCOME TAX TO THE FINNISH CORPORATE INCOME TAX RATE

(EUR 1,000)	2017	2016
Earnings before taxes (EBT)	76,966	28,104
Income tax at Finnish tax rate on profit before tax	-15,393	-5,621
Impact of different tax rate outside Finland	320	472
Impact of tax non-deductible expenses	-1,316	-807
Impact of tax exempt income	441	365
Income tax for prior years	793	-381
Impact of change in tax rates on deferred taxes	1,007	408
Impact on non-recognition of deferred income tax assets on current year losses	-149	-264
Impact on recognition of deferred income tax assets recognized on prior years losses	227	-
Net results of joint venture and associated companies	198	261
Benefit arising from previously unrecognized tax losses used to reduce current tax expense	237	-
Other items	120	-707
<b>Total income taxes</b>	<b>-13,514</b>	<b>-6,273</b>
Effective tax rate	-17.6 %	-22.3 %

The impact of tax exempt income in 2016 is affected by derecognition of previously recognized contingent consideration liability due to the actual consideration being lower than the carrying amount of the liability.

Deferred tax assets and liabilities have been measured using the tax rates applicable on 2018 and onwards. Changes in tax rates have taken place in Norway and Slovakia in 2017. In 2018 tax rates will change in Norway and Latvia.

### TAX EFFECTS OF COMPONENTS IN OTHER COMPREHENSIVE INCOME

(EUR 1,000)	2017			2016		
	BEFORE TAXES	TAX	AFTER TAXES	BEFORE TAXES	TAX	AFTER TAXES
Translation differences	-8,643	-	-8,643	-3,285	-	-3,285
Actuarial gains/(losses) on defined benefit plans	-1,682	370	-1,312	-1,205	265	-940
Cash flow hedges	274	-55	219	404	-81	323
Share of other comprehensive income in associates and joint ventures	-1,290	-	-1,290	3,348	-	3,348
<b>Total</b>	<b>-11,341</b>	<b>315</b>	<b>-11,026</b>	<b>-739</b>	<b>184</b>	<b>-555</b>

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## 6.2. DEFERRED TAXES

### MOVEMENT IN DEFERRED TAX ASSETS IN 2017

(EUR 1,000)	BALANCE ON JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/DISPOSALS	RECLASSIFICATION	BALANCE ON DEC 31
Tax losses carried forward	2,388	-2,134	-	-27	-	-	227
Fair value adjustments	646	-40	-55	-	-	-	551
Pension obligations	1,904	-	370	-50	-	-	2,224
Other temporary differences	1,506	1,680	-	19	-	-	3,205
<b>Total</b>	<b>6,445</b>	<b>-494</b>	<b>315</b>	<b>-58</b>	<b>-</b>	<b>-</b>	<b>6,208</b>
Effect of netting	-5,867						-5,054
Deferred tax assets reported in financial statements	578						1,154

### MOVEMENT IN DEFERRED TAX LIABILITIES IN 2017

(EUR 1,000)	BALANCE ON JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/DISPOSALS	RECLASSIFICATION	BALANCE ON DEC 31
Adjustments to fair value of non-current assets due to business combinations	13,911	-1,034	-	-1,008	57	-	11,926
Accumulated depreciation in excess of plan	36,909	1,799	-	-500	-	-	38,208
Other taxable temporary differences	2,473	723	-	-289	-	-	2,907
<b>Total</b>	<b>53,293</b>	<b>1,488</b>	<b>-</b>	<b>-1,797</b>	<b>57</b>	<b>-</b>	<b>53,041</b>
Effect of netting	-5,867						-5,054
Deferred tax liabilities reported in financial statements	42,427						47,987

### MOVEMENT IN DEFERRED TAX ASSETS IN 2016

(EUR 1,000)	BALANCE ON JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/DISPOSALS	RECLASSIFICATION	BALANCE ON DEC 31
Tax losses carried forward	1,352	1,003	-	33	-	-	2,388
Fair value adjustments	664	138	-81	-75	-	-	646
Pension obligations	1,618	-	265	21	-	-	1,904
Other temporary differences	853	701	-	-47	-	-	1,506
<b>Total</b>	<b>4,487</b>	<b>1,842</b>	<b>184</b>	<b>-69</b>	<b>-</b>	<b>-</b>	<b>6,445</b>
Effect of netting	-3,635						-5,867
Deferred tax assets reported in financial statements	852						578

## MOVEMENT IN DEFERRED TAX LIABILITIES IN 2016

(EUR 1,000)	BALANCE ON JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COMPRE- HENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/ DISPOSALS	RECLASS- IFICATION	BALANCE ON DEC 31
Adjustments to fair value of non-current assets due to business combinations	15,028	-1,826	-	709	-	-	13,911
Accumulated depreciation in excess of plan	34,910	2,636	-	-637	-	-	36,909
Other taxable temporary differences	2,880	1	-	-408	-	-	2,473
<b>Total</b>	<b>52,818</b>	<b>811</b>	<b>-</b>	<b>-336</b>	<b>-</b>	<b>-</b>	<b>53,293</b>
Effect of netting	-3,635						-5,867
Deferred tax liabilities reported in financial statements	49,183						47,427

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Consolidated financial statements include deferred tax assets on tax losses carried forward in subsidiaries that have been loss-making in current or earlier financial periods. Group management has assessed the subsidiaries' potential to utilize these losses during the utilization period in each subsidiary. This assessment is based on the best available information of the future outlook in the subsidiaries. A deferred tax asset is not recognized in case there is not sufficient certainty about the subsidiaries' potential to utilize the losses. Total amount of unused tax losses for which no deferred tax asset is recognized is 3.6 (7.1) EUR million.

## 7. GROUP STRUCTURE AND CONSOLIDATION PRINCIPLES

### 7.1. CONSOLIDATION PRINCIPLES

The accounting policies applied to the consolidated financial statements in general are described in this section.

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#### SUBSIDIARIES

The consolidated financial statements include the parent company Ramirent Plc and all companies over which Ramirent has control. Being in control means the power to direct the activities of the company and ability to obtain benefits from these activities.

The group entities apply uniform accounting policies. The subsidiaries are listed in note 7.2.

The consolidated financial statements are prepared using the acquisition method of accounting, according to which the separately identified assets, liabilities and contingent liabilities of the acquired company are measured at their fair value at the date of acquisition.

The date of acquisition is the date when control is gained over the subsidiary. A subsidiary is consolidated from the date of acquisition until the date when the parent company loses control over the subsidiary. If control over the subsidiary is lost, the remaining investment is measured at fair value through the profit or loss. In addition, amounts previously recognized in other comprehensive income in respect of the disposed subsidiary are reclassified to the profit or loss. If the parent company retains control, impacts from

changes in ownership in a subsidiary are recognized directly in the Group's equity.

The difference between the acquisition cost, possible equity belonging to the non-controlling interests and the acquired company's net identifiable assets and liabilities measured at fair value is goodwill. It represents a consideration made by the acquirer in anticipation of future economic benefits from assets that cannot be individually identified and separately recognized as assets. Any contingent consideration will be measured at fair value and subsequently re-measured through the profit or loss. All acquisition-related costs, such as professional fees, are expensed through the profit or loss. Non-controlling interest in the acquiree is measured acquisition-by-acquisition either at fair value or at value, which is equal to the proportional share of the non-controlling interest in the identifiable net asset acquired.

The net assets acquired are denominated in the functional currencies of the acquired subsidiaries and translated to the parent company's functional currency the euro at the exchange rates prevailing at the last day of the financial year. The result of this is that goodwill on all acquisitions measured in any other currency than the euro is subject to exchange rate differences, which causes

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fluctuation of goodwill and any fair value adjustment amount when translated to the parent company's functional currency the euro.

All internal transactions, balances and internal unrealized profits as well as internal distribution of profit are eliminated. Unrealized losses are eliminated in the same way as unrealized profits, but only to the extent that there is no evidence of impairment.

## FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The result and financial position of each individual Group company is measured in the currency of the primary economic environment in which the company is operating (functional currency). The consolidated financial statements are presented in euro, which is the functional currency of the Group's parent company Ramirent Plc.

The initial transactions in foreign currency are recorded in the functional currency at the exchange rates prevailing at the dates of the transactions. Receivables and liabilities denominated in foreign currencies are translated to functional currency by using the exchange rates prevailing at the reporting date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies for operating items are

recognized in other operating expenses in the income statement, whereas those stemming from financing items are recognized in financial income and expenses in the income statement.

The income statements of the Group's subsidiaries, whose functional currency is not the euro, are translated into euros based on the average exchange rate of the financial period. Their statements of financial position, with the exception of net result, are translated to euros at the exchange rates prevailing at the reporting date. The difference arising due to the consolidation process between the net result for the financial period in the consolidated income statement and that in the consolidated balance sheet is recognized as translation differences in other comprehensive income and presented in translation differences in equity in the consolidated balance sheet. Exchange rate differences arising from the elimination of the acquired net assets of the foreign subsidiaries at the acquisition date are also recognized as translation differences in other comprehensive income and presented in translation differences in equity in the consolidated balance sheet. When a subsidiary is disposed, any translation difference relating to the disposed subsidiary and previously presented in equity is transferred to the income statement as part of the gain or loss of the sale or liquidation.

## 7.2. SUBSIDIARIES

### SUBSIDIARIES DECEMBER 31, 2017

	COUNTRY	NATURE OF ACTIVITY	PLC'S DIRECT HOLDING	GROUP HOLDING
Ramirent Internal Services AB	Sweden	Operating	100%	100%
Ramirent Shared Services AS	Estonia	Operating	100%	100%
Safety Solutions Jonsereds AB	Sweden	Operating	85.73%	85.73%
Ramirent Finland Oy	Finland	Operating	100%	100%
Ramirent AB	Sweden	Operating	100%	100%
Ramirent Safe Access AB	Sweden	Operating	0%	100%
Ramirent AS	Norway	Operating	100%	100%
Bautas AS	Norway	Dormant	0%	100%
Ramirent A/S	Denmark	Operating	100%	100%
Ramirent Baltic AS	Estonia	Operating	100%	100%
Ramirent AS Rigas filiale	Latvia	Operating	0%	100%
Ramirent AS Vilniaus filialas	Lithuania	Operating	0%	100%
Ramirent S.A.	Poland	Operating	100%	100%
Ramirent s.r.o.	Czech Republic	Operating	100%	100%
Ramirent spol. s.r.o.	Slovakia	Operating	100%	100%

### Disposed or merged in 2017

C6 Invest AS	Norway	Real estate company
Ramirent Module Systems AS	Norway	Operating

## 7.3. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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Associated companies are entities over which Ramirent has significant influence but no control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Joint arrangements are arrangements in which Ramirent has joint control with one or more parties. Ramirent applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Ramirent has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from associated companies and joint ventures are recognized as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interests in the entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the entity), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the entity. Acquisition related costs are included in the investment value for arrangements carried out before 2016. Starting from 2016 Ramirent applies the principles of IFRS 3 Business Combinations for joint operations that constitute a business. Acquisition related costs are expensed through profit or loss when incurred.

Accounting policies of the associated companies and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The share of the profit or loss from associated companies and joint ventures is presented separately in the consolidated income statement. Ramirent's investment in associated companies and joint ventures includes goodwill identified on acquisition.

(EUR 1,000)	2017	2016
Investments in joint ventures	7,785	8,082
<b>Carrying value on December 31</b>	<b>7,785</b>	<b>8,082</b>

### INFORMATION ON THE JOINT VENTURE FORTRENT

NAME OF COMPANY	INDUSTRY	DOMICILE	INTEREST HELD	
			2017	2016
Fortrent Oy	Equipment rental	Helsinki	50%	50%

(EUR 1,000)	2017	2016
Opening net assets	12,159	2,801
Result for the period	2,078	2,663
Other comprehensive income	-2,579	6,696
Closing net assets	11,658	12,159
Interest in joint venture (50%)	5,829	6,080
Transaction costs	1,358	1,358
<b>Carrying value December 31</b>	<b>7,187</b>	<b>7,438</b>
<b>Loans granted to Fortrent</b>	<b>10,153</b>	<b>12,926</b>

Fortrent is the leading company in the construction machinery and equipment rental markets in Russia and Ukraine. Fortrent is owned and controlled jointly by Cramo Plc (50 percent) and Ramirent (50 percent). Ramirent has classified its interest in Fortrent as a joint venture. Ramirent presents its share of the profit of the joint venture above EBIT using the equity method of accounting.

Summarized financial information on Fortrent is presented in the following table. Fortrent prepares its consolidated financial statements in accordance with IFRS and there are no major differences to Ramirent's accounting policies.

## JOINT VENTURES

Ramirent has two joint ventures: Fortrent Oy with subsidiaries operating in Russia and Ukraine and Fehmarnbelt Solution Services A/S in Denmark. Fehmarnbelt Solution Services A/S was established with Zeppelin Rental GmbH to serve the cross-border Fehmarnbelt tunnel construction project. As the project have been postponed the operations of Fehmarnbelt Solution Services A/S have not yet started.

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**FORTRENT'S SUMMARIZED STATEMENT OF FINANCIAL POSITION**

(EUR 1,000)	DECEMBER 31, 2017	DECEMBER 31, 2016
<b>Non-current assets</b>		
Goodwill	5,023	5,421
Intangible assets	3,666	4,760
Property, plant and equipment	21,630	24,513
Deferred tax assets	1,658	2,287
<b>Total non-current assets</b>	<b>31,977</b>	<b>36,981</b>
<b>Current assets</b>		
Cash and cash equivalents	447	351
Other current assets	6,129	6,838
<b>Total current assets</b>	<b>6,576</b>	<b>7,189</b>
<b>TOTAL ASSETS</b>	<b>38,553</b>	<b>44,171</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	20,306	25,852
Other non-current liabilities (Deferred tax liability)	2,589	2,893
<b>Total non-current liabilities</b>	<b>22,895</b>	<b>28,746</b>
<b>Current liabilities</b>		
Other current liabilities	4,000	3,266
<b>Total current liabilities</b>	<b>4,000</b>	<b>3,266</b>
<b>TOTAL LIABILITIES</b>	<b>26,895</b>	<b>32,011</b>
<b>NET ASSETS</b>	<b>11,658</b>	<b>12,159</b>

**FORTRENT'S SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME**

(EUR 1,000)	JAN-DEC 2017	JAN-DEC 2016
<b>TOTAL INCOME</b>	<b>32,226</b>	<b>29,578</b>
Materials and Services	-8,963	-9,615
Other expenses	-11,754	-10,356
Depreciation	-6,980	-6,477
<b>Operating result before amortization (EBITA)</b>	<b>4,529</b>	<b>3,130</b>
Amortization	-788	-702
<b>Operating profit (EBIT)</b>	<b>3,741</b>	<b>2,428</b>
Interest income	78	39
Interest expense	-604	-724
Other financial income and expenses (net)	-628	1,156
<b>Earnings before taxes (EBT)</b>	<b>2,588</b>	<b>2,900</b>
Income taxes	-509	-238
<b>RESULT FOR THE PERIOD</b>	<b>2,078</b>	<b>2,663</b>
Other comprehensive income	-2,580	6,696
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-502</b>	<b>9,358</b>

Fortrent has classified the part of the loan receivables from the Russian and Ukrainian subsidiaries as net investment in foreign subsidiaries. Translation differences arising from this part of the loans have been booked to Other Comprehensive Income. Part of the loans is payable in accordance with an agreed schedule and this part of the loans is reclassified as normal loan and the related exchange rate differences are recycled into P&L. The effect to the net profit for 2017 was EUR -0.2 (1.0) million.

