Annual report 2023

Revenue
(DKKm)
248.2
(+4.5%)
Up from 237.5

EBIT before special items
(DKKm)
24.6
(+25.1%)
Up from 19.7

EBIT margin
9.9%
(+1.6pp)
Up from 8.3%

ROIC
91.5%
(+74.6pp)
Up from 16.9%

Order backlog
(DKKm)
61.9
(-12.4%)
Down from 70.7

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CVR: 36440414
Bygmestervej 2
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Denmark

SKAKO

CONTENTS

Management review

Important notice about this document

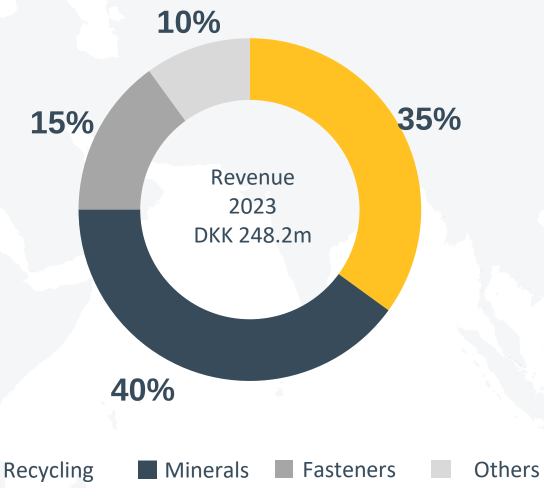
This document contains forward-looking statements. Words such as believe, expect, may, will, plan, strategy, prospect, foresee, estimate, project, anticipate, can, intend, outlook, guidance, target and other words and terms of similar meaning in connection with any discussion of future operation of financial performance identify forward-looking statements. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect. Due to the war in Ukraine, increased geopolitical tension and uncertainty regarding interest rate and inflation, this guidance is subject to a higher-than-normal degree of uncertainty.

Due to the divestment of SKAKO Concrete activities at December 29, 2023 these activities are only included as discontinuing activities according to IFRS 5.

SKAKO 2023 IN BRIEF

PLANT ORDERS
(DKK) **170,302**

AFTERSALES
(DKK) **77,857**



Order intake (DKKm)	Order backlog (DKKm)	Revenue (DKKm)	EBIT before special items (DKKm)	EBIT margin before special items	Earnings per share (DKKm)	Employees	ROIC
238.6	**61.9**	**248.2**	**24.6**	**9.9%**	**26.34**	**115**	**91.5%**
Down from 255.9	Down from 70.7	Up from 237.5	Up from 19.7	Up from 8.3%	Up from 8.13	Up from 112	Up from 16.9%

1. HIGHLIGHTS

1.1 LETTER TO OUR SHAREHOLDERS

A strong year and ahead of the financial targets in the 2024 plan!

2023 was a year that will go into the SKAKO history books in more than one way. The company delivered very strong results, SKAKO turned 60 years and the SKAKO Concrete activities were sold off to Esbjerg based Zefyr Invest.

Entering the year 2023 things were pointing in other directions. The SKAKO Board of Directors had received an offer to sell all SKAKO activities at a price significantly above the market cap at that time and the board was looking into this opportunity. The opportunity did not materialize at the end, and the transaction was called off. However, the Board of Directors decided to test the general market appetite to buy SKAKO or one of the companies in SKAKO. The Esbjerg based industrial investment fund Zefyr Invest ended up buying the SKAKO Concrete activities by December 29 2023, at a significant premium price of DKK 123m, being 11 x EBIT of 2022 and 65% of the SKAKO Group market cap.

The transaction unlocked significant shareholder value and the share-price increased with 50% from from 71 to the 110 level. DKK 122m was distributed to shareholders by the end of February, representing more than the proceeds from the transaction after transaction costs. On top of this we are proposing an ordinary dividend of DKK 15m in line with last year.
We would like to use this opportunity to thank all SKAKO Concrete employees for an impressive job of turning the Concrete business around over the last 3 years. We are extremely happy to see the business continue under a new long sighted ownership committed to the domicile in Faaborg.

The continuing SKAKO Vibration activities performed well in 2023 with an EBIT of DKK 24.6m. This is an increase of 26% compared with 2022 and a little above our latest guidance of DKK 20-24m.

What should shareholders expect from the new SKAKO?

For many years, SKAKO has been operated as two completely separate businesses with their own independent managements and organizations in Concrete and Vibration. The divestment of SKAKO Concrete means that the company now can focus more on the business segments in SKAKO Vibration. This part of SKAKO has for many years delivered a stable return, with good profitability of around 10%, by selling sorting solutions based on vibration technology in 3 main segments:

Fasteners
SKAKO delivers advanced conveying solutions to subcontractors for the automotive industry. SKAKO is the market leader in Germany, which is by far the largest market in Europe. The European market is expected to grow by almost 5% annually until 2031.

Minerals/Mining
SKAKO has provided sorting and processing solutions to the Mining industry for over 50 years. The industry faces significant investments to ensure raw materials for the green transition. The global market is expected to grow by almost 6% per year until 2028.

Recycling
SKAKO has provided solutions to the waste sorting market for many years. In 2019, the board decided to invest more actively in this segment through the acquisition of the company Dartek, located in St. Sebastian, Spain. This acquisition has been instrumental in getting deeper understanding of the growing Recycling market boosted by the push for green transition. SKAKO will invest into organic growth and pursue M&A opportunities in this segment.

All years are different, and challenges and opportunities vary, but the dependance on skilled and satisfied employees as well as happy customers and partners is always important.

We would like to thank everyone for the support and trust in SKAKO in 2023.

Lionel Girieud
CEO

Jens Wittrup Willumsen
Chairman of the Board

Our purpose

We aim to make customers' production flow efficient, reliable and sustainable

Our values

We are dedicated

as our knowledge and competencies are inherited from more than 60 years of experience and dedicated to your needs

We are reliable

as we are known for setting the standards of quality and accuracy within our industry

We are accessible

as we are well represented around the world and always ready to help

Our brand promises

We develop sustainable, technology-based and visionary solutions

We meet customers with a future-oriented mindset and engage our technical know-how, digitization and innovative capacity in companies' individual needs

We provide profitable business

We generate continuous and visible value for our customers and our investors

We are big enough to cope - and small enough to care

We match customers' needs and deliver scalable solutions

We commit ourselves in close partnerships

We put our customers' needs first and bring our service, customer-adapted solutions and engineering expertise.

1.2 KEY EVENTS 2023

Brand Manifesto
SKAKO Vibration has made a brand manifesto explaining the core of the business, which is to help the Minerals, Fasteners, and Recycling industries use and reuse the planet's resources in the best possible way.

Q1

From San Diego to Pennsylvania
To get closer to the majority of the customers in the USA, SKAKO Concrete has moved the premises from San Diego to Coopersburg, PA.

Q1

The Precast Show
In February, SKAKO Concrete participated in the Precast Show in Ohio.

Q1

Q2

Solar panels
SKAKO Vibration France has installed solar panels on the roof and is now generating its own electricity.

1.2 KEY EVENTS 2023

Q3

60-year anniversary

On 1 July 2023, SKAKO had 60-year anniversary. The anniversary was celebrated with a reception in June and an employee event in September.

Q4

Rebuild Ukraine

SKAKO Concrete is ready to help rebuild Ukraine and participated in the Rebuild Ukraine exhibition in Poland in November.

Q4

ExhibitionsPOLLUTEC

Both SKAKO Concrete and SKAKO Vibration have participated in many exhibitions during the year. Photo: In October, SKAKO Vibration participated in the Recycling exhibition POLLUTEC in Lyon, France.

Q4

Sale of SKAKO Concrete

SKAKO Concrete is no longer a part of SKAKO, as it has been sold to Zefyr Invest A/S.

1.3 FINANCIAL KEY FIGURES

Key figures and financial ratios – DKK

DKK Thousands	2023	2022	2021	2020	2019
INCOME STATEMENT					
Revenue	248,159	237,535	203,200	167,600	180,600
Gross profit	74,734	68,486	57,000	47,000	52,900
Operating profit (EBIT) before special items	24,599	19,659	14,139	9,576	16,668
Special items	(1,934)	(1,958)	-	-	-
Operating profit (EBIT) after special items	22,662	17,701	14,139	9,576	16,668
Net financial items	(3,330)	(2,226)	(4,004)	(2,458)	(2,080)
Profit before tax	19,332	15,474	10,135	7,118	14,588
Profit after tax	13,774	12,385	8,676	6,300	13,908
Profit for the year discontinued activities	67,463	12,689	2,183	7,946	1,210
Profit for the year	81,237	25,074	10,859	14,246	12,698
BALANCE SHEET					
Non-current assets	55,001	88,599	84,216	84,265	85,947
Current assets	287,192	295,458	254,804	237,793	236,383
Assets	342,193	384,057	339,020	322,058	322,330
Equity	215,064	146,167	132,237	127,252	124,417
Non-current liabilities	14,454	26,473	29,122	38,455	32,851
Current liabilities	112,675	211,417	177,661	156,351	165,062
Net debt	(137,478)	20,997	26,987	40,187	32,370
Net working capital	54,684	110,681	105,703	111,295	93,427
OTHER KEY FIGURES					
Investment in intangible assets	561	4,153	3,962	7,236	2,703
Investment in tangible assets	10,600	6,174	3,504	5,860	9,415
Cash flow from operating activities (CFFO)	16,783	35,665	30,276	4,806	24,451
Free cash flow*	12,159	28,850	22,810	(8,293)	(20,855)
Average number of employees	115	112	199	195	191

* Free cash flow exclusive proceeds from sales of Concrete activities

Key figures and financial ratios – DKK CONTINUED

DKK Thousands	2023	2022	2021	2020	2019
FINANCIAL RATIOS					
Gross profit margin	30.1%	28.8%	25.4%	23.2%	24.3%
Profit margin (EBIT margin) before special items	9.9%	8.3%	5.6%	4.5%	5.1%
Liquidity ratio	254.9%	126.2%	143.4%	152.1%	141.3%
Equity ratio	62.8%	37.5%	39.0%	39.5%	38.6%
Return on equity	42.5%	16.3%	10.2%	8.6%	12.2%
ROIC	91.5%	16.9%	10,3%	8,3%	9,1%
Financial leverage	-69.9%	17.8%	20.4%	31.6%	26.1%
Net debt to EBITDA	-4.7	0.6	1.0	1.8	1.4
Net debt to EBITDA after extraordinary dividends	-0.5	-	-	-	-
NWC/Revenue	22.0%	25.5%	29.1%	33.1%	26.4%
Earnings per share (EPS)	26.34	5.73	2.8	2.0	4.5
Equity value per share	69.74	27.38	42.9	41.3	40.1
Share price	103.0	62.6	55.2	49.8	45.9
Price-book ratio	1.4	1.3	1.3	1.2	1.1
Market cap	319,960	194,461	171,474	154,700	142,584
Order backlog	61,942	70,700	54,300	58,600	60,000

Figures before 2022 contains the “old” SKAKO Group including SKAKO Vibration and the discontinued business SKAKO Concrete.

For calculation of financial ratios please see note 26. Net working capital is calculated as Inventory, Trade receivables and Contract assets less Contract liabilities and Trade payables. Backlog represents revenue from signed contracts or orders executed but not yet completed or performed in full.