Fortrent had commitments amounting to EUR 269 (177) thousand.

Average number of personnel (FTE) was 324 (331).

## 7.4. ACQUISITIONS AND DISPOSALS

### ACQUISITIONS OF SUBSIDIARIES AND BUSINESS OPERATIONS EXECUTED IN 2017 AND 2016

No major acquisitions were executed in 2017 nor in 2016.

### DISPOSALS OF SUBSIDIARIES AND BUSINESS OPERATIONS EXECUTED IN 2017 AND 2016

On 1 November 2017 Ramirent finalized the agreement for the sale and lease back of the Norwegian real estate company C6 Invest AS. The company owns Ramirent's hub in Enebakk, Norway. The sales transaction resulted in EUR 1.3 million capital gain that was recognized for 2017. The lease back agreement is interpreted as an operating lease.

## 7.5. PRESENTATION OF CONSOLIDATED STATEMENT OF INCOME

IAS 1 Presentation of financial statements does not define "operating result". Ramirent presents operating result (EBIT) in the consolidated statement of income and has defined it as total of net sales and other operating income from which expenses for materials and services, employee benefit and other operating expenses as well as depreciation, amortization and impairment charges are subtracted. The share of result in associates and joint ventures is also included in the operating result. Foreign currency differences stemming from working capital items are included in the operating result

## 7.6. NEW ACCOUNTING STANDARDS

Ramirent has not yet adopted the following standards or interpretations that the IASB has issued but are not yet effective. Ramirent will adopt them as from their effective dates, if the effective date is the same as the beginning of the financial year, or if the effective date is different, they will be adopted as from the beginning of the following financial year.

## IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

Ramirent adopts IFRS 15 "Revenue from contracts with customers" from January 1, 2018. In the consolidated financial statements for 2016 Ramirent disclosed preliminary results of the assessment of the effects of the new standard. During 2017 Ramirent continued assessment and preparations for adopting the new standard using the full retrospective method in accordance with IAS 8.

Preparations have included e.g. analyzing contracts, clarifying revenue recognition principles and training of responsible people to understand the requirements of the new standard.

IFRS 15 standard introduces a five phase model to be applied in revenue recognition. According to the standard revenue recognition is based on transfer of control. This may affect the timing of revenue recognition and amounts that are recognized, compared to current principles in accordance with IAS 18.

Ramirent has identified the following revenue streams for its operations:

1. Rental sales (63% of net sales in 2017)
2. Service sales (28% of net sales in 2017)
3. Sales of equipment (4% of net sales in 2017)
4. Sales of inventories (5% of net sales in 2017).

All Ramirent operating segments provide rental and services to their customers and sell equipment and inventories, but the sales mix can be different between operating segments and varies from year to year.

Primary activity in Ramirent relates to rental business, which is in scope of IAS 17 Leases and later, when effective, in scope of IFRS 16. IFRS 15 does not have any effect on net sales that are in scope of Leases standard. IFRS 15 shall be applied to services sales, sales of used rental equipment and inventories. IFRS 15 has thus effect to approximately 40% of Ramirent's sales.

Services are provided related to rental of machinery and equipment and separately. They comprise a wide range of different kind of services, e.g. work site planning, logistics, on-site support, training and assembly and disassembly services. In the assessment it was concluded that IFRS 15 does not change the current practice for recognizing revenue from services.

Sales of equipment comprise sales of used machinery and equipment that Ramirent has held for rental to others and sells in the course of its ordinary activities. Sales of inventories comprise sales of fuel, merchandise and consumables. In the assessment it was concluded that IFRS 15 does not change the current practice for recognizing revenue from sales of used rental equipment and inventories.

According to IFRS 15 transaction prices in the contracts shall be allocated to performance obligations based on stand-alone selling prices. Under IAS 18 Ramirent has considered rental and services in a contract as separately identifiable components and allocated revenues to them separately. There is not any significant difference to the allocation under IFRS 15. Ramirent's contracts with customers that are in scope of IFRS 15 do not include variable considerations or any significant financing components.

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In Ramirent costs related either to incremental costs of obtaining a contract with a customer or costs to fulfil a contract have not been identified.

Implementation of IFRS 15 will not result in any material differences in the timing of the revenue recognition or in the amounts to be recognized, compared to the current principles. IFRS 15 will have an effect on both qualitative and quantitative disclosures in the financial statements which will be increasing and be more detailed compared to the current disclosures.

## IFRS 9 FINANCIAL INSTRUMENTS

Ramirent will adopt IFRS 9 "Financial instruments" from January 1, 2018. The new standard introduces new requirements for the classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. The standard introduces a new, expected loss impairment model that will require more timely recognition of expected credit losses. There will not be any major changes to the classification of financial liabilities. The Group has prepared a model for calculating expected credit losses in accordance with IFRS 9. There will not be any significant impact on valuation of Ramirent's financial instruments but there will be some impact on presentation and disclosures.

Ramirent has decided that available for sale financial assets will be classified as assets measured at fair value through profit or loss.

Ramirent's has elected not to restate comparative periods but to recognize the effect of the adoption of IFRS 9 as a transition adjustment to the opening equity of January 1, 2018.

## IFRS 16 LEASES

Ramirent will adopt IFRS 16 "Leases" from January 1, 2019. The standard will significantly increase the amount of leases that will be recognized as an asset and a liability in the lessee's balance sheet.

Ramirent is currently analyzing the impacts of the new standard. IFRS 16 requires that lessees capitalize most leases as a right-of-use asset in the balance sheet and recognize a liability to cover the lease payments. The standard also requires to recognize depreciation on the right-of-use asset and interest expense on the lease liability instead of operating lease expense. The standard includes recognition exemptions for short-term leases and leases for which the underlying asset is of low value. Ramirent has preliminarily elected not to calculate a right-of-use asset and a lease liability for short-term leases and leases for which the underlying asset is of low value.

Ramirent's operating leases relate mainly to premises. The rest of the lease agreements relate to split-rental and re-rental agreements of rental machinery and leases of equipment and vehicles in own use. The length of premises agreements varies from short-term to more than ten years. Ramirent's preliminary plan is not to include short-term lease agreements and lease agreements with indefinite term and short termination period related to premises

in the calculation of the right-of-use asset. Split-rent and re-rent agreements are often short-term or include variable lease payments and such agreements will not be included in the calculation.

For lessors guidance related to classification of leases as finance leases and operating leases in the currently effective IAS 17 is materially the same also in the new IFRS 16.

The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of EUR 82.0 million, see note 8.2. The group estimates that approximately 5-10% of these relate to payments for short-term and low value leases which will be recognized on a straight-line basis as an expense in profit or loss.

However, the group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options.

Ramirent continues the impact analysis during 2018

## OTHER NEW AND AMENDED STANDARDS

Annual Improvements to IFRSs (2014-2016 cycle) (effective for financial years beginning on or after January 1 2017 for IFRS12 and on or after January 1 2018 for IFRS 1 and IAS 28). IFRS 12 clarifies that the disclosure requirements in IFRS 12, other than those relating to summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with IFRS 5. This change may have effect in the future, if interests in other entities are classified as held for sale or discontinued operations in accordance with IFRS 5. Other changes in the annual improvements will not have any material impact on Ramirent's financial reporting.

Other changes or amendments to other published IFRS standards and IFRIC's will not have any material impact on Ramirent's financial reporting.

## 7.7. EXCHANGE RATES APPLIED

	AVERAGE RATES 2017	AVERAGE RATES 2016	CLOSING RATES 2017	CLOSING RATES 2016
Currency				
CZK	26.3272	27.0343	25.5350	27.0210
DKK	7.4387	7.4454	7.4449	7.4344
NOK	9.3286	9.2927	9.8403	9.0863
PLN	4.2563	4.3636	4.1770	4.4103
SEK	9.6369	9.4673	9.8438	9.5525

## 8. OTHER NOTES

### 8.1. RELATED PARTY TRANSACTIONS

Ramirent's related parties are the key management, joint ventures Fortrent Oy and Fehmarnbelt Solution Services A/S, and one major shareholder, Nordstjernan Group. Key management consists of the members of the Board of Directors, the CEO and the members of the Group Executive Management Team. Until 8/2016 the group management comprised of the Executive Management Team and the Group Management Team. The list of subsidiaries is presented in note 7.2. The associated company Rogaland Montasje Bygg AS was sold in 2016.

#### EMPLOYEE BENEFITS FOR KEY MANAGEMENT (ACCRUAL BASIS)

(EUR 1,000)	2017	2016
Short-term employee benefits	-3,133	-2,763
Termination benefits	-	-1,139
Post-employment benefits	-115	-77
Share-based payments	-1,899	-279
<b>Total</b>	<b>-5,147</b>	<b>-4,258</b>

#### BENEFITS PAID TO THE BOARD MEMBERS AND THE CEO

(EUR 1,000)	2017	2016
Appleton, Kevin	-37	-36
Bengtsson, Erik	-32	
Bergh, Kaj-Gustaf	-36	-34
Carlsson, Ann	-34	
Frumerie, Anette	-8	-36
Lundahl, Ulf	-68	-68
Lönnevall, Tobias	-42	-41
Paulsson, Mats O	-8	-36
Renlund, Susanna	-50	-48
Rosén, Magnus	-	-610
Kolunsarka, Tapio	-653	-397
<b>Total</b>	<b>-966</b>	<b>-1,307</b>

The employee benefits paid to the CEOs total EUR 653 (1,007) thousand. Benefits comprise of annual base salary and fringe benefits, EUR 484 (578) thousand, bonus for year 2016 54 (0), a separate pension insurance, EUR 115 (77) thousand and a compensation for long-term incentive programs, EUR 0 (63) thousand. The payments in 2016 include also payments for the previous CEO. The payments in 2016 include also redundancy payments totalling EUR 290 thousand.

Employee benefits of CEO include a voluntary defined contribution pension plan. Company makes agreed annual payments to plan, which are invested to a Capital Redemption agreement. Payments to Capital Redemption agreement including return is presented as financial assets at fair value through profit or loss. Change in fair value is presented in financial items. These assets are pledged as security for the given pension promise. No separate agreement regarding early retirement has been made.

Company recognizes as annual pension cost the amounts paid to the plan and the obligation related to pension promise is presented as other non-current liabilities. The obligation is also effected by the changes in fair value of the Capital Redemption agreement, which are accounted for as an adjustment to pension cost, since obligation relates to defined contribution plan and investment including return are intended to fulfil the pension promise.

#### POST-EMPLOYMENT BENEFITS FOR THE CEO, ACCRUAL BASIS

The post-employment benefits are included in the paid amount presented above.

(EUR 1,000)	2017	2016
Voluntary pension plan in Finland	-115	-77
<b>Total pension plans</b>	<b>-115</b>	<b>-77</b>

Ramirent did not have any other transactions than the above employee benefits with Key Management during years 2017 and 2016. There were no outstanding loan receivables from Key Management either on December 31, 2017 or December 31 2016.

#### TRANSACTIONS WITH AND RECEIVABLES FROM OTHER RELATED PARTIES

(EUR 1,000)	2017	2016
Companies owned by Nordstjernan Group		
Sales of rental services	58,927	61,128
Current receivables	11,032	8,946
Fortrent Oy		
Interest income	302	362
Non-current loan receivables	10,153	12,926

### 8.2. COMMITMENTS AND CONTINGENT LIABILITIES

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The Group's obligations in terms of future minimum non-cancellable leasing payments are reported as off-balance sheet notes information. The notes information contains the future minimum non-cancellable leasing payments. Split-rental and re-renting agreements are used for short-term leasing of rental machinery and equipment. Their expenses are included in material and service expenses in profit or loss.

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**OFF-BALANCE SHEET COMMITMENTS ON DECEMBER 31, 2017**

(EUR 1,000)	TO SECURE OWN BORROWINGS	TO SECURE OTHER OWN OBLIGATIONS	TO SECURE THIRD PARTY OBLIGATIONS	TOTAL
Suretyships	-	4,807	-	4,807

**OFF-BALANCE SHEET COMMITMENTS ON DECEMBER 31, 2016**

(EUR 1,000)	TO SECURE OWN BORROWINGS	TO SECURE OTHER OWN OBLIGATIONS	TO SECURE THIRD PARTY OBLIGATIONS	TOTAL
Suretyships	-	2,828	239	3,067

**NON-CANCELABLE MINIMUM FUTURE OPERATING LEASE PAYMENTS**

(EUR 1,000)	2017	2016
Payable < 1 year from balance sheet date	25,221	25,240
Payable 1–5 years from balance sheet date	42,450	46,852
Payable > 5 years from balance sheet date	14,352	9,970
<b>Future gross operating lease payments</b>	<b>82,023</b>	<b>82,062</b>

**OPERATING LEASE EXPENSES IN THE INCOME STATEMENT**

(EUR 1,000)	2017	2016
Lease payments expensed in the income statement	32,634	31,477
<b>Net lease expenses in the income statement</b>	<b>32,634</b>	<b>31,477</b>
Group share of commitments in joint ventures	134	89

Committed investments in rental equipment at the end of 2017 totalled EUR 23.7 million (EUR 30.5 million in 2016).

### 8.3. DISPUTES AND LITIGATIONS

Ramirent's management is not aware of any disputes and/or litigation processes that would significantly affect the company's operating performance and/or financial position in an adverse manner in case of negative outcomes from the company's point of view.