Key figures and financial ratios – EUR*

EUR Thousands	2023	2022	2021	2020	2019
INCOME STATEMENT					
Revenue	33,305	31,866	27,275	22,497	24,242
Gross profit	10,030	9,188	7,651	6,309	7,101
Operating profit (EBIT)	3,301	2,637	1,898	1,285	2,237
Special items	(260)	(263)	-	-	-
Operating profit (EBIT) after special items	3,041	2,375	1,898	1,285	2,237
Net financial items	(447)	(299)	(537)	(330)	(279)
Profit before tax	2,595	2,076	1,360	955	1,958
Profit after tax	1,849	1,662	1,165	846	1,867
Profit for the year discontinued activities	9,055	1,702	293	1,066	162
Profit for the year	10,903	3,364	1,457	1,911	1,704
BALANCE SHEET					
Non-current assets	7,380	11,913	11,325	11,327	11,506
Current assets	38,532	39,728	34,264	31,964	31,644
Assets	45,912	51,640	45,589	43,291	43,150
Equity	28,855	19,654	17,782	17,105	16,655
Non-current liabilities	1,939	3,560	3,916	5,169	4,099
Current liabilities	15,118	28,430	23,890	21,017	22,395
Net debt	(18,446)	2,824	3,629	5,402	4,333
Net working capital	7,337	14,884	14,214	14,960	12,373
OTHER KEY FIGURES					
Investment in intangible assets	75	558	533	973	362
Investment in tangible assets	1,423	828	471	788	1,260
Cash flow from operating activities (CFFO)	2,252	4,785	4,071	644	3,273
Free cash flow *	1,632	3,871	3,067	(1,113)	(2,792)
Average number of employees	115	112	199	195	191

* Free cash flow exclusive proceeds from sales of Concrete activities

Key figures and financial ratios – EUR* CONTINUED

EUR Thousands	2023	2022	2021	2020	2019
FINANCIAL RATIOS					
Gross profit margin	30.1%	28.8%	25.4%	23.2%	24.3%
Profit margin (EBIT margin)	9.9%	8.3%	5.6%	4.5%	5.1%
Liquidity ratio	254.9%	139.8%	143.4%	152.1%	141.3%
Equity ratio	62.8%	38.1%	39.0%	39.5%	38.6%
Return on equity	42.5%	17.9%	10.2%	8.6%	12.2%
ROIC	91.5%	19.6%	10,3%	8,3%	9,1%
Financial leverage	-69.9%	-61.5%	20.4%	31.6%	26.1%
Net debt to EBITDA	-4.7	-3.0	1.0	1.8	1.4
Net debt to EBITDA after extraordinary dividends	-0.5	-	-	-	-
NWC/Revenue	22.0%	46.6%	29.1%	33.1%	26.4%
Earnings per share (EPS)	3.53	1.09	0.38	0.27	0.60
Equity value per share	9.36	6.45	5.77	5.55	5.36
Share price	13.82	8.42	7.42	6.69	6.14
Price-book ratio	1.4	1.3	1.3	1.2	1.1
Market cap	42,929	26,150	23,058	20,795	19,088
Order backlog	8,311	9,499	7,289	7,866	8,054

Figures before 2022 contains the "old" SKAKO Group including SKAKO Vibration and the discontinued business SKAKO Concrete.

Net working capital is calculated as Inventory, Trade receivables and Contract assets less Contract liabilities and Trade payables. Backlog represents revenue from signed contracts or orders executed but not yet completed or performed in full.

*On the translation of key figures and financial ratios from Danish kroner to euro, Danmarks Nationalbank's rate of exchange at 31 December 2023 of 745.32 has been used for balance sheet items, and the average rate of exchange of 745.10 has been used for income statement and cash flow items.

1.4 STRATEGY & BUSINESS MODEL

Business areas

SKAKO Vibration develops, designs, and sells equipment for the Recycling, Minerals, and Fasteners industries.

Our engineering, assembly, and test facilities are located in Faaborg in Denmark, Strasbourg in France, and San Sebastian in Spain, and our products are based on application know-how and own developed technology.

SKAKO Vibration has a flexible production where parts are sourced through both internal and external suppliers.

Our main markets are the EU and North Africa, where branch companies are located, and we are present in the USA, South America, and Asia through partnerships with local companies.

We build our success on an attractive range of high-quality products and a dynamic organization with a high level of design and application know-how.

Strategy

SKAKO Vibration is one of the leading suppliers of vibratory equipment and offers solutions based on and around vibration technology which are included in its customers' industrial processes.

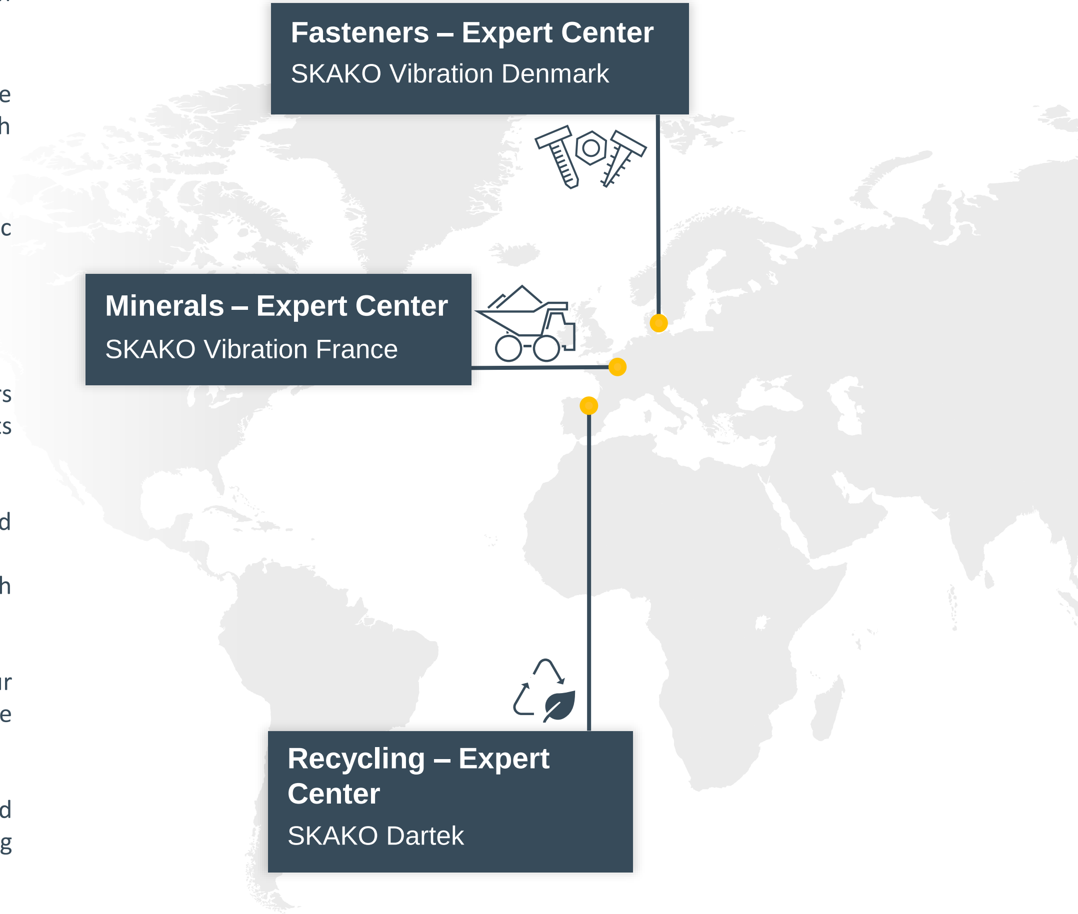
The company is the preferred partner within the Fasteners industry on targeted markets – especially through European, Asian, and US players.
In Minerals, we are also strong, particularly in the phosphate mining sector in North Africa and the building sector in Europe.

In recent years, we have been focusing on our expansion in Recycling with our complete range of products dedicated to this industrial sector, in particular since we made the acquisition of SKAKO Dartek at the end of 2019.

After the Covid-19 pandemic period, the revenue coming from Minerals and Fasteners has returned to normal, while the growth coming from the Recycling industry has been very high.

The development of waste recycling is becoming more and more imperative, for which reason we expect the growth trend of the Recycling market to intensify in the decades to come.

That's why we are in the process of developing a strategy based on our 3 main business segments and where the Recycling segment is the main development lever enabling us to achieve a growth of at least 50% by the end of 2028, while maintaining an EBIT ratio of around 10%.



STRATEGY & BUSINESS MODEL

Our strategy is to work with the main players in the Fasteners, Minerals and Recycling segments. In these segments we work with industrial customers with equipment to meet with the major changes taking place all over the world.

Electric Vehicle technology places new and exciting challenges in the Fasteners sector

The last few years have seen the rise of the electric vehicle and, after years of uncertainty, the automotive sector seems to have found its future for decades to come. For the Fasteners industry, this means clarification of market needs and clearer investment opportunities. Indeed, the need for fastening systems is as large in terms of volume for electric vehicles as for internal combustion vehicles: the latter certainly contains more moving parts, but on the other hand, electric vehicles have many new sub-elements such as battery cells and dozens of sensors. In addition, the trend is towards the use of lighter and lighter screws that will require investments in manufacturing tools to enable the production of this new type of fasteners.

We therefore remain particularly confident about the future of the Fasteners segment in the coming years where our reputation as a first-class supplier remains at an all-time high.

The Minerals industry, a rapidly changing sector

The Minerals industry is facing, perhaps more than any other industrial sector, paradigm shifts through green growth.

On one side, a global rush for Minerals is underway, as all countries want to strengthen its mining industry to secure the lithium, nickel, copper and rare earth elements needed for a green future. Moreover, recent crises have shown the interest of states to secure their supply chain of all type of raw materials. These underlying trends will have a positive effect on investments in the sector in the years to come.

On the other side, driven by private investments and incentives from public bodies, the construction and demolition material recycling sector is emerging as the major development path for the sector's historical players. Our sorting and washing equipment, recognized for its reliability and efficiency, is one of the key pieces of equipment for industrial processes in this sector.

Recycling segment as the main development lever

Private sector investment in the Recycling segment has increased at an annual rate of 16.4% over the last 5 years and this rate is expected to continue to grow in the future, particularly in Europe which has implemented an ambitious circular economy plan.

It is precisely in Europe, where the heart of our sales network is located and where there are common laws and regulations in terms of recycling, that we are focusing our resources and energy to increase our sales in this sector.

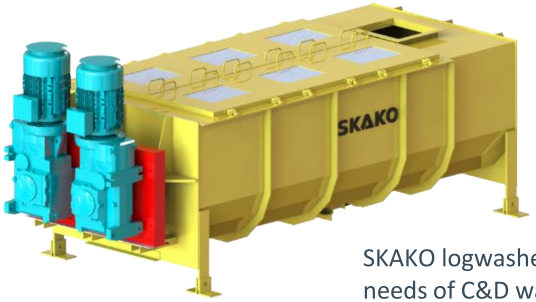
To this end, through the experience acquired by SKAKO Dartek, but also by the other companies of the group whose know-how in Minerals & Fasteners industry can also solve Recycling pain points, we continue to develop our own range of products that fulfil the following functions required by Recycling players:

- Our equipment sorts recycled materials according to their size[1],
- Our equipment sorts recycled materials according to their density[1],
- Our equipment washes recycled materials[2],
- Our equipment distributes recycled materials in a smooth, uniform and controlled layer[3].

[1] Sorting is essential for the Recycling sector and all sorting techniques are used and complement each other in the industrial processes of this segment.

[2] Washing is one of the key operations in the recycling of construction & demolition materials and our long experience in the Minerals industry positions the company as one of the European leaders in this field.

[3] Most sorting systems (optical or magnetic for example) need to be fed correctly and SKAKO Vibration has developed a remarkable know-how in this field, in particular thanks to the challenges posed by our customers of the Fasteners sector.