## PROFITABILITY DEVELOPMENT BY QUARTER

(QUARTERLY INFORMATION PRESENTED IN THIS TABLE IS UNAUDITED)

		FULL YEA 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net sales	MEUR	723.7	200.3	184.7	174.1	164.6	665.2	180.5	169.2	169.4	146.0
Operating profit before depreciation and amortization (EBITDA)	MEUR	205.5	53.1	61.6	48.2	42.6	169.0	47.9	47.1	42.2	31.9
% of net sales		28.4%	26.5%	33.3%	27.7%	25.9%	25.4%	26.5%	27.8%	24.9%	21.8%
Operating profit before amortization (EBITA)	MEUR	97.7	25.1	34.1	22.0	16.6	59.2	21.2	14.2	16.6	7.2
% of net sales		13.5%	12.5%	18.4%	12.6%	10.1%	8.9%	11.7%	8.4%	9.8%	5.0%
Operating profit (EBIT)	MEUR	89.3	23.0	32.0	19.8	14.6	38.4	19.2	0.2	14.1	4.8
% of net sales		12.3%	11.5%	17.3%	11.4%	8.8%	5.8%	10.6%	0.1%	8.3%	3.3%
Profit before taxes (EBT)	MEUR	77.0	19.5	30.4	16.2	10.9	28.1	16.2	-2.3	11.1	3.2
% of net sales		10.6%	9.7%	16.4%	9.3%	6.6%	4.2%	9.0%	-1.4%	6.5%	2.2%

## KEY FINANCIAL FIGURES BY SEGMENTS

NET SALES, MEUR	FULL YEAR 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Finland	191.5	52.5	49.8	46.4	42.8	180.4	49.4	47.6	45.3	38.1
Sweden	260.3	72.3	64.5	63.2	60.4	237.0	64.6	56.6	62.1	53.7
Norway	121.2	35.2	29.1	27.9	29.0	120.2	31.5	30.9	29.9	27.8
Denmark	41.0	11.2	10.0	9.8	10.0	41.7	10.3	10.3	10.8	10.4
Baltics	40.8	11.2	12.5	9.5	7.6	34.4	9.3	10.1	8.4	6.7
Europe Central	70.2	18.4	19.0	17.5	15.2	55.8	15.7	15.4	13.4	11.3
Eliminations of sales between segments	-1.4	-0.5	-0.2	-0.3	-0.4	-4.4	-0.3	-1.7	-0.4	-2.0
<b>Total</b>	<b>723.7</b>	<b>200.3</b>	<b>184.7</b>	<b>174.1</b>	<b>164.6</b>	<b>665.2</b>	<b>180.5</b>	<b>169.2</b>	<b>169.4</b>	<b>146.0</b>

EBITA (MEUR AND % OF NET SALES)	FULL YEAR 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Finland	26.5	6.9	9.2	6.6	3.8	24.0	5.8	8.9	6.4	2.9
	13.9%	13.1%	18.5%	14.2%	9.0%	13.3%	11.8%	18.6%	14.0%	7.7%
Sweden	39.5	10.9	11.2	8.8	8.6	26.4	9.7	3.5	8.8	4.4
	15.2%	15.1%	17.3%	13.9%	14.3%	11.1%	15.1%	6.2%	14.1%	8.2%
Norway	12.5	5.2	3.6	2.2	1.5	1.7	2.1	-3.7	1.9	1.3
	10.3%	14.7%	12.4%	7.9%	5.3%	1.4%	6.8%	-11.9%	6.3%	4.8%
Denmark	0.4	-1.2	0.7	0.3	0.6	2.3	0.6	0.8	0.5	0.4
	0.9%	-10.5%	6.6%	3.3%	5.8%	5.5%	6.3%	7.4%	4.3%	4.0%
Baltics	8.6	2.3	4.0	1.9	0.4	5.8	1.8	2.8	1.3	-0.1
	21.0%	20.6%	31.6%	20.0%	5.5%	16.8%	18.9%	27.9%	15.5%	-1.1%
Europe Central	15.2	3.5	5.2	4.0	2.4	3.9	1.8	2.2	0.7	-0.8
	21.6%	19.1%	27.3%	23.0%	16.0%	7.0%	11.7%	14.0%	5.0%	-6.7%
Unallocated items	-5.0	-2.5	0.2	-1.9	-0.9	-4.9	-0.8	-0.2	-2.9	-1.0
Group EBITA	97.7	25.1	34.1	22.0	16.6	59.2	21.2	14.2	16.6	7.2
	13.5%	12.5%	18.4%	12.6%	10.1%	8.9%	11.7%	8.4%	9.8%	5.0%

## PROFITABILITY DEVELOPMENT BY QUARTER

OPERATING PROFIT (EBIT) (MEUR AND % OF NET SALES)	FULL YEAR 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Finland	25.3	6.6	8.9	6.3	3.5	22.6	5.6	8.5	6.0	2.5
	13.2%	12.5%	17.9%	13.5%	8.3%	12.6%	11.3%	17.9%	13.3%	6.7%
Sweden	36.4	10.1	10.4	8.1	7.8	22.1	8.9	2.5	7.5	3.2
	14.0%	13.9%	16.2%	12.8%	12.9%	9.3%	13.7%	4.4%	12.1%	6.0%
Norway	10.0	4.5	3.0	1.6	0.8	-1.4	1.7	-5.1	1.3	0.7
	8.2%	12.8%	10.3%	5.8%	2.9%	-1.2%	5.5%	-16.5%	4.2%	2.4%
Denmark	-0.1	-1.3	0.5	0.2	0.5	1.8	0.5	0.6	0.3	0.3
	-0.2%	-11.7%	5.4%	2.1%	4.6%	4.4%	5.3%	6.1%	3.1%	2.9%
Baltics	8.5	2.2	3.9	1.9	0.4	5.7	1.7	2.8	1.3	-0.1
	20.7%	20.2%	31.4%	19.6%	5.4%	16.6%	18.7%	27.7%	15.3%	-1.4%
Europe Central	15.0	3.5	5.2	4.0	2.4	3.8	1.8	2.1	0.6	-0.8
	21.4%	18.9%	27.1%	22.8%	15.9%	6.8%	11.6%	13.8%	4.7%	-7.0%
Unallocated items	-5.7	-2.6	0.0	-2.2	-0.9	-16.3	-1.1	-11.2	-3.0	-1.0
Group EBIT	89.3	23.0	32.0	19.8	14.6	38.4	19.2	0.2	14.1	4.8
	12.3%	11.5%	17.3%	11.4%	8.8%	5.8%	10.6%	0.1%	8.3%	3.3%

# PARENT COMPANY FINANCIAL STATEMENTS – FINNISH ACCOUNTING STANDARDS

## PARENT COMPANY INCOME STATEMENT

(EUR)	NOTE	JAN–DEC 2017	JAN–DEC 2016
<b>NET SALES</b>	<b>2</b>	<b>29,533,990.00</b>	<b>29,153,341.00</b>
Other operating income	3	31,434.48	28,446.38
Personnel expenses	4	-3,373,328.04	-3,702,186.45
Depreciation, amortization and impairment	5	-4,619,656.55	-15,343,909.63
Other operating expenses	6	-27,043,965.78	-26,691,702.19
<b>OPERATING RESULT</b>		<b>-5,471,525.89</b>	<b>-16,556,010.89</b>
Financial income	7	20,280,111.57	14,736,818.68
Financial expenses	7	-18,733,101.58	-16,674,408.45
<b>Total financial income and expenses</b>	<b>7</b>	<b>1,547,009.99</b>	<b>-1,937,589.77</b>
<b>Result before appropriations and taxes</b>		<b>-3,924,515.90</b>	<b>-18,493,600.66</b>
Appropriations	8	21,000,000.00	18,000,000.00
Income taxes	9	-1,149,225.38	-51,550.50
<b>PROFIT FOR THE YEAR</b>		<b>15,926,255.72</b>	<b>-545,151.16</b>

**PARENT COMPANY BALANCE SHEET**

(EUR)	NOTE	DEC 31, 2017	DEC 31, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	12,634,242.08	15,291,896.27
Tangible assets	11	176,495.19	46,210.55
Investments			
Investments in group companies	12	460,858,199.66	459,035,619.66
Investments in joint ventures		4,232,676.12	4,232,676.12
Other investments		188,479.84	76,666.66
Non-current receivables	13	120,686,639.90	145,355,062.02
<b>Total non-current assets</b>		<b>598,776,732.79</b>	<b>624,038,131.28</b>
<b>Current assets</b>			
Trade and other receivables	14	35,725,073.99	36,351,852.99
Cash and cash equivalents	15	5,921,563.74	101,546.97
<b>Total current assets</b>		<b>41,646,637.73</b>	<b>36,453,399.96</b>
<b>TOTAL ASSETS</b>		<b>640,423,370.52</b>	<b>660,491,531.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	25,000,000.00	25,000,000.00
Invested unrestricted equity fund	16	116,428,148.47	113,951,135.33
Retained earnings	16	113,621,426.83	157,395,038.59
Profit for the financial year	16	15,926,255.72	-545,151.16
<b>Total equity</b>		<b>270,975,831.02</b>	<b>295,801,022.76</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	17	174,683,238.17	187,115,478.09
Non-current non-interest-bearing liabilities	17	188,479.80	76,666.66
<b>Non-current liabilities total</b>		<b>174,871,717.97</b>	<b>187,192,144.75</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	18	12,402,709.04	11,158,397.89
Current interest-bearing liabilities	18	182,173,112.49	166,339,965.84
<b>Current liabilities total</b>		<b>194,575,821.53</b>	<b>177,498,363.73</b>
<b>Total liabilities</b>		<b>369,447,539.50</b>	<b>364,690,508.48</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>640,423,370.52</b>	<b>660,491,531.24</b>

**PARENT COMPANY CASH FLOW STATEMENT**

(EUR)	JAN-DEC 2017	JAN-DEC 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Earnings before taxes (EBT)	17,075,481.10	-493,600.66
Adjustments:		
Depreciation, amortization and impairment	4,619,656.55	15,343,909.63
Group contribution	-21,000,000.00	-18,000,000.00
Financial income and expenses	-1,547,009.99	1,937,589.77
Other adjustments	1,550.45	-
<b>Cash flow from operating activities before change in working capital</b>	<b>-850,321.89</b>	<b>-1,212,101.26</b>
 <b>Change in working capital</b>		
Change in trade and other receivables	3,628,899.00	-7,819,567.84
Change in non-interest-bearing current liabilities	3,053,581.71	1,275,890.27
<b>Cash flow from operating activities before interests and taxes</b>	<b>5,832,158.82</b>	<b>-7,755,778.83</b>
Interest paid	-9,835,662.94	-8,315,827.42
Interest received	2,943,918.95	2,986,089.54
Income tax paid	-1,149,225.38	539,217.50
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-2,208,810.55</b>	<b>-12,546,299.21</b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries	-911,290.00	-3,704,231.74
Investment in tangible and intangible non-current assets	-2,093,837.45	-2,674,449.48
Change in loans receivable	24,668,422.12	-20,390,577.88
Dividends received	9,385,265.13	3,000,000.00
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>31,048,559.80</b>	<b>-23,769,259.10</b>
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings and repayments of current liabilities (net)	14,837,019.12	62,881,965.30
Borrowings/repayments of non-current liabilities (net)	-12,628,291.00	634,630.71
Dividends paid	-43,228,460.60	-43,099,725.60
Group contributions paid and received (net)	18,000,000.00	16,000,000.00
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-23,019,732.48</b>	<b>36,416,870.41</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b>	<b>5,820,016.77</b>	<b>101,312.10</b>
Cash at the beginning of the period	101,546.97	234.87
Change in cash	5,820,016.77	101,312.10
<b>Cash at the end of the period</b>	<b>5,921,563.74</b>	<b>101,546.97</b>

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# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## 1. PARENT COMPANY BUSINESS ACTIVITIES AND ACCOUNTING PRINCIPLES

### GENERAL

Ramirent Plc is a Finnish public limited liability company organized under the laws of Finland and domiciled in Helsinki, Finland. The company's registered address is Taipalekaupungintie 37, FI-00750 Vantaa, Finland. The company is the parent company of the Ramirent Group and its shares are listed on the NASDAQ Helsinki (RMRIV).

Ramirent Plc's business activities comprise acting as a holding company for Ramirent Group and providing Group internal administrative and other operative services to the subsidiaries.

The parent company's financial statements are prepared in accordance with Finnish Accounting Standards (FAS). They are presented in EUR.

### REVENUE RECOGNITION

Services rendered to subsidiaries are accounted for as revenues. The services include for example general management, HR, fleet management, IT-services and treasury. The revenues are reported at the actual/fair value of what has been received in cash or will be received in cash reduced by sales discounts, VAT and other taxes directly linked to the sales amount.

Management services are recognized in the period when the services are rendered to group companies.

### PENSION EXPENSES

Pensions are arranged through an external pension insurance company. Pension expenses are recognized in the income statement as personnel expenses when incurred. The Finnish statutory pension system is a defined contribution pension plan.

### FINANCIAL INCOME AND EXPENSES

Interest income, interest expenses and other costs related to interest-bearing liabilities are expensed in the income statement on accrual basis.

Gains or losses related to liquidation or merger of subsidiaries are also recognized in financial expenses.

### APPROPRIATIONS

Appropriations consist of Group contributions given to or received from the company's Finnish subsidiaries. Group contributions are recognized in accordance with Finnish tax regulations.

### INCOME TAXES

Income taxes consist of current income tax payable on the

taxable profit in the financial year. They also include adjustments to the current income taxes for previous fiscal years in terms of tax expenses or tax refunds that had not been recognized in prior year income statements.

Deferred tax assets and liabilities and changes of them are not recognized in the balance sheet and the income statement. They are instead presented in the notes to the financial statements.

### INTANGIBLE ASSETS

Intangible assets (other intangible rights and other capitalized long-term expenditure) with a finite useful life are amortized over the estimated useful life on a straight-line basis. The estimated useful life is as follows:

- Software licenses and IT-systems 3–5 years

### TANGIBLE ASSETS

Tangible assets (buildings and structures, machinery and equipment, land and other tangible assets) are stated at historical acquisition cost less accumulated depreciation and accumulated impairment charges. Tangible assets that are leased by means of finance or operating leases are not recognized in the balance sheet.

Tangible assets are subject to straight-line item-by-item depreciation during their estimated useful life. Land is not subject to depreciation.

The estimated useful lives per asset category are as follows:

- Machinery and equipment for own use 3–10 years

### SHARES IN SUBSIDIARIES

Shares in subsidiaries are originally measured at cost. This cost includes potential acquisition related costs e.g. expert fees and transfer taxes. An impairment loss is recognized if value of subsidiary shares is decreased substantially and permanently.

### TRADE RECEIVABLES VALUATION PRINCIPLES

Trade receivables are carried at initial value less estimated allowance for credit losses.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and at banks, deposits held at call with banks and other short-term highly liquid financial investments with a maturity shorter than 3 months. When bank overdrafts show a liability balance, they are presented as current interest-bearing liabilities.

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## FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions. Receivables and liabilities denominated in foreign currencies are translated to EUR using the exchange rates prevailing at the reporting date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are for operating items recognized affecting operating result in the income statement and those stemming from financing items are recognized in financial income and expenses in the income statement.

The foreign currency rates used in preparation of the financial statements are set forth in the below table:

CURRENCY	AVERAGE RATES 2017	AVERAGE RATES 2016	CLOSING RATES 2017	CLOSING RATES 2016
CZK	26.3272	27.0343	25.5350	27.0210
DKK	7.4387	7.4454	7.4449	7.4344
NOK	9.3286	9.2927	9.8403	9.0863
PLN	4.2563	4.3636	4.1770	4.4103
SEK	9.6369	9.4673	9.8438	9.5525

## DERIVATIVE INSTRUMENTS

The main derivative instruments used by the company for the financial years 2017 and 2016 were interest rate swaps.