SKAKO logwasher, designed to special needs of C&D waste recycling

1.5 WHY INVEST IN SKAKO

SKAKO Group

At SKAKO we aim to make our customers' production flow as hassle-free, reliable, and sustainable as possible. We use our know-how to define the industry and develop visionary sustainable and technology-based solutions. Through this, we provide continued value to our partners and customers and increased value to our shareholders.

The markets in which SKAKO is operating, are basically in constant growth. There has for decades been a growing demand for building materials as well as industrial machinery. There are currently no signs of long-term reduction of this growth.

SKAKO is a leading supplier in the markets we operate in. Consequently, we have a brand promise where our customers expect products of high quality and a high level of sustainability. Further, our customers expect to meet highly qualified employees in all phases of product lifetime.

With this business model, we have established a comprehensive installed fleet of SKAKO machinery all over the world and we support our customers with support, spares and retrofit, whenever needed.

The SKAKO business model has proven to be sustainable, even under challenging business conditions. SKAKO was also impacted by the Covid-19, but succeeded in remaining profitable during the pandemic, and then managed to grow despite the war in Ukraine.

With the continued growth in the existing markets and strong potential to expand the business into new market segments, we are convinced that the potential for future profitable growth is strong

The new SKAKO (Vibration)

The new SKAKO runs a more focused business based on vibration technology and advanced conveyer solutions. This business is financially attractive because :

SKAKO operates in 3 growing segments:

- Recycling – with growth driven by macro societal trends and large investments in key European markets
- Minerals/Mining – with growth driven by the need for a green transition
- Fasteners for the automotive industry and the building industry
    - A continued growth is expected from the investments in EV production.
    - SKAKO is the market leader in Germany, which holds the largest customer base

SKAKO has production facilities in Denmark, France and Spain servicing all 3 segments.

- The Fasteners and Minerals segments are expected to grow around 5% p.a. while the Recycling segment is expected to double by end of 2028 with a backend loaded profile
- SKAKO has a large installed base of equipment which creates a constant sale of spare part giving an attractive aftersales-share of 35%
- SKAKO already has an organization in place in key markets
- Operating profit margin of around 10%.

Capital structure

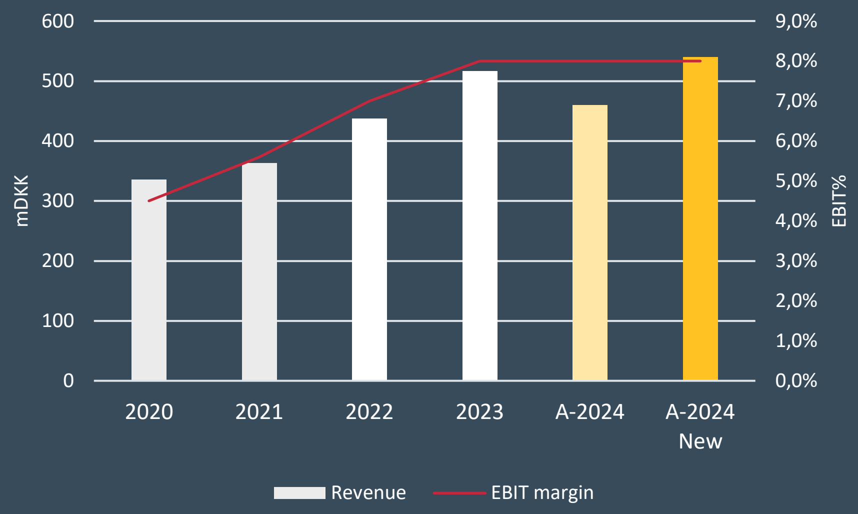
SKAKO has a capital structure target of net debt to EBITDA of up to 2.5.

After distribution of extraordinary dividends of DKK 122m SKAKO has a net debt to EBITDA of minus 0.6 (net cash positive) giving SKAKO ample capacity to pursue value creating M&A. It is our ambition to keep returning strong dividends to our shareholders in line with the ordinary dividends paid out in previous years.

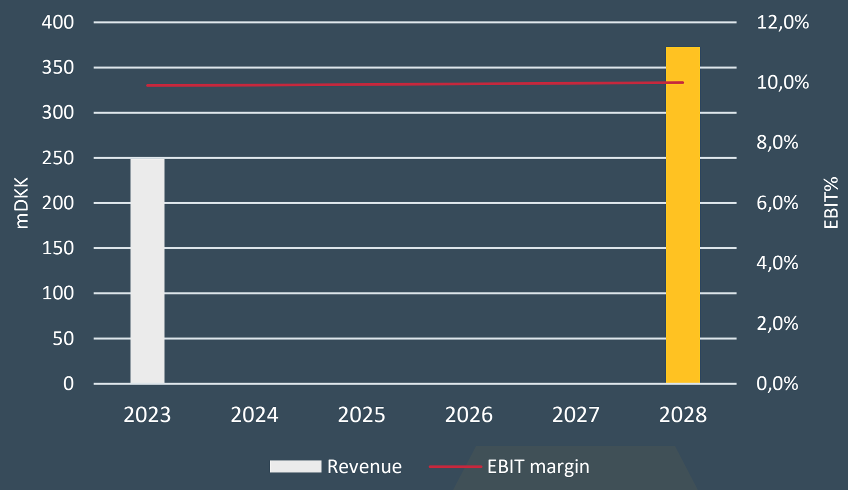
For our financial ambition for the SKAKO Group, please see section 1.6.

1.6 FINANCIAL AMBITIONS

Previous financial ambitions SKAKO Group before divestment



New financial ambitions for the continuing Vibration activities



Previous financial ambitions already met in 2023

- Due to the positive development in SKAKO Group the financial ambitions were increased in August 2023.
- These financial ambitions were already met with the financial result in 2023 which were one year a head of the ambitions.

New financial ambitions for the continuing Vibration activities

- Revenue is expected to grow around 50% over the period 2023 to 2028 with a backend loaded profile
- Solid revenue growth of around 5% p.a. in Fasteners and Minerals segments
- Revenue in Recycling is expected to double by end of 2028 with a backend loaded profile
- An operating profit margin of around 10%

1.7 FINANCIAL REVIEW

DKK Thousands	2023	2022	Change
Plant order revenue	170,302	162,211	5.0%
Aftersales revenue	77,857	75,324	3.4%
Total revenue	**248,159**	**237,535**	**4.5%**
Production costs	(173,425)	(169,049)	2.6%
Gross profit	**74,734**	**68,486**	**9.1%**
Gross profit margin	30.1%	28.8%	1.3pp
Distribution costs	(26,010)	(25,615)	1.5%
Administrative expenses	(24,126)	(23,211)	3.9%
Operating profit before special items (EBIT)	**24,599**	**19,659**	**25.1%**
Operating profit margin before special items (EBIT margin)	9.9%	8.3%	1.6pp
Special items	(1,934)	(1,958)	-1.2%
Operating profit after special items (EBIT)	**22,662**	**17,701**	**28.0%**
Profit for the year before discontinued activities	13,774	12,385	11.2%
Profit for discontinued activities	67,463	12,689	431.7%
Profit for the period	**81,237**	**25,074**	**224.0%**
Order backlog beginning of period	72,550	122,382	-40.7%
Order intake	237,551	255,900	-7.2%
Revenue	(248,159)	237,525	4.5%
Order backlog end of period	**61,942**	**70,700**	**-12.4%**

Divestment of Concrete activities

The SKAKO Concrete activities were sold to Zefyr Invest IV as of December 29, 2023. Therefor the SKAKO Concrete activities are only included in the income statement as discontinued business. Comparison figures in the income statement for 2022 therefor only include SKAKO Vibration activities whereas prior years have not been restated. All numbers in balance sheet for 2022 are unchanged and includes also discontinued activities in accordance with IFRS5.

Revenue

After the improvement of market condition in 2022 following the Covid-19 pandemic market activities stabilised in 2023 and a normalisation of the supply chain situation was also seen.

Revenue increased by 4.5% to DKK 248m compared to 2022 with an increase in plant sales of 5.0% and aftersales of 3.4%. Revenue growth was driven by a growth of 7.5% in Recycling and 12% in Fasteners whereas the Minerals decreased with 2.8%.

Order intake and backlog

Order intake was DKK 239m, a decrease of 7.2% compared to 2022 which was positively impacted by orders postponed due to the Covid-19 pandemic. Compared to previous years order intake in 2023 was at a high level.
Order backlog declined by 12% to DKK 62m compared to DKK 71m at the end of 2022 which was positively impacted by postponed orders from the Covid-19 pandemic.

Based on the order backlog profile, the entire order backlog is expected to be converted into revenue in 2024. In 2024 a strong order intake is expected in the Recycling segment and solid growth is also expected in the Minerals and Fasteners segments.

1.7 FINANCIAL REVIEW

Gross profit and margin
Gross profit increased by 9.1% to DKK 75m in 2023, compared to DKK 68m in 2022. The increase was driven by higher revenue and an increase in gross profit margin of 1.3pp to 30.1% due to higher margins on plant sales. Margins were positively impacted by the efficiency programme in SKAKO Vibration including tighter cost control, and a closer cooperation with suppliers.

Capacity costs
Capacity costs increased with 2.7%, lower than revenue growth of 4.5%. Distribution costs increased with 1.5% while administrative expenses increased with 3.9%. The relatively large increase in administrative expenses is due to costs related to being a listed company which can now only be allocated to the Vibration activities after the divestment of Concrete activities.

Operating profit
Operating profit before special items increased with 25% to DKK 24.6m driven by growth in gross profit and an increase in margin of 1.6pp to 9.9%. The strong growth in operating profit is a consequence of higher efficiency in production and a modest growth in capacity costs.

The realized operating profit of DKK 24.6m is slightly above the latest guidance of DKK 20-24m communicated on November 30, 2023.

Special items
Special items consist of transaction costs for the terminated transaction process with Zefyr Invest in Spring 2023 and amount to DKK 1.9m.

Transaction costs related to the divestment of the Concrete activities are included under discontinued activities.

Net financial items
Net financial items amounted to a cost of DKK 3.3m compared to DKK 2.2m in 2022 and consist mainly of interest income, interest expenses along with realized and unrealized foreign exchange losses. This increase is due to higher interest rates.

Tax
The income tax expense for the year amounted to DKK 5.6m (2022: DKK 3.1m), corresponding to an effective tax rate of 29% (2022: 20%). The effective tax rate was effected by correction of income tax in foreign countries.

Profit for the year for continuing operations
Profit for the year before tax increased by 25% to DKK 19.3m while profit for the year increased by 11% to DKK 13.8.

Result of the discontinued operations
Profit for the divestment of the Concrete activities amounts to DKK 67m including transaction costs.

Result including discontinued operations
The result including discontinued operations amounts to DKK 81m.

Earnings per share
Due to the strong result from continuing operations and the profit from the divestment of the Concrete activities earnings per share increased from DKK 8.1 in 2022 to DKK 26.3 in 2023.

1.7 FINANCIAL REVIEW

Balance sheet
As of 31 December 2023, the Group's assets totalled DKK 342m compared to DKK 384m last year. The increase in assets is primarily due to the proceeds from the divestment of the Concrete activities which have not yet been distributed to shareholders.
Non-current assets decreased by DKK 34m to DKK 55m, while current assets decreased with DKK 8m to DKK 287m due to the proceeds from the divestment of the Concrete activities.

Net debt was cash positive with DKK 137m compared to a negative net debt of DKK 15m in 2022. The large improvement in net debt is mainly due to the proceeds from the divestment of the Concrete activities was distributed to shareholders end of February 2024.