Derivative instruments have been used as hedging instruments in accordance with Ramirent's Finance policy. Hedge accounting is applied for interest rate swaps in the consolidated financial statements. The hedged object comprises the future cash flow on interest expenses payable on interest-bearing debt.

In addition to interest rate swaps some short-term currency forwards have also been used to a minor scale.

### 2. NET SALES BY GEOGRAPHICAL AREA

(EUR)	2017	2016
Finland	5,804,401.00	6,044,592.00
Sweden	12,137,130.00	11,576,930.00
Norway	5,472,640.00	5,642,931.00
Denmark	2,129,966.00	2,156,033.00
Baltics	1,769,143.00	1,787,509.00
Europe Central	2,220,710.00	1,945,346.00
<b>Total</b>	<b>29,533,990.00</b>	<b>29,153,341.00</b>

### 3. OTHER OPERATING INCOME

(EUR)	2017	2016
VAT refunds from abroad	16,781.86	28,446.38
Other operating income	14,652.62	-
<b>Total</b>	<b>31,434.48</b>	<b>28,446.38</b>

### 4. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

(EUR)	2017	2016
Wages and salaries	-2,735,169.79	-2,608,412.44
Termination benefits	-118,367.16	-654,002.00
Pension costs	-229,179.41	-269,523.74
Other personnel expenses	-290,611.68	-170,248.27
<b>Total</b>	<b>-3,373,328.04</b>	<b>-3,702,186.45</b>

## PAID BENEFITS TO KEY MANAGEMENT

(EUR)	2017	2016
CEOs	-649,348.18	-638,097.00
Board members	-313,500.00	-315,100.00
<b>Total</b>	<b>-962,848.18</b>	<b>-953,197.00</b>

The paid benefits to the CEOs comprise of annual base salary and fringe benefits. For 2016 the amount comprises of payments to the former and current CEO. In 2016 the benefits include also redundancy payments totalling EUR 87 thousand.

In addition to a TyEL pension the above CEO benefits include costs for a voluntary pension insurance totalling EUR 115 (77) thousand.

## NUMBER OF PERSONNEL

	2017	2016
Average number of personnel during the financial year	16	19

## 5. DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

(EUR)	2017	2016
Amortization of intangible assets		
Other intangible rights	-292,240.55	-260,375.16
Other capitalized long-term expenditure	-4,163,828.02	-4,140,749.27
Write-downs of intangible assets	-141,463.00	-10,934,513.15
Depreciation of tangible assets		
Machinery and equipment	-22,124.98	-8,272.05
<b>Total</b>	<b>-4,619,656.55</b>	<b>-15,343,909.63</b>

## 6. OTHER OPERATING EXPENSES

(EUR)	2017	2016
Property operating leases	-277,935.26	-206,164.96
Other property expenses	-87,585.69	-18,418.39
IT and office expenses	-9,538,612.64	-9,847,039.16
Other operating leases	-26,379.65	-38,291.97
External services	-14,358,816.42	-14,242,508.62
Other	-2,754,639.12	-2,339,279.09
<b>Total</b>	<b>-27,043,968.78</b>	<b>-26,691,702.19</b>

(EUR)	2017	2016
Audit	-94,012.00	-81,200.00
Tax consulting fees	-8,000.00	-77,746.00
Other fees	-	-16,905.00
<b>Total</b>	<b>-102,012.00</b>	<b>-175,851.00</b>

## 7. FINANCIAL INCOME AND EXPENSES

(EUR)	2017	2016
<b>Financial income</b>		
Dividend income from subsidiaries	9,385,265.13	3,000,000.00
Interest income from subsidiaries	2,596,754.14	2,775,948.78
Other interest income	349,284.81	419,008.76
Exchange rate gains	7,948,807.49	8,541,861.14
<b>Total</b>	<b>20,280,111.57</b>	<b>14,736,818.68</b>

**Financial expenses**

Interest and other financial expenses to subsidiaries	-13,771.75	-2,816.08
Interest and other financial expenses to external parties	-9,436,701.19	-8,970,658.34
Exchange rate losses	-9,282,628.64	-7,700,934.03
<b>Total</b>	<b>-18,733,101.58</b>	<b>-16,674,408.45</b>

**8. APPROPRIATIONS**

(EUR)	2017	2016
Group contribution received/given (+/-)	21,000,000.00	18,000,000.00
<b>Total</b>	<b>21,000,000.00</b>	<b>18,000,000.00</b>

**9. INCOME TAXES**

(EUR)	2017	2016
Income tax for the year	-1,149,225.38	-
Income tax for prior years	-	-51,550.50
<b>Total</b>	<b>-1,149,225.38</b>	<b>-51,550.50</b>

**10. INTANGIBLE ASSETS****MOVEMENT IN INTANGIBLE ASSETS 2017**

(EUR)	OTHER INTANGIBLE RIGHTS	OTHER CAPITALIZED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	1,075,236.27	23,568,673.61	24,643,909.88
Additions	-	1,939,877.38	1,939,877.38
Write-down	-	-141,463.00	-141,463.00
Historical cost on December 31	1,075,236.27	25,367,087.99	26,442,324.26
Accumulated amortization on January 1	-566,577.93	-8,785,435.68	-9,352,013.61
Amortization	-292,240.55	-4,163,828.02	-4,456,068.57
Accumulated amortization on December 31	-858,818.48	-12,949,263.70	-13,808,082.18
Carrying value on January 1	508,658.34	14,783,237.93	15,291,896.27
Carrying value on December 31	216,417.79	12,417,824.29	12,634,242.08

In 2016 Ramirent Plc recognized write-downs of other capitalized long term expenditure of EUR 10.9 million from discontinuing planned roll-out of the common ERP-platform outside Scandinavia.

**MOVEMENT IN INTANGIBLE ASSETS 2016**

(EUR)	OTHER INTANGIBLE RIGHTS	OTHER CAPITALIZED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	1,075,236.27	32,359,257.14	33,434,493.41
Additions	-	2,636,509.47	2,636,509.47
Write-down	-	-11,427,093.00	-11,427,093.00
Historical cost on December 31	1,075,236.27	23,568,673.61	24,643,909.88
Accumulated amortization on January 1	-306,202.77	-5,137,266.26	-5,443,469.03
Amortization	-260,375.16	-4,140,749.27	-4,401,124.43
Write-down	-	492,579.85	492,579.85
Accumulated amortization on December 31	-566,577.93	-8,785,435.68	-9,352,013.61
Carrying value on January 1	769,033.50	27,221,990.88	27,991,024.38
Carrying value on December 31	508,658.34	14,783,237.93	15,291,896.27

**11. TANGIBLE ASSETS****MOVEMENT IN TANGIBLE ASSETS 2017**

(EUR)	MACHINERY AND EQUIPMENT
Historical cost on January 1	288,338.05
Additions	153,959.71
Write-down	-83,846.25
Historical cost on December 31	358,451.51
Accumulated depreciation on January 1	-242,127.50
Depreciation	-22,124.98
Write-down	82,296.16
Accumulated depreciation on December 31	-181,956.32
Carrying value on January 1	46,210.55
Carrying value on December 31	176,495.19

**MOVEMENT IN TANGIBLE ASSETS 2016**

(EUR)	MACHINERY AND EQUIPMENT
Historical cost on January 1	250,398.04
Additions	37,940.01
Historical cost on December 31	288,338.05
Accumulated depreciation on January 1	-233,855.45
Depreciation	-8,272.05
Accumulated depreciation on December 31	-242,127.50
Carrying value on January 1	16,542.59
Carrying value on December 31	46,210.55

**12. INVESTMENTS****MOVEMENT IN INVESTMENTS 2017**

(EUR)	INVESTMENTS IN GROUP COMPANIES	INVESTMENTS IN JOINT VENTURES	TOTAL
Historical cost on January 1	459,035,619.66	4,232,676.12	463,268,295.78
Additions	1,822,580.00	-	1,822,580.00
Historical cost on December 31	460,858,199.66	4,232,676.12	465,090,875.78
Carrying value on January 1	459,035,619.66	4,232,676.12	463,268,295.78
Carrying value on December 31	460,858,199.66	4,232,676.12	465,090,875.78

**MOVEMENT IN INVESTMENTS 2016**

(EUR)	INVESTMENTS IN GROUP COMPANIES	INVESTMENTS IN JOINT VENTURES	TOTAL
Historical cost on January 1	455,331,387.92	4,232,676.12	459,564,064.04
Additions	3,704,231.74	-	3,704,231.74
Historical cost on December 31	459,035,619.66	4,232,676.12	463,268,295.78
Carrying value on January 1	455,331,387.92	4,232,676.12	459,564,064.04
Carrying value on December 31	459,035,619.66	4,232,676.12	463,268,295.78

Ramirent Plc's subsidiaries and its ownership share are specified in note no. 7.2. of the consolidated financial statements.

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**13. NON-CURRENT RECEIVABLES**

(EUR)	2017	2016
Loan receivables from Ramirent Plc's subsidiaries	110,533,725.39	132,428,909.72
Loan receivables from joint ventures	10,152,914.51	12,926,152.30
<b>Total</b>	<b>120,686,639.90</b>	<b>145,355,062.02</b>

**14. CURRENT RECEIVABLES**

(EUR)	2017	2016
Current receivables from Ramirent Plc's subsidiaries		
Trade receivables	7,946,810.77	7,918,656.93
Prepayments and accrued income	24,560,667.65	25,124,011.62
Current receivables on external parties		
Trade receivables	-	158,346.84
Prepayments and accrued income	2,071,729.31	1,858,541.64
Other receivables	-	146,429.70
Current tax assets	1,145,866.26	1,145,866.26
<b>Total</b>	<b>35,725,073.99</b>	<b>36,351,852.99</b>

**15. CASH AND CASH EQUIVALENTS**

(EUR)	2017	2016
Cash at banks and in hand	5,921,563.74	101,546.97

**16. EQUITY****CHANGES IN EQUITY 2017**

(EUR)	SHARE CAPITAL	INVESTED UNRESTRICTED EQUITY FUND	RETAINED EARNINGS	TOTAL EQUITY
On January 1	25,000,000.00	113,951,135.33	156,849,887.43	295,801,022.76
Dividend distribution	-	-	-43,228,460.60	-43,228,460.60
Directed share issue	-	2,477,013.14	-	2,477,013.14
Profit for the year	-	-	15,926,255.72	15,926,255.72
On December 31	25,000,000.00	116,428,148.47	129,547,682.55	270,975,831.02

**CHANGES IN EQUITY 2016**

(EUR)	SHARE CAPITAL	INVESTED UNRESTRICTED EQUITY FUND	RETAINED EARNINGS	TOTAL EQUITY
On January 1	25,000,000.00	113,862,184.93	200,494,764.19	339,356,949.12
Dividend distribution	-	-	-43,099,725.60	-43,099,725.60
Directed share issue	-	88,950.40	-	88,950.40
Profit for the year	-	-	-545,151.16	-545,151.16
On December 31	25,000,000.00	113,951,135.33	156,849,887.43	295,801,022.76

The company's share capital on December 31, 2017 consists of 108,697,328 shares the counter-book value of which is EUR 0.2300 per share. The company has one class of shares, each share giving equal voting right of one vote per share.

## DISTRIBUTABLE FUNDS

(EUR)	2017	2016
Retained earnings	113,621,426.83	157,395,038.59
Profit for the year	15,926,255.72	-545,151.16
Invested unrestricted equity fund	116,428,148.47	113,951,135.33
<b>Total distributable funds</b>	<b>245,975,831.02</b>	<b>270,801,022.76</b>

## DIRECTED SHARE ISSUES WITH OWN SHARES

On February 16, 2017 the Board decided, based on the share issue authorization granted by the AGM, to convey 18,920 of the company's own shares, held by the company, without cash payment to the key persons of the Group as a settlement of the Performance Share Program 2014. As the program was set to combine the objectives of the shareholders and the key persons of the Group in order to increase the value of the company, there was an especially weighty financial reason for the directed share conveyance.

In addition, the Board decided to convey a total of 228,344 of Ramirent Plc's treasury shares without consideration to the management of Ramirent's subsidiary

Safety Solutions Jonsereds AB as a part of the purchase price for the minority stake.

On May 9, 2017 the Board decided to convey a total of 149,147 of Ramirent Plc's treasury shares without consideration to the management of Ramirent's subsidiary Safety Solutions Jonsereds AB as a part of the purchase price for the minority stake.

The value of the issued shares, EUR 2,477,013, was recognized as an increase in the invested unrestricted equity fund.

For the Board of Directors' valid authorizations on disposal of the company's own shares, its valid authorization on deciding on the share issue and the issuance of option rights, reference is made to note 4.2 of the consolidated financial statements.

## 17. NON-CURRENT LIABILITIES

(EUR)	2017	2016
Non-current liabilities to external parties		
Loans from financial institutions	174,683,238.17	187,115,478.09
Non-current non-interest-bearing liabilities	188,479.80	76,666.66
<b>Total</b>	<b>174,871,717.97</b>	<b>187,192,144.75</b>

## 18. CURRENT LIABILITIES

(EUR)	2017	2016
Current liabilities to Ramirent Plc's subsidiaries		
Current interest-bearing liabilities	11,539,748.22	5,913,752.63
Trade payables	293,188.51	460,676.89
Accrued expenses	993,217.61	666,913.97
Current liabilities to external parties		
Loans from financial institutions	170,633,364.27	160,426,213.21
Trade payables	2,027,362.24	2,073,495.59
Accrued expenses	5,409,461.12	6,516,460.30
Current tax liability	3,341.89	-
Other liabilities	3,676,137.67	1,440,851.14
<b>Total</b>	<b>194,575,821.53</b>	<b>177,498,363.73</b>

Accrued expenses and deferred income consist mainly of expenses incurred such as accrued interest expenses and accrued holiday pay allowance for employees.