Net working capital was reduced from DKK 111m in 2022 to DKK 55m in 2023 primarily due to the divestment of the Concrete activities. Besides this net working capital for the Vibration activities were reduced significantly among others due to lower receivables.

Return on invested capital
In 2023, return on invested capital amounted to 91.5% compared to 16.9% in 2022 following the successful divestment of the Concrete activities.

Cash flow development
Cash flow from operating and investing activities were DKK 17m and DKK 162m respectively, both being impacted by the IFRS accounting principles regarding the divestment of the Concrete activities.

Capital structure
Net interest bearing debt / EBITDA improved significantly to negative 4.7 compared to 0.6 in 2022 due to the proceeds from the divestment of the Concrete activities which had not yet been distributed to shareholders at the end of 2023.
After the distribution of extraordinary dividends of DKK 122m following the divestment of the Concrete activities net interest bearing debt / EBITDA amounts to negative 0.5. This is well below the gearing target of up to 2.5 and shows that SKAKO has strong financial capacity to pay out high dividends in the future and to pursue acquisitions according to our strategy.

1.7 FINANCIAL REVIEW

Equity
The Group's equity was DKK 215m on 31 December 2023 (DKK 146m on 31 December 2022) matching an equity ratio of 62.8% (37.5% on 31 December 2022). The increase in equity is mainly due to profit for the year of DKK 13.8m and the result of discontinued activities of DKK 67.5.

Dividends
Based on the results in 2023 and capital structure of SKAKO A/S as of 31 December 2023, the Board of Directors recommends a dividend distribution of DKK 5 per share (2022: DKK 5 per share) corresponding to 113% of profit for the year before discontinued activities and a total dividend distribution of DKK 15.4m. With a share price of DKK 103.0 as of 31 December 2022, this corresponds to a dividend yield of 4.9%.

Ex-dividend date:	17 April 2024
Record date:	17 April 2024
Payment date:	23 April 2024

Interim dividends
No interim dividends have been paid during the financial year 2023. In February 2024 an extraordinary dividend of DKK 39.3 per share was paid to shareholders following the divestment of the Concrete activities.

The Parent company
The result before interest and tax in the Parent company amounts to a profit of DKK 69.7m. The profit come from dividend DKK 75m from subsidiary whereas the costs primarily come from remuneration of the Board of Directors and costs for warrants and special items covering cost for the terminated divestment of SKAKO to Zefyr Spring 2023.

Events after the balance sheet date
There have been no events that materially affect the assessment of this Annual Report 2023 after the balance sheet date and up to today besides the extraordinary dividend.

Consolidated Q4 – 2023 result for continued activities

DKK Thousands	Q4 2023*	Q4 2022*	Change
Plant order revenue	39,721	38,070	4.3%
Aftersales revenue	31,176	27,408	13.7%
Total revenue	**70,897**	**65,478**	**8.3%**
Production costs	(50,024)	(45,030)	11.1%
Gross profit	**20,873**	**20,448**	**2.1%**
Gross profit margin	29.4%	31.2%	-1.8pp
Distribution costs	(6,813)	(6,861)	0.0%
Administrative expenses	(6,434)	(6,698)	-4.0%
Operating profit (EBIT)	**7,548**	**6,581**	**14.7%**
Profit margin (EBIT margin)	**10.6%**	**10.1%**	0.5pp
Profit for the period before discontinued activities	**4,558**	-	NA
Profit for discontinued activities	**59,572**	-	NA
Profit for the period	**71,903**	**10,839**	**563.4%**
Order backlog beginning of period	72,107	84,500	-8.7%
Order intake	60,732	57,178	6.2%
Revenue	70,897	65,478	8.3%
Order backlog end of period	**61,942**	**70,700**	**-12.4%**

*Quarterly figures are unaudited

1.8 GUIDANCE 2024 - Continuing activities

Guidance 2024

Based on the order backlog and expected strong revenue growth in Recycling and solid growth in revenue in Fasteners and Minerals the guidance for 2024 is a follows:

- Revenue is expected to grow organic by 5-9%
- Operating profit (EBIT) before special items is expected to be DKK 24-28m

The guidance is based on a continued normalization of market conditions with no new material adverse events affecting the global economies. Due to the increased geopolitical tension and uncertainty regarding interest rate and inflation, this guidance is subject to a higher-than-normal degree of uncertainty.

2.0 FINANCIAL PERFORMANCE for discontinued Concrete activities

DKK million	2023	2022	Change
Plant order revenue	162.5	94.1	72.7%
Aftersales revenue	106.0	110.6	-4.2%
Total revenue	268.5	204.7	31.2%
Gross profit	51.8	46.2	12.1%
Gross profit margin	19.3%	22.5%	-3.2pp
Operating profit (EBIT)	16.9	11.2	50.9%
Operating profit margin (EBIT margin)	6.3%	5.5%	0.8pp

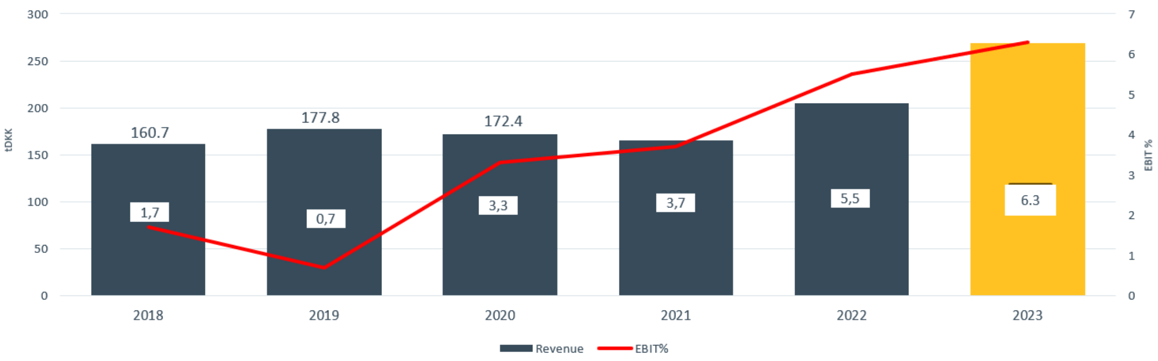
Financial performance in 2023

Revenue in Concrete increased with 31% to DKK 269m driven by strong growth in plant sales of 72% while aftersales decreased by 4.2%. All key markets in the US, U.K., France and Germany contributed to this strong growth supported by continuous strategic initiatives on enhancing customer support and improving project execution.