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**19. COMMITMENTS AND CONTINGENT LIABILITIES**

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**COMMITMENTS (OFF-BALANCE SHEET) ON DECEMBER 31, 2017**

(EUR)	TO SECURE OTHER OWN OBLIGATIONS
Suretyships	3,578,764.17

**COMMITMENTS (OFF-BALANCE SHEET) ON DECEMBER 31, 2016**

(EUR)	TO SECURE OTHER OWN OBLIGATIONS
Suretyships	2,827,895.37

Ramirent has covenants in its major borrowing facility agreements. As at December 31, 2017 Ramirent was in compliance with all covenants and other terms of its debt instruments

**FUTURE LEASE PAYMENTS**

(EUR)	2017	2016
Due within one year from balance sheet date	23,395.00	37,859.40
Due later than one year from balance sheet date	44,997.00	-
	68,392.00	37,859.40

**DERIVATIVE INSTRUMENTS**

(EUR)	2017	2016
Par value of underlying object	115,000,000.00	97,656,416.80
Fair value of interest rate SWAPS	-480,222.93	-741,324.42

**FOREIGN CURRENCY DERIVATIVES**

(EUR)	2017	2016
Par value of underlying object	58,277,092.54	61,105,621.83
Fair value of the derivative instruments	-275,524.18	-345,877.72

# DATE AND SIGNING OF THE REPORT OF THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

Helsinki, February 7, 2018

Ulf Lundahl  
Chairman

Kevin Appleton  
Board Member

Erik Bengtsson  
Board Member

Kaj-Gustaf Bergh  
Board Member

Ann Carlsson  
Board Member

Tobias Lönnevall  
Board Member

Susanna Renlund  
Board Member

Tapio Kolunsarka  
CEO

**Auditor's note**  
Our auditors' report has been issued today.

Helsinki, February 7, 2018

PricewaterhouseCoopers Oy  
Authorized Public Accountants

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Ylva Eriksson  
Authorized Public Accountant

# CORPORATE GOVERNANCE STATEMENT 2017

Ramirent Plc (“Ramirent” or “the Company”) complies with the Finnish Corporate Governance Code 2015 set by the Securities Market Association, as well as with the Finnish Companies Act, other applicable legislation and Ramirent’s Articles of Association. The code is publicly available on [www.cgfinaidn.fi](http://www.cgfinaidn.fi).

The Corporate Governance Statement is issued separately from the Board of Directors’ report and it is also available on the Company’s web page [www.ramirent.com](http://www.ramirent.com).

Ramirent’s Working Committee and Board of Directors have reviewed this corporate governance statement. The Company’s auditor, PricewaterhouseCoopers Oy, has checked that this statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with the financial statements.

## GENERAL MEETINGS

According to the Articles of Association, a notice to a general meeting of shareholders shall be delivered to shareholders no earlier than two months and no later than three weeks prior to the meeting, provided it is at least nine days prior to the record date of the general meeting, by publishing the notice on the Company’s internet pages and, if the Company’s Board of Directors so decides, in one or several national newspapers. Notice to a general meeting, the documents to be submitted to the general meeting (including the financial statements, the report by the Board of Directors and the auditor’s report to the Annual General Meeting) and proposals made to the general meeting, will be available for shareholders at least three weeks prior to the meeting at Ramirent’s web site [www.ramirent.com](http://www.ramirent.com).

To have the right to attend a general meeting, shareholders registered in the shareholders register maintained by Euroclear Finland Oy shall register with the Company no later than on the date stated in the notice of the meeting, which date may not be earlier than ten days prior to the meeting. Participation in a general meeting on the grounds of nominee registered shares (including shares registered in the shareholders’ register maintained by Euroclear Sweden AB) requires that a temporary entry of the owner of the nominee registered shares has been made in the shareholders’ register maintained by Euroclear Finland Oy by the date specified in the notice of the meeting. Shareholders seeking to attend a general meeting are responsible for obtaining individual registration in sufficient time to ensure that this requirement is met.

An Annual General Meeting of Shareholders (“AGM”) must be held at the latest in June in Helsinki, Espoo or Vantaa on the date determined by the Board of Directors. The financial statements, comprising the consolidated financial statements and the Board of Director’s report and the auditor’s report will be presented at the AGM. At the AGM the following matters shall be decided: the approval of the financial statements; the use of profit disclosed in the balance sheet; the discharge from liability of the members of the Board and the Managing Director; the remuneration of the Board members and the grounds for compensation of travel expenses, the number of Board members and auditors as well as eventual Board proposals. At the AGM the members of the Board and the auditors shall be elected.

## BOARD OF DIRECTORS AND TERM

According to the Articles of Association, the Board of Directors shall consist of three to eight ordinary members, whose terms expire at the end of the AGM that next follows the meeting at which they were elected. The Board shall elect a Chairman from its midst and a Deputy Chairman, if necessary. The following seven ordinary members were elected to the current Board of Directors at the AGM 2017:

- Ulf Lundahl, Chairman of the Board, (born 1952), Master of Law and Bachelor in Business, Swedish citizen, independent of the Company and of significant shareholders.
- Susanna Renlund, Deputy Chairman, (born 1958), M.Sc. (Agr.), Finnish citizen, independent of the Company and dependent of a significant shareholder.
- Kevin Appleton, member of the Board, (born 1960), B.A., British citizen, independent of the Company and of significant shareholders.
- Erik Bengtsson, member of the Board, (born 1969), M.Sc. (Industrial Engineering), Swedish citizen, independent of the Company and of significant shareholders.
- Kaj-Gustaf Bergh, member of the Board, (born 1955), B.Sc. (Econ.) and LL.M (Master of Laws), Finnish citizen, independent of the Company and dependent of a significant shareholder.
- Ann Carlsson, member of the Board, (born 1966), M.Sc. (Human Resources), Swedish citizen, independent of the Company and of significant shareholders.
- Tobias Lönnevall, member of the Board, (born 1980), M.Sc. (Econ.), Swedish citizen, independent of the Company and dependent of a significant shareholder.

The term of the current Board members will expire at the end of AGM 2018.

More information on the Board of Directors on p.124.

## RULES OF PROCEDURE FOR RAMIRENT BOARD OF DIRECTORS

The work of the Ramirent Board of Directors is governed by Finnish Companies Act, Finnish Corporate Governance Code 2015, and other relevant legislation as well as the Articles of Association of Ramirent and the Rules of Procedures are described on the Company's web page at ramirent.com. The purpose of the rules is to regulate the internal work of the Board. The Board of Directors and each of its members shall in its work consider and duly comply with the aforementioned laws and rules.

### DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the Company's organization and the management of the Company's affairs pursuant to the provisions of the Companies Act. The members of the Board of Directors shall, subject to any restrictions set forth in the Companies Act, the Articles of Association of Ramirent, or the Rules of Procedure, carry out the work of the Board of Directors jointly or in a working group appointed for a particular matter. The Board of Directors shall primarily be responsible for the Company's strategic issues and for issues which, with regard to the scope and nature of the Company's operations, are of a material financial, legal, or general character or otherwise of great significance.

### ASSESSMENT OF THE WORK OF BOARD OF DIRECTORS

The Board of Directors will annually, normally at the end of the financial year, conduct an assessment of its work and work practices.

### BOARD MEETINGS

The Board of Directors shall normally hold at least seven meetings per year. In addition to the Board members, the Managing Director and the Secretary of the Board of Directors will attend Board meetings. The auditor of the Company shall be invited at least once a year to attend a Board meeting.

In 2017, the Board had 10 meetings. The percentage for participation was 91%.

### NUMBER OF BOARD AND COMMITTEE MEETINGS IN 2017 AND PARTICIPANT ATTENDANCE:

	BOARD	WORKING COMMITTEE
Kevin Appleton	10/10	
Erik Bengtsson, member as of AGM 2017	7/10	
Kaj-Gustaf Bergh	9/10	
Ann Carlsson, member as of AGM 2017	9/10	
Anette Frumerie, member until AGM 2017	1/10	
Ulf Lundahl	9/10	5/5
Tobias Lönnevall	10/10	5/5
Mats O Paulsson, member until AGM 2017	1/10	
Susanna Renlund	10/10	5/5

### WORKING COMMITTEE

The Board of Directors has nominated one committee, the Working Committee, to assist the Board in its work.

The Board elects amongst its members the Chairman and at least two other members to the Working Committee and confirms its work order. The Working Committee does not have any independent decision making power, except by a specific authorization given by the Board in a specified matter case by case.

Pursuant to the work order adopted by the Board of Directors, the duties of the Working Committee include, among other, the duties of an audit committee. The task of the Working Committee is to prepare and make proposals to the Board within the focus areas of corporate governance, special finance matters, risk management, compensation and employment matters as well as guidelines for strategic plans and financial goals. It is also the Working Committee's duty to oversee the accounting and financial reporting processes; to prepare the election of auditor; to review the auditor's reports and to follow up the issues reported by the external auditor.

In 2017 Ulf Lundahl, Susanna Renlund and Tobias Lönnevall were elected as members and Ulf Lundahl as the Chairman of the Working Committee. The duties of audit committee have been discharged to the Working Committee in accordance with Finnish Corporate Governance Code 2015 Recommendation 16. According to Recommendation 16, majority of the members of audit committee shall be independent of the company and at least one member should be independent of significant shareholders. All of the Working Committee members are independent of the Company and Ulf Lundahl is also independent of significant shareholders. The Board considered this composition to be proper and suitable taken into account the overall duties of the Working Committee and the versatile expertise and experience of the elected members.

In 2017, the Working Committee had 5 meetings. The percentage for participation was 100%.

### DIVERSITY AND ASSESSMENT OF INDEPENDENCY OF THE BOARD OF DIRECTORS

The Company has established principles concerning the diversity of the Board of Directors. For the versatile

support and development of the Company's business, the Company's Board of Directors composition should be sufficiently diverse. Both genders shall be represented on the Board of Directors. The overall aim of the Board composition is to achieve sufficiently extensive qualifications, expertise and experience. The sufficient diversity of the Board of Directors, including age and gender, as well as educational and professional background, is taken into account in the preparation of a proposal for the composition of the Board of Directors. For the evaluation of the diversity and composition of the Board of Directors, each candidate shall provide confident information necessary for the assessment of skills and time management for the preparation of a proposal for the composition of the Board, in accordance with the instructions provided by the Company.

The proposal for the Board composition is prepared by the largest shareholders. The principles of diversity of the Board of Directors, as established by the Company, have been made available and communicated to the largest shareholders.

The members of the Company's Board of Directors have broad and versatile competence, and the current breakdown by age and gender as well as educational and international background promote fulfillment of diversity, and thus, support the Company's business operations and its development. There are altogether 7 members in the Board of Directors, of which 2 are women, i.e. approximately 29%. The members of the Board of Directors hold educational degrees from different fields and each member has international work experience in different types of positions. The members of the Board of Directors come from three different countries and their age vary from 38 to 65 years of age.

The Board of Directors must evaluate the independence of its members. The majority of the members must be independent of the Company. In addition, at least two of the members representing this majority shall be independent of significant shareholders of the Company.

## MANAGING DIRECTOR

The Board shall elect a Managing Director and, if necessary, a substitute for the Managing Director.

The Managing Director is responsible for the day-to-day management of the Company's affairs. The Board of Directors has adopted Rules of Procedure for the Managing Director containing guidelines and instructions regarding the Company's day-to-day management. In fulfilling his duties the Managing Director shall be assisted by the members of the Executive Management Team of Ramirent and any other corporate bodies established by the Board of Directors.

The Managing Director has a written contract, approved by the Board of Directors. The Managing Director is not a Board member, but attends Board meetings.

The Board of Directors has appointed Tapiro Kolunsarka as Managing Director, as President and Chief Executive Officer (CEO) effective from August 8, 2016. Tapiro Kolunsarka is born 1975 and is a Finnish citizen, M.Sc. (Eng. and

Econ.). His prior working experience: Executive Vice President of UPM Raflatac 2016-2013; Senior Vice President of UPM Raflatac EMEA 2013-2011; Senior Vice President of UPM Raflatac Europe 2011-2008; several leading positions in UPM Raflatac in Finland and in the United States 2008-2002; before joining UPM he was a consultant at McKinsey & Company.

Tapiro Kolunsarka's Ramirent-ownership: 38,447 shares on December 31, 2017.

## EXECUTIVE MANAGEMENT TEAM (EMT) 2017

The EMT is an operational body, and thus, it does not constitute a statutory body of the Company. The CEO and other members designated by the Board form Ramirent EMT. The EMT assists the CEO in preparation of matters such as business plans, strategies, Ramirent policies and other matters of joint importance within Ramirent as requested by the CEO. The EMT members report to the CEO and will convene when called by the CEO. The EMT consisted of the following members:

- Tapiro Kolunsarka, President and CEO
- Pierre Brorsson, Executive Vice President and Chief Financial Officer
- Ulrika Dunker, Executive Vice President, Human Resources
- Øyvind Emblem, Executive Vice President, Norway
- Mikael Kämpe, Executive Vice President, Finland
- Dino Leistenschneider, Executive Vice President, Sourcing and Fleet Management
- Heikki Onton, Executive Vice President, Baltics and Europe Central
- Jonas Söderkvist, Executive Vice President, Sweden and Denmark

More information on the EMT members on p. 127.

## FINANCIAL REPORTING

The Board of Directors monitors and assesses the Company's financial situation and approves all economic and financial reports published by the Company. The Chairman of the Board ensures that the Board members have relevant access to the information relating to the Company and that the Board members are regularly updated by the Managing Director with the information required to monitor the Company's business and profit development, cash flow and financial position.

## INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT

The purpose of Ramirent's risk management is to provide the Board and management with a reasonable assurance of the achievement of the Company's objectives related to strategy and operations, the reliability and correctness of financial reporting and compliance with the relevant regulations and internal policies.

The Board of Directors has approved the Internal Control Policy and the Risk Management Policy. The

overall system of internal control and risk management in Ramirent is based on the commonly accepted framework by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) and ISO 31000:2009 standard for risk management. Ramirent internal control comprises of five principal components: the control environment, risk assessment, control activities, information and communication, and monitoring.

Ramirent risk management is continuous, embedded in the business and internal control is an integrated part of risk management.

The objectives of the internal control and risk management systems for financial reporting are to ensure that the financial reports disclosed by Ramirent give essentially correct information about the company finances, are reliable and that Ramirent complies with the applicable laws, regulations, International Financial Reporting Standards (IFRS) as adopted by EU and other requirements for listed companies.

## CONTROL ENVIRONMENT

Ramirent Code of Conduct, Policies and Principles form the foundation for its control environment and implementation of control activities across the organization. Key steering instruments are the Internal Control Policy and the Risk Management Policy. Other key steering instruments include, but are not limited to Accounting Principles, Finance Policy, Disclosure Policy, Insider Policy, Signature Policy, Decision Making Policy, Bonus Policy, HSEQ Policy, Internal Audit Charter.

Ramirent's Board of Directors bears the overall responsibility for the internal control for financial reporting and sets the tone at the top. The Board has established a written formal working order that clarifies the Board's responsibilities and regulates the Board's and Working Committee's internal distribution of work. The Working Committee's primary task is to ensure that established principles for financial reporting, risk management and internal control are followed and that appropriate relations are maintained with Ramirent's auditors. The Board has assigned responsibility for maintaining an effective control environment and the ongoing work on internal control over the financial reporting to the CEO. The operative management in business segments and group functions have the first line of responsibility for executing day-to-day control and risk management pertaining to the financial reporting process.

The roles of implementation of the internal control and risk management are illustrated in the table below.

## GOVERNANCE ROLES AND RESPONSIBILITIES IN INTERNAL CONTROL AND RISK MANAGEMENT

OPERATIONAL LEVEL	1st line of defense: <b>Operations and common functions.</b> Day to day control and risk management activities	EXTERNAL AUDITORS
	2nd line of defense: <b>Corporate functions.</b> Oversight of internal control and risk management environment	
	3rd line of defense: <b>Internal audit.</b> Overall assessment of risk management and internal control	
Ultimate responsibility: the Board of Directors		<ul style="list-style-type: none"> <li>• Reasonable assurance of the achievement of company strategic and operational objectives</li> <li>• Reliability of financial and operational reporting</li> <li>• Compliance with laws, regulations and internal policies</li> </ul>

Ramirent business model and customers are local and most of the business decisions are made in the operating countries. The business model is decentralized with local decision-making and local accountability.

Since 2015 Ramirent has centralized accounting and finance services from Sweden, Denmark, Norway, Finland to a Shared Service Center (SSC) in Tallinn, Estonia. Accounting functions in the countries other than above-mentioned (Sweden, Denmark, Norway, Finland) are still local with group reporting to the Group head office in Helsinki, Finland. The responsibility of the internal control and risk management at the country level is with the Segment EVP.

Common Group instructions are given by the head office in the areas of business development, treasury, credit risk management and collection, fleet and inventories management, intangible assets management, financial and business performance management, accounting and financial reporting, internal control and risk management.

Ramirent's financial reporting process is integrated and serves both external and internal reporting purposes. Ramirent prepares consolidated financial statements and interim reports in accordance with IFRS adopted by EU. Financial statements include also other information that is required by the Securities Markets Act, Financial Supervision Authority's standards and Nasdaq Helsinki Ltd's rules. The Board of Director's report and parent company financial statements are prepared in accordance with Finnish Accounting Act and the guidelines of the Finnish Accounting Board.

External financial reporting is based on Group Accounting and Reporting instructions. Detailed reporting instructions and time schedules have been established and communicated to all persons involved with the financial reporting process.

## RISK ASSESSMENT

Ramirent risk management is continuous, embedded in the business and internal control is an integrated part of risk management.

Ramirent's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks affecting the financial reporting at the Group, reporting segment, country, company and process level. Processes related to financial reporting are subject to on-going risk assessment by business unit, Shared Service Centre and corporate functions. The risk includes for example risks related to fraud, risk of loss or misuse of assets.

Based on the risk assessment results, control indicators are set to ensure that the fundamental requirements placed on financial reporting are fulfilled. Information on development of essential risk areas, indicators, activities planned and executed to mitigate these risks are communicated regularly to the Working Committee.

## CONTROL ACTIVITIES

In 2017 Ramirent continued to develop internal controls group wide and locally. Ramirent has identified key processes end-to-end for the financial reporting purposes and internal controls have been designed based on the risk assessment. Key processes are order-to-cash, purchase-to-pay, rental asset management, record-to-report, hire-to-retire and general IT controls.

Common control points for the key processes for Ramirent business units are defined and set forth minimum requirements for each process. Examples of such internal control activities are authorizations and approvals, account reconciliations, physical counts of assets, analysis and segregation of key financial duties. Segment Executive Vice President is responsible for arranging an adequate internal control within their operating business units.

Control activities include also business and financial results analysis on a monthly basis. These analyses are performed on country, segment and Group level by the management and the Board of Directors. Ramirent Board of Directors reviews interim and annual reports and approves reports before publication.

## INFORMATION AND COMMUNICATION

Ramirent's information and communication system provides means for Ramirent personnel to capture and communicate relevant risk and control information across the organization. Ramirent's internal and external communication is open, transparent, accurate and timely. Internal policies and principles are available on Ramirent's intranet. The key company policies and principles are also presented shortly on Ramirent's homepage. Workgroups consisting of group and local staff are engaged to continuously develop the controls and related training material. Group and local trainings are arranged for personnel on a regular basis regarding internal policies and control tools.

The CFO, supported by Investor Relations function, is responsible for the disclosure of financial information and fulfilment of the communication obligations of a listed company. Investor Relations holds the responsibility over planning and implementation of investor communications and daily contact with investors and analysts.

Ramirent has established a procedure for anonymous reporting of any kind of violations of Ramirent policies and controls, misconduct, sexual harassment, fraud or fraudulent activity, as well as non-compliance to rules and regulations.

## MONITORING

Ramirent is consistently monitoring and developing the effectiveness of its internal controls. The overall assurance approach is being developed to ensure good balance of monitoring activities.

Regular compliance reviews and audit activities are conducted. Control self-assessments are systematically performed in the Shared Service Center and are being expanded and developed for further implementation in local business units, segments and corporate functions. The internal audit function supports management to maintain an effective control environment.

## COMPLIANCE WITH LAWS AND CODE OF CONDUCT

Ramirent is committed to comply with applicable laws and regulations and internal policies as well as generally accepted practices of the business. Ramirent's operations are conducted according to Ramirent's Code of Conduct and company values. The Code of Conduct is based on UN Declaration of Human Rights. The Code of Conduct and company values set the base for Ramirent's corporate culture. Ramirent employees are familiarized with the Code of Conduct and company values when joining Ramirent and updated on a regular basis. The Board has approved the Compliance Policy which is to be further implemented.

## INTERNAL AUDIT

The objective of the internal audit is to provide assurance and to support management in development of operational efficiency and effectiveness in risk management, control and governance processes. The scope of Internal audit is company-wide and no department or business unit of Ramirent is exempt from review. Internal audit conducts risk-based assurance and consulting services both based on annual plan and ad-hoc needs. While majority of internal audit work is conducted in-house, co- or outsourcing is used for certain engagements needing specialized knowledge or resources.

Internal audit is functionally independent from the operational management. The Internal Audit Charter is approved by the Board of Directors. Working Committee appoints the Head of Internal Audit and approves the annual Internal Audit Plan and any material changes to it. Results of audits are reported to the Working Committee at least quarterly.

## AUDITORS

According to Ramirent's Articles of Association, the Company shall have at least one (1) and at the most two (2) auditors. The auditors must be certified public accountant firms. The auditor's term shall terminate at the end of the AGM that next follows their election.

PricewaterhouseCoopers Oy, Certified Public Accountant Firm, has acted since 2011 as the auditor of the Company the main responsible auditor individual being Ylva Eriksson, APA. PricewaterhouseCoopers Oy was elected in the Annual General Meeting held on 16 March 2017 as the auditor of the Company with Ylva Eriksson, APA, acting as the principally responsible auditor. The Working Committee makes an annual evaluation of the auditor's independence. The scope of the audit, the audit focus areas and the audit costs are detailed in the Group audit plan.

Fees paid to the auditors include remuneration paid for audit services amounting to EUR 346 (281) thousand

and remuneration paid to the company's auditor for non-audit services amounting to EUR 59 (185) thousand.

## INSIDER ADMINISTRATION

In its insider administration Ramirent complies inter alia with the following laws and regulations: the Finnish Securities Market Act, EU Market Abuse Regulation ("MAR"), regulations and guidelines issued by the Finnish Financial Supervisory Authority, and rules and guidance issued by Nasdaq Helsinki Ltd.

Ramirent has adopted an internal Ramirent Insider Policy which complies with the Nasdaq Helsinki Guidelines for Insiders.

The members of the Board of Directors and its secretary, the President and CEO, and the members of the Group Executive Management Team are defined as persons discharging managerial responsibilities (the "Manager(s)"). The Managers, as well as persons closely associated with them, shall notify the company and the Finnish Financial Supervisory Authority of transactions relating to the shares or other financial instruments of the company, provided that the total amount exceeds EUR 5,000 within a calendar year. In addition, the company shall disclose to the public such transactions with a stock exchange release.

In addition, the company has also designated certain persons preparing interim financial reports or year-end reports, as well as certain other managers of the company and persons responsible for its finances, financial reporting and communications, and persons who have access to the abovementioned information, regardless if they have inside information, as persons within the information core of the company.

A Manager and a person within the information core of the company shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the Ramirent shares or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim report or a year-end report and including also the day of the publication of an interim report or a year-end report (Closed Window).

Ramirent complies with MAR and other applicable rules and regulations in administration of insider information and thereto related insider lists. The company maintains a project or event specific insider list of all the people, who have an access to inside information and who work under an employment agreement or otherwise take care of tasks through which they have an access to inside information, for example as advisor. Also Managers, who are aware of a project, are registered on the list. Project-specific insiders may not disclose nor take advantage of such unpublished confidential company information (i.e. no trading on Ramirent securities or related derivative financial instruments is allowed while holding insider information).

The company also complies with MAR and other applicable rules and regulations regarding disclosure obligations (e.g. procedures relating to defining certain information as inside information and delaying of disclosure of inside information).

# RAMIRENT REMUNERATION STATEMENT 2017

Ramirent prepares its remuneration statement in accordance with the Finnish Corporate Governance Code. This remuneration statement has been prepared in accordance with Corporate Governance Code 2015. Ramirent's policy is to update the statement at the Company's web site [www.ramirent.com](http://www.ramirent.com) always when essential new information becomes available related to remunerations.

## REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration for the Board members is decided by the Annual General Meeting ("AGM"). The AGM held in 2017 decided – based on the proposal of the Company's shareholders Nordstjernan AB and Oy Julius Tallberg Ab, who together represented approximately 31 per cent of the voting rights carried by the Company's shares at the time of publication of the AGM notice on February 17, 2017 – that the remuneration of the Board members is as follows:

Chairman of the Board: EUR 3 800/month and additionally EUR 1 600/meeting.

Deputy chairman of the Board: EUR 2 500/month and additionally EUR 1 300/meeting.

Other Board members: EUR 2 250/month and additionally EUR 1 000/meeting.

The abovementioned meeting fees are also paid for Committee meetings and other similar Board assignments. Travel expenses and other out-of-pocket expenses due to the board work shall be compensated in accordance with the Company's established practice and travel rules.

### BOARD REMUNERATION

(EUR 1 000)	2017	2016
Appleton, Kevin	37.0	36.0
Bengtsson, Erik	31.8	-
Bergh, Kaj-Gustaf	36.0	34.0
Carlsson, Ann	33.8	-
Frumerie, Anette	7.8	36.0
Lundahl, Ulf	68.0	68.0
Lönnevall, Tobias	42.0	41.0
Paulsson, Mats O	7.8	36.0
Renlund, Susanna	49.5	48.2
<b>Total</b>	<b>313.5</b>	<b>299.2</b>

The entire remuneration is paid to Board members in cash.

The Board members are not covered by Ramirent's bonus plans, incentive programs or pension plans.

## DECISION MAKING PROCESS AND MAIN PRINCIPLES OF REMUNERATION OF THE PRESIDENT AND CEO AND OTHER EXECUTIVE MANAGEMENT TEAM MEMBERS

The Board of Directors decides on the remuneration, benefits and other terms of employment of the President and Chief Executive Officer ("CEO"). Remuneration and benefits for the other Executive Management Team members are based on CEO's proposal and subject to Board approval.

The Board decisions are based on the Working Committee's proposal. The Working Committee prepares issues pertaining to the fixed salary and short-term incentive of the President and CEO. Furthermore, the Working Committee prepares a proposal regarding the employment terms, total remuneration package and the compensation paid upon in an event of contract termination.

It is also the responsibility of the Working Committee to prepare a proposal regarding all matters pertaining to the long-term incentive schemes of the Company.

The remuneration of the President and CEO and the other members of the Executive Management Team consist of a fixed monthly base salary, customary fringe benefits and annual bonuses and long-term incentives.

Annual bonuses are based on Group Bonus Guidelines and performance criteria decided by the Board. As to long-term incentives, Executive Management Team members are participating in long-term incentive programs, which are decided upon by the Board.

There are no options outstanding or available from any of Ramirent's earlier option programs. There is no general supplementary pension plan for Executive Management Team members.

## INFORMATION ABOUT VALID AUTHORIZATIONS OF THE BOARD OF DIRECTORS CONCERNING REMUNERATION, AS WELL AS DECISIONS MADE BY THE BOARD OF DIRECTORS AS PART OF REMUNERATION

The Annual General Meeting of 2016 resolved to grant to the Board of Directors an authorization to decide on the repurchase of the Company's own shares. The authorization is valid until the Annual General Meeting of 2018, and besides other purposes, the own shares may be repurchased also as part of the Company's incentive program. Own shares have not been repurchased for incentive program purposes during the year 2017.

The Annual General Meeting of 2016 resolved to grant to the Board of Directors an authorization to decide on the share issue and/or issuance of option rights, convertible bonds and/or other special rights entitling to shares. The

authorization shall be valid until March 17, 2021 and it entitles the utilization of the authorization, among other things, for directed share issue as part of the Company's incentive program for personnel (either against payment or for free). The authorization granted in 2016 was utilized for the settlement of the long-term share incentive program 2014.

#### **SETTLEMENT OF THE LONG-TERM INCENTIVE PROGRAM 2014**

The Board of Directors of Ramirent decided on February 16, 2017 on a directed share issue for the reward payment from Ramirent Long-term incentive program 2014. In the share issue 18,920 existing Ramirent Plc shares were conveyed without consideration to the key persons participating in the Long-term incentive program 2014 according to the terms and conditions of the plan. As the program was set forth to combine the objectives of the shareholders and the key persons of the Group in order to increase the value of the company, there was an especially weighty financial reason for the directed share conveyance.

The key persons are required to hold the shares received on the basis of the program as long as the value of the shares held by a key person in total corresponds to a value less than the person's six months gross salary.

The decision on the directed share issue was based on the authorization granted to the Board of Directors by the Annual General Meeting of Shareholders held on March 17, 2016.

#### **ANNUAL BONUSES**

The Board sets annually the terms and the targets and the maximum amounts for annual bonuses. The amount of eventual bonuses is based on financial performance criteria, such as EBITA of the Group and the respective segment or country. The achievement of the targets of the CEO and the Executive Management Team members is evaluated by the Working Committee and the payment of the eventually achieved bonuses is confirmed by the Board.

In 2017, the maximum annual bonus for the CEO could be up to 80 percent of his annual base salary. For the other members of the Executive Management Team the maximum annual bonus could be up to 50 percent of their annual base salary.

#### **PERFORMANCE-BASED LONG-TERM INCENTIVE PROGRAMS**

##### **SHARE-BASED INCENTIVE PLANS**

During the financial year 2017, Ramirent Plc had three share-based incentive plans in operation. The plans have been established to form part of the long-term incentive and commitment program for the key personnel of the company and its subsidiaries. The aim is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer the key personnel a competitive reward program based on holding the company's shares. In the plans the participants are offered the opportunity to earn matching shares on the

basis of share ownership and performance shares on the basis of performance targets set for a three-year earning period. Plan 2014–2016 ended in 2017 and a total number of 18,920 net shares and a cash payment equaling to the value of 28,311 shares were paid. An eventual reward from the earning periods 2015–2017 and 2016–2018 is based on the share ownership (matching), Economic Profit (performance) and Total Shareholder Return (TSR), which may cut the total number of shares earned. No reward shall be paid to a person who's employment ends prior to the reward payment. The maximum reward to be based on the basis of the incentive programs 2015 and 2016 will correspond to the value of up to 934,168 Ramirent Plc shares (including also the proportion to be paid in cash).

The Board of Directors of Ramirent Plc also approved on December 14, 2017 a new Performance Share Plan 2018–2020 for the Executive Management Team members. The aim of the new plan is to align the objectives of the shareholders and the Executive Management Team Members in order to increase the value of the company in the long-term, to retain the Executive Management Team Members at the company, and to offer them a competitive reward plan that is based on earning and accumulating the company's shares. The potential reward from this plan will be paid partly in the company's shares and partly in cash in 2021. The cash proportion is intended to cover taxes arising from the reward to the plan participants. The potential reward from the Performance Share Plan 2018–2020 will be based on the participant's short-term incentive plan targets in 2018 as well as on the Group's cumulative EPS development in 2018–2020. The rewards to be paid on the basis of the Performance Share Plan 2018–2020 correspond to an approximate maximum total of 270,000 Ramirent Plc shares including also the proportion to be paid in cash.

##### **DEFERRED INCENTIVE PLANS 2017 AND 2018**

The Board of Directors of Ramirent Plc approved on 14 December 2016 a Deferred Incentive Plan (DIP) for 2017 to maximally support the company's short-term key priority of delivering improved EBITA and to offer key employees a competitive reward and retention program. The 2017 Deferred Incentive Plan includes one earning period, calendar year 2017, with a lock-up period of two years whereby the potential reward will be paid in cash in 2020. The incentive plan includes approximately 120 key employees. The members of the Executive Management Team are included in the target group of the 2017 Deferred Incentive Plan. The potential reward from the 2017 incentive plan for the earning period 2017 will be based on the participant's short term incentive plan targets. In addition, to combine the objectives of the shareholders and the Executive Management Team, the total reward potential for Executive Management Team members will also be based on the Group's Total Shareholder Return (TSR) for the earning period 2017 and the two-year lock-up period. The maximum reward of the Deferred Incentive Plan 2017 to be paid in cash in 2020 will correspond to up to 3.7 million euros.

The Board of Directors of Ramirent Plc approved on

December 14, 2017 a new Deferred Incentive Plan 2018 to maximally support the implementation of the company's renewed strategy and to offer key employees a competitive reward and retention program. The Deferred Incentive Plan includes one earning period, calendar year 2018, with a lock-up period of two years whereby the potential reward will be paid in cash in 2021. The incentive plan was extended to include approximately 160 key employees. The potential reward from the incentive plan for the earning period 2018 will be based on the participant's short-term incentive plan targets. The maximum reward of the Deferred Incentive Plan 2018 to be paid in 2021 will amount up to approximately EUR 2.6 million. The members of the Executive Management Team are not included in the target group of the Deferred Incentive Plan as they are part of the Performance Share Plan 2018–2020 where the potential reward is paid in Ramirent shares.

## RECOGNITION PRINCIPLES OF THE LONG-TERM INCENTIVE PROGRAMS

The long-term incentive programs 2015, 2016 and 2018 are partly equity-settled and partly cash-settled. The costs are accrued over the vesting period for each program. The part of the reward that is settled in shares is valued at fair value at the grant date and the costs are recognized in equity. The part of the reward that is settled in cash is recognized as a liability. The liability is reevaluated at each reporting date for subsequent changes in the fair value of the liability. The cash-settled portion relates to personal taxes and other employer's contributions.

The total expenses recognized in 2017 for the ongoing long-term incentive programs and the Deferred Incentive plans 2017 and 2018 total EUR 4.0 million and liability as at December 31, 2017 totals EUR 4.5 million (EUR 0.5 million).

## REMUNERATION OF THE PRESIDENT AND CEO

The President and CEO's remuneration consists of a base salary, fringe benefits, a supplementary pension scheme, performance-related annual bonus and a long-term incentive plan. The President and CEO's annual bonus is determined annually by the Board on the basis of the Group's key targets and is, at maximum, 80 percent of the President and CEO's annual base salary. CEO Tapio Kolunsarka's annual base salary is EUR 460,000 excluding benefits (car, housing, mobile phone).

In 2017, the total remuneration paid to Tapio Kolunsarka consisting of fixed annual base salary and fringe benefits was EUR 483,562. In addition, his accrued bonus for 2017 and due for payment in 2018 totaled EUR 368,000. Tapio Kolunsarka's holdings of shares are presented in the table below.

The President and CEO is entitled to participate in the Company's long-term incentive program. According to the initial allocation, the maximum reward for the share-based incentive plan 2016–2018 on the basis of performance accounts for a total of 106,206 shares and the number of shares to be paid on the basis of Ramirent share

ownership accounts for 24,092 shares. The maximum reward for the 2017 Deferred Incentive Plan amounts to EUR 459,996. The maximum reward for the share-based incentive plan 2018–2020 on the basis of performance accounts for a total of 40,000 shares.

Tapio Kolunsarka's retirement age and pension are determined in accordance with Finland's Pensions Act. In addition, Tapio Kolunsarka's pension accruing during the time he holds the position of the President and CEO is arranged through a separate supplementary pension insurance, which is 25% of annual base salary. No separate agreement regarding early retirement has been made. Should his employment contract be terminated before retirement, he has the right to the equivalent of 12 months' salary and the salary for a 12-month term of notice.

In 2017, the total compensation paid to the President and CEO of Ramirent consisting of fixed salary, pension payments, fringe benefits and annual bonus for 2016 was EUR 652,535.

**TABLE ON DETAILS CONCERNING THE REMUNERATION OF THE PRESIDENT AND CEO TAPIO KOLUNSARKA**

	2017
Base salary	EUR 460,000
Fringe benefits	EUR 23,562
Annual Bonus	EUR 368,000
Allocated LTI 2016-2018 maximum reward	106,206 shares (performance) 24,092 shares (matching)
Allocated DIP 2017 maximum reward	EUR 459,996
Allocated LTI 2018-2020 maximum reward	40,000 shares (performance )
Shares owned (# of shares on Dec 31)	38,447
Retirement age	In accordance with Finland's Pensions Act
Supplementary pension premium (25% of annual base salary)	EUR 115,000
Period of notice	12 months
Severance payment (in addition to notice period)	12 months' salary including fringe benefits

## REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM

The compensation for the members of the Executive Management Team comprises a base salary and an annual bonus, based on the Group's annual result and the achievement of personal targets. The bonus amount is evaluated by the Working Committee and the payment of the eventually achieved bonuses is confirmed by the Board. The maximum annual bonus could be up to 50 percent of the annual base salary.

The Executive Management Team members' holdings of shares are presented on page 127.

The members of the Executive Management Team are included in the long-term incentive programs for company key employees. In 2017, on the basis of the long-term incentive plans, the members of the Executive Management Team received 6,190 Ramirent shares (excluding shares received by the President and CEO, whose information is presented in the previous paragraph) together with a cash bonus equal to the amount required to cover taxes and similar charges arising from the receipt of shares. In 2017, the total compensation payable to the EMT members excluding the President and CEO of Ramirent consisting of fixed salary, fringe benefits and annual bonus accrued for 2017 was EUR 1,967,952.

The total expenses recognized in 2017 for the on-going long-term incentive programs for the EMT-members totaled EUR 1,378,363.

No separate agreement regarding early retirement has been made for the members of the Executive Management Team. The notice period is six months and compensation for the termination of the employment contract prior to retirement is a maximum of 6-12 months' salary.

# BOARD OF DIRECTORS



## ULF LUND AHL

### CHAIRMAN OF THE BOARD

B. 1952. Master of Law and Bachelor in Business from University of Lund. Swedish citizen. Board member since 2014. Chairman of the Board since 2015. Member of Ramirent's Working Committee. Deemed to be independent of the Company and of significant shareholders.

### PRIOR WORKING EXPERIENCE

Executive Vice President and Deputy CEO of L E Lundberg-företagen AB; CEO of Danske Securities; CEO Östgota Enskilda Bank; CEO of Nokia Data Sweden; Executive Vice President and Head of consumer banking of Götabanken; Strategy consultant of SIAR.

### KEY POSITIONS OF TRUST

Chairman of the Board of Fidelio Capital AB, Handelsbanken Regional Bank Stockholm and Attendo AB. Board member of Eltel AB, Holmen AB and Indutrade AB.

### RAMIRENT SHARES

Dec. 31, 2017: 10,000



## SUSANNA RENLUND

### DEPUTY CHAIRMAN OF THE BOARD

B. 1958. M.Sc. (Agr.). Finnish citizen. Board member since 2006. Member of Ramirent's Working Committee. Deemed independent of the Company and, in her role as Vice Chairman of Julius Tallberg Corp., dependent of significant shareholders.

### PRIOR WORKING EXPERIENCE

Administration Manager of the Institute for Bioimmunotherapy, Helsinki Ltd. General management positions in a number of real estate properties and the financial management of the Institute for Bioimmunotherapy Helsinki Ltd.

### KEY POSITIONS OF TRUST

Chairman of Julius Tallberg Real Estate Corporation and Vice Chairman of Oy Julius Tallberg Ab.

### RAMIRENT SHARES

Dec. 31, 2017: 10,000 (holding of interest parties 12,207,229)



## KEVIN APPLETON

B. 1960. B.A. British citizen. Board member since 2012. Deemed to be independent of the Company and of significant shareholders. Kevin Appleton currently works as Managing Director of Yusen Logistics (UK) Ltd and as Non-Executive Chairman of Horizon Platforms Ltd and Non-Executive Director of Arco Ltd.

### PRIOR WORKING EXPERIENCE

Executive Chairman of Travis Perkins PLC's General Merchanting Division; CEO in Lavendon Group PLC; Managing Director in Constructor Dexion; Managing Director & VP Europe at FedEx Logistics/ Caliber Logistics; and Marketing Manager and then Sales and Marketing Director in NFC Plc.

### KEY POSITIONS OF TRUST

Non-Executive Chairman of Horizon Platforms Ltd and Non-Executive Director of Arco Ltd.

### RAMIRENT SHARES

Dec. 31, 2017: 2,075



## KAJ-GUSTAF BERGH

B. 1955. B.Sc. (Econ.) and LL.M (Master of Law). Finnish citizen. Board member since 2004. Deemed independent of the Company and, in his role as Chairman of the board of Julius Tallberg Corp., dependent of significant shareholders. Kaj-Gustaf Bergh is Managing Director of Föreningen Konstsamfundet R.F.

### PRIOR WORKING EXPERIENCE

Various positions in Pankkiurilike Ane Gyllenberg Oy and Skandinaviska Enskilda Banken.

### KEY POSITIONS OF TRUST

Chairman of the Board of Oy Julius Tallberg Ab, Board member of Wärtsilä Oyj Abp, Stockmann Oyj Abp and JM AB.

### RAMIRENT SHARES

Dec. 31, 2017: 37,000 (holding of interest parties 12,211,229)



## ERIK BENGTTSSON

B. 1969. M.Sc. (Industrial Engineering), Swedish citizen. Board member since 2017. Deemed to be independent of the Company and of significant shareholders. Erik Bengtsson is co-founder of Pricise.

### PRIOR WORKING EXPERIENCE

CEO, Centro kakel och klinker AB, 2016–2016; Executive Chairman, Biduin, 2015–2016; Various managerial positions within the Cramo Group between 2005–2015; Sales Manager, Toyota Material Handling (BT Svenska) 2001–2005; Production Engineer and Field Sales, Parker Hannifin 1995–2001.

### RAMIRENT SHARES

Dec. 31, 2017: -

## ANN CARLSSON

B. 1966, Bachelor's Degree (Human Resources), Swedish citizen. Board member since 2017. Deemed to be independent of the Company and of significant shareholders. Ann Carlsson is the CEO of Apoteket AB (publ).

### PRIOR WORKING EXPERIENCE

Various executive positions with ICA Sverige AB, including SVP Store Sales Division ICA Sverige AB.

### KEY POSITIONS OF TRUST

Board member of The Swedish Trade Federation (Svensk Handel) and SNS – Center for Business and Policy Studies.

### RAMIRENT SHARES

Dec. 31, 2017: -

## TOBIAS LÖNNEVALL

B. 1980, M.Sc. (Econ.), Swedish citizen. Board member since 2015. Member of Ramirent's Working Committee. Deemed to be independent of the Company and, in his role as a Senior Investment Manager at Nordstjernan AB, dependent of a significant shareholder.

### PRIOR WORKING EXPERIENCE

Acting CEO of NH Logistics 2010; Finance Manager at Landic Property 2008–2009; Management Consultant at Accenture 2006–2008.

### KEY POSITIONS OF TRUST

Board member of Attendo AB.

### RAMIRENT SHARES

Dec. 31, 2017: - (holding of interest parties 21,863,716)

# EXECUTIVE MANAGEMENT TEAM



FROM LEFT: Pierre Brorsson, Øyvind Emblem, Ulrika Dunker, Jonas Söderkvist, Dino Leistenschneider, Tapio Kolunsarka, Mikael Kämpe and Heiki Onton

## **TAPIO KOLUNSARKA**

### **PRESIDENT AND CEO**

B. 1975, Finnish citizen, M.Sc. (Eng. and Econ.). Employed since 2016.

### **PRIOR WORKING EXPERIENCE**

Executive Vice President of UPM Raflatac 2013–2016; Senior Vice President of UPM Raflatac EMEA 2011–2013; Senior Vice President of UPM Raflatac Europe 2008–2011; several leading positions in UPM Raflatac in Finland and in USA 2002–2008; before joining UPM he was a consultant at McKinsey & Company.

### **RAMIRENT SHARES**

Dec. 31, 2017: 38,447

## **PIERRE BRORSSON**

### **CHIEF FINANCIAL OFFICER**

B. 1972, Swedish citizen, M.Sc. (Ba.). Employed since 2016.

### **PRIOR WORKING EXPERIENCE**

VP Business Development, Industrial Technique, Atlas Copco 2014–2015; VP Finance & Administration Atlas Copco MVI Division 2011–2013; VP Finance and Administration, Atlas Copco Tools & Assembly systems divisions 2006–2011; Business Controller, Atlas Copco Tools and Assembly systems 2002–2006; Financial Manager, Power Tools Distribution NV 1999–2002; Controller, Atlas Copco Rock Drills 1996–1999.

### **RAMIRENT SHARES**

Dec. 31, 2017: 10,347

## **ULRIKA DUNKER**

### **EVP, HUMAN RESOURCES**

B. 1975, Swedish citizen, B. (Ed.) Employed since 2017.

### **PRIOR WORKING EXPERIENCE**

Head of HR at Kungliga Operan AB, 2016–2017; VP Human Resources, Sandvik Construction 2013–2016 and of Sandvik Venture 2014–2016; HR Manager, Sandvik IT 2012–2013; Human Resources Advisor, Sandvik Materials Technology 2010–2011; Team Manager, Sandvik IT Services AB 2009–2010; Staffing Manager, AB Sandvik Systems Development 2007–2009.

### **RAMIRENT SHARES**

Dec 31, 2017: -

## **ØYVIND EMBLEM**

### **EVP, NORWAY**

B. 1970, Norwegian citizen, M.Sc. (Tech.), MBA. Employed since 2015.

### **PRIOR WORKING EXPERIENCE**

SVP, Ramirent Norway from April–December 2015. Global Sales Director Spirits at Arcus Gruppen AS 2013–2015; Managing Director of Michelin Benelux 2009–2012; Country Manager, Michelin Korea 2007–2009 and Sales Manager of Michelin Nordic AB 2004–2006; Management trainee and Manufacturing Manager of ODIM Hitec 1998–2002 and as Management Consultant at McKinsey & Company, Norway 1996–1998.

### **RAMIRENT SHARES**

Dec. 31, 2017: -

## **MIKAEL KÄMPE**

### **EVP, FINLAND**

B. 1968, Finnish citizen, B.Sc. (Eng.). Employed since 2004.

### **PRIOR WORKING EXPERIENCE**

SVP, Ramirent Europe Central 2013–2016; Director, Group Fleet, Ramirent Plc 2009–2013; Purchasing Manager, Ramirent Plc 2008–2009 and Ramirent Europe Oy 2005–2008; Purchasing Manager, Ramirent AB 2004–2005; Product and Purchasing Manager, Altima AB 2002–2004; Purchaser, NCC AB 1999–2001 and NCC Finland Oy 1996–1999.

### **RAMIRENT SHARES**

Dec. 31, 2017: 17,780

## **DINO LEISTENSCHNEIDER**

### **EVP, FLEET AND SOURCING**

B. 1971, German citizen, M.Sc. (Eng.), M.Sc. (Ind. Ec.). Employed since 2010.

### **PRIOR WORKING EXPERIENCE**

Director, Group Sourcing, Ramirent Plc, 2010–2013; Project Leader Business Development, Skanska Industrial Production Nordics, 2010; European Category Manager, Skanska AB 2007–2009; Category Management Coordinator, Skanska AB, 2005–2007; Purchasing Manager Maxit Group AB, 2003–2005; Restructuring Manager Logistic (a.o.), Unilever Bestfoods, 2000–2003.

### **RAMIRENT SHARES**

Dec. 31, 2017: 9,342

## **HEIKI ONTON**

### **EVP, BALTIKS AND EUROPE CENTRAL**

B. 1978, Estonian citizen, Ph.D. (Eng.). Employed since 2001.

### **PRIOR WORKING EXPERIENCE**

SVP, Ramirent Baltics 2013–2015; Managing Director, Ramirent Baltic AS 2012–2013; VP, Ramirent Baltic AS 2010–2012; Sales Director, Ramirent AS 2008–2010; VP, Ramirent AS 2005–2008; Designer and Product line manager Ramirent AS 2001–2005. Before joining Ramirent: Civil Engineer at ETS Nord AS.

### **RAMIRENT SHARES**

Dec. 31, 2017: 11,259

## **JONAS SÖDERKVIST**

### **EVP, SWEDEN AND DENMARK**

B. 1978, Swedish citizen, M.Sc. (Eng.), M.Sc. (Econ.). Employed since 2009.

### **PRIOR WORKING EXPERIENCE**

CFO and EVP, Corporate Functions, Ramirent Plc 2009–2015; Business development, Ramirent Plc 2005–2006; Investment Manager, Nordstjernan Investment AB, 2004–2009; Software engineering and development, Saab Rosemount AB, 2003.

### **RAMIRENT SHARES**

Dec. 31, 2017: 28,779

# AUDITOR'S REPORT

Auditor's Report (Translation of the Finnish Original)  
To the Annual General Meeting of Ramirent Plc

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion,

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

### WHAT WE HAVE AUDITED

We have audited the financial statements of Ramirent Oyj (Business ID: 0977135-4) for the year ended 31 December 2017. The financial statements comprise:

- the consolidated statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows and notes, which include a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes to the financial statements.

### BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice 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 parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to

our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 2.6 to the consolidated financial statements.

### OUR AUDIT APPROACH OVERVIEW

#### Materiality

- Overall group materiality: € 4.5 million.

#### Group scoping

- The group audit scope includes all significant companies in Finland, Sweden, Norway, Denmark and Poland, covering the vast majority of revenues, assets and liabilities.

#### Key Audit matters

- Revenue recognition
- Valuation of goodwill
- Valuation and existence of fleet assets



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

### MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of

our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

<b>Overall group materiality</b>	€ 4.5 million
<b>How we determined it</b>	Net sales and profit before tax for 2017
<b>Rationale for the materiality benchmark applied</b>	We chose the combination of net sales and profit before taxes as the benchmark because, in our view, the performance of the Group is most commonly measured by using these criteria, and it is a generally accepted benchmark.

## HOW WE TAILEDOR OUR GROUP AUDIT SCOPE

We tailored the scope of our audit, taking into account the structure of the Group, the accounting processes and controls and the size, complexity and risk of individual subsidiaries. The group audit scope was focused on the most significant companies in Finland, Sweden, Norway, Denmark and Poland. In addition, we performed analytical procedures at group level over the remaining companies.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### KEY AUDIT MATTER IN THE AUDIT OF THE GROUP

#### REVENUE RECOGNITION

Refer to note 2.2 in the consolidated financial statements.

The Group's revenue streams consist of rental of construction machinery and equipment, services related to the rental of machinery and equipment, trade of construction related goods and sale of used equipment.

Rental revenue from operating leases is recognised on a straight line basis over the term of the relevant lease arrangement. Revenues from services are recognised in the period when the service is rendered to the customer. Equipment, which is no longer held for rental, is transferred from tangible assets to inventory and recorded as revenue when a sales transaction takes place.

Revenue recognition includes a risk that revenue is not recorded in the correct period or that recorded sales transactions have not occurred. Therefore, this has been a focus area in our audit.

### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We reviewed management's key controls around revenue and receivables.

In addition, we performed substantive testing of

revenue transactions including, among other things, the following:

- We used revenue data auditing techniques to check revenue transactions. This enabled us to focus our testing on higher risk transactions.
- We selected sales invoices recorded during the financial period on a sample basis and matched incoming cash to recorded revenue transactions.
- We tested a sample of sales transactions recorded in December 2017 and January 2018 to evaluate that revenue had been recognized in the right period.
- We tested credit invoices issued in January 2018 to ensure that they were recorded in the right financial period.
- We tested a sample of accrued income and deferred revenue balances by reference to supporting documentation.

#### VALUATION OF GOODWILL

Refer to note 3.2 in the consolidated financial statements.

As at 31 December 2017 the Group's goodwill balance amounted to € 135 million.

The company tests goodwill for potential impairment annually and whenever there is an indication that the carrying value may be impaired by comparing the recoverable amount against the carrying value of the goodwill. The recoverable amounts are determined using value in use model.

Valuation of goodwill is a focus area in the audit due to the size of the goodwill balance and the high level of management judgement involved in relation to estimates of future cash flows.

Our audit of goodwill valuation focused on management's judgement and estimates used. We have assessed the appropriateness of these through the following procedures:

- We tested the methodology applied in the value in use calculation by comparing it to the requirements of IAS 36, Impairment of Assets, and we tested the mathematical accuracy of the calculations.
- We evaluated the process by which the future cash flow forecasts were drawn up.
- We tested the key underlying assumptions for the cash flow forecasts, including sales and profitability forecasts, discount rates used and the implied growth rate beyond the forecasted period, e.g. by comparing sales forecasts to budget and long-term financial targets approved by the Board of Directors.
- We compared the current year actual results included in the prior year impairment model to corroborate the reliability of management's estimates.
- We considered whether the sensitivity analysis performed by management around key drivers of the cash flow forecast was appropriate.

We also considered the appropriateness of the related disclosures provided in note 3.2 in the Group financial statements.

#### VALUATION AND EXISTENCE OF FLEET ASSETS

Refer to note 3.1 in the consolidated financial statements.

As at 31 December 2017 the Group's rental fleet assets amounted to € 498 million.

The estimates of the fleet assets' useful lives and residual value have a significant impact on the financial statements both in terms of the annual depreciation charge and the profits recognized on the disposal of fixed assets. In addition, fleet assets have a high frequency of movement in individual assets, through asset purchases, rentals, disposals and transfers around the customer centres.

Valuation and existence of fleet assets is a focus area in the audit due to the size of the fleet assets balance and the high level of management judgement involved in ensuring that fleet assets are accurately valued.

Our audit work included reviewing management's key controls in place to ensure existence and appropriate value of rental assets. Such controls include authorisation of additions, disposals and scrappings, evaluation of the useful economic lives, stock taking routines and the reconciliation of fixed assets registers to the accounting records.

In addition, our audit procedures included, among other things, the following:

- We attended a number of the fleet counts and performed independent test counts to validate the existence of assets and accuracy of the counting performed. We tested that the records from the counts had been used to update both the fixed asset register and the accounting ledgers.
- We selected a sample of assets acquired in the year and agreed the amounts recorded on the fixed assets registers to invoices.
- We tested the depreciation of the fixed assets through a combination of detailed testing and analytical audit procedures.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability

to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is 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 good auditing practice 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 in accordance with good auditing practice, we exercise professional judgement 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 parent company's or the group'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 the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group'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 parent company or

the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER REPORTING REQUIREMENTS APPOINTMENT

We were first appointed as auditors by the annual general meeting on 7 April 2011. Our appointment represents a total period of uninterrupted engagement of 7 years.

## OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our auditor's report thereon. We obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 7 February 2018

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Ylva Eriksson  
Authorised Public Accountant (KHT)

# INVESTOR RELATIONS

## INVESTOR RELATIONS PRINCIPLES

Ramirent's Investor Relations primary task is to ensure that the market has correct and sufficient information at its disposal to determine the value of the Ramirent share at all times. This task is being performed by Ramirent's Investor Relations through annual and interim reports, maintaining investor pages on [ramirent.com](http://ramirent.com), attending investor meetings, seminars, and organizing Capital Markets Days.

Ramirent's Investor Relations function is responsible for investor communications in cooperation with Corporate Communications. In all of its communications, Ramirent complies with the requirements for listed companies as defined by the Securities Markets Act, the rules of the NASDAQ Helsinki Ltd. and any other applicable regulation concerning prompt and simultaneous disclosure of information.

## SILENT PERIOD

Ramirent observes a silent period of 30 days prior to publication of annual or interim financial results. During the silent period, the company's representatives do not provide comments nor do they meet capital market representatives.

## ANALYSTS

A list of brokers and financial analysts that actively follow Ramirent's development is available in the Investors section on the company's website at [ramirent.com](http://ramirent.com). Ramirent does not comment or take any responsibility for estimates or forecasts published by analysts or other capital market representatives.

## PEER GROUP

Ramirent has an international peer group, against which the Group's financial information and business operations can be compared. The peer group consists of companies, which partly have different product offering and operating markets, and therefore do not alone give an adequate picture of Ramirent's competitors. The following companies are included in the peer group: Cramo (FI), Loxam (FR), Kiloutou (FR), Speedy Hire (UK), HSS Hire (UK), United Rentals (US) and Ashtead Group (US/UK).

## QUARTERLY RESULTS BRIEFING AND LIVE AUDIOPCAST

A briefing for financial analysts and media will be held on each day of the result publication at 10.30 a.m. EET via a live audiocast at [www.ramirent.com](http://www.ramirent.com). Recordings of the all audiocasts are available at the same address.

## PUBLICATION OF FINANCIAL INFORMATION

Ramirent's annual reports, interim reports and stock exchange releases are published in English and Finnish on the company's website at [www.ramirent.com](http://www.ramirent.com). You can also subscribe to receive our news releases by e-mail on our website. Stay informed also with Ramirent's free apps for smartphones and tablets.

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# INFORMATION FOR SHAREHOLDERS

## ANNUAL GENERAL MEETING

Ramirent Plc's Annual General Meeting will be held on Thursday 15 March 2018 at 10:00 a.m. at Ramirent Group headquarters at the address of Tapulikaupungintie 37, Helsinki, Finland.

Shareholders wishing to attend the meeting must be registered in the Ramirent shareholder register at Euroclear Finland Ltd. no later than on March 5, 2018 and must register for attending the meeting no later than March 12, 2017 by 10:00 a.m. by giving a prior notice of participation to the Company. Any proxies must be submitted at the same time. Such notice can be given either:

- on the Company's website [www.ramirent.com/agm](http://www.ramirent.com/agm); or
- by telephone +358 (0)20 770 6880 from Mondays to Fridays between 9:00 a.m. and 4:00 p.m.; or
- by telefax +358 (0)20 750 2850; or
- by regular mail to the address Ramirent Plc, POB 31, FI-00751 Helsinki, Finland. When giving the notice by regular mail the notice should be delivered to the Company before the deadline for registration.

## PAYMENT OF DIVIDENDS

The Board of Directors proposes to the Annual General

Meeting that for the financial year 2017 a dividend of EUR 0.44 (0.40) be paid per share in two installments. If the proposal is approved, the first installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment 19 March 2018. The first installment is to be paid on April 4, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2018 for shareholders whose shares are registered in Euroclear Sweden AB. The second installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment September 18, 2018. The second installment is to be paid on October 3, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on October 4, 2018 for shareholders whose shares are registered in Euroclear Sweden AB. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations of the Finnish book-entry system would be changed, or otherwise so require, prior to the payment of the second installment of the dividend.

## RAMIRENT PLC'S FINANCIAL CALENDAR 2018

**Annual General Meeting**  
15 March 2018  
at EET 10:00 a.m.

**Interim report January–March**  
9 May 2018  
at EET 9:00 a.m.

**Half Year Financial Report**  
8 August 2018  
at EET 9:00 a.m.

**Interim report January–September**  
7 November 2018  
at EET 9:00 a.m.

## ORDER BOOK CODES

Listed on: NASDAQ Helsinki Ltd  
NASDAQ Helsinki: RMR1V  
Reuters: RMR1V.HE  
Bloomberg: RMR1V:FH  
ISIN code: FI0009007066

## PRIMARY INDEXES

NASDAQ HELSINKI  
NASDAQ Helsinki Mid Cap  
NASDAQ Nordic Industrial Goods and Services

## CHANGE OF ADDRESS

Ramirent shareholders are kindly requested to make a written notification of changes in address to the bank where they have their book-entry account. Those shareholders who are registered in the shareholders' register at Euroclear Finland Ltd. should send a written notice to:

Euroclear Finland Ltd.  
Customer Account Service,  
P.O. Box 1110,  
FI-00101 Helsinki  
Tel. + 358 800 180 500

In the notice, shareholders should mention their name, new address, old address and book-entry account number.



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## GROUP HEADQUARTERS

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**RAMIRENT**