Gross profit increased with 12% to DKK 51.8 m driven by strong revenue growth while gross profit margin decrease by 3.2pp to 19.3%. The decrease in gross profit margin is due to change in mix between plant sales and aftersales.

Operating profit increased with 51% to DKK 17m driven by a high revenue growth. Operating profit margin improved with 0.8pp as a consequence of the high revenue growth and lower growth in capacity costs.

SKAKO Concrete development



3. CORPORATE GOVERNANCE

3.1 COMPANY ANNOUNCEMENTS 2023

Main company announcements in 2023

27 January	01 – SKAKO A//S has signed a non-binding letter of intent regarding divestment of all operating activities
22 February	02 – Discussions regarding the sale of all operating activities between SKAKO A/S and Zefyr have ended
9 March	03 – Announcement of full-year expectations for 2023
15 March	04 – Annual report 2022
28 March	05 – Notice about ordinary general meeting
19 April	06 – Course of general meeting on 19 April 2023
23 May	07 – Interim report for the first quarter of 2023
15 August	08 – Update on full-year expectations for 2023
23 August	09 – Interim report for the first two quarters of 2023
8 November	10 – Interim report for the first three quarters of 2023
30 November	11 – SKAKO sells the activities in SKAKO Concrete to Zefyr Invest IV A/S
21 December	12 – Financial calendar 2024

The company announcements are available on the company website:
https://skako.com/about/investor-relations/#company_announcements

3.2 CORPORATE SOCIAL RESPONSIBILITY

Report on Corporate Social Responsibility, cf. Section 99a of the Danish Financial Statements Act

SKAKO strives to operate its business in a responsible manner and wants to comply with the legislation in all the countries where operations are conducted. Furthermore, compliance with Human Rights and consideration for the environment are considerable focus areas for the Group. SKAKO's work with corporate social responsibility is based on value creation and risk management.

SKAKO has chosen to focus its work on social responsibility within five areas: Environment, human rights, working environment, anti-corruption, and equality.

The policies below have been approved by the Board of Directors.

For a description of SKAKOs business model please see section 1.4.

Environment

Policy

SKAKO seeks to reduce its impact on the environment by reducing energy consumption year by year. The Group is a know-how and engineering company with production of key components. The production mainly consists of assembling and testing and does not include energy-demanding or polluting processes. All surface treatment processes are outsourced to sub-suppliers. A part of SKAKO's supplier "Code of Conduct" addresses impact on the environment. See under Human rights for more information about the supplier "Code of Conduct".

Furthermore, SKAKO actively seeks to reduce its energy consumption by, for example, installing LED lighting in its facilities. We are also currently exploring the possibility of installing solar roof panels.

Actions

SKAKO will reduce consumption of kWh year by year in its production sites. We expect, however, to see a small increase in consumed kWh in 2024 since we expect a growth in activity compared to 2024.

KPI

Consumed kWh in production sites.

Result for 2023 compared to goal for 2023

SKAKOs consumption of kWh contains both continued and discontinued activities.

SKAKO realized 7.0% lower consumption of kWh in 2023 compared to the goal of 850,000 kWh. The was due to the full year effect of switching to LED lighting and heating via heat pumps in Denmark and solar collectors in France as well as general focus on optimization of consumption in production.

Results & goals

Goal for 2023	Result 2023	Result 2022	Result 2021	Result 2020
850,000	790,316	804,777	848,268	865,865

Goal for 2024 is 505,000 kWh containing only Vibration activities.

The new SKAKO Group aims to lower the consumption of kWh year by year even though the business is expected to grow.

Risks

It is not possible to decrease energy consumption fast enough to due high growth in activities.

Working environment

Policy

Our employees are our most valuable asset and key to providing high-quality products and services to our customers. It is vital to SKAKO's future success that SKAKO is a safe, motivating and developing place to work.

Actions

1. The sick rate among employees is monitored and we follow up on employees with high absence.
2. SKAKO will produce an annual employee satisfaction survey to monitor the development in employee satisfaction. Processes are in place to ensure that low-scoring departments receive guidance on how to improve employee satisfaction.
3. Number of on-the-job accidents is measured.
4. All employees must have at least one yearly performance appraisal interview.

KPIs

1. The average sick rate among employees.
2. An average employee satisfaction score of at least 3.5.
3. Number of on-the-job accidents.
4. Percentage of performance appraisal interviews each year.

Results for 2023 compared to goals for 2023

1. SKAKO is revising its global setup for monitoring sick days.
2. In 2023 an employee survey was performed.
3. In 2023, SKAKO had 8 on-the-job accidents. Management does not find this satisfactory although it has been minor on-the-job accidents and will keep working on eliminating on-the-job accidents entirely.
4. In 2023, we did not meet our target for appraisal interviews. As this is a vital part of the employee well-being, we will keep pushing for this.

Results & goals

	Goal for 2023	Result 2023	Result 2022	Result 2021	Result 2020
1*	6.0	5.0	5.5	8.4	7.8
2**	>3.5	3.8	4.1	N/A	3.8
3	0	8	10	5	7
4	100%	85%	85%	85%	90%

Continuing activities

	Goal for 2024	Result 2023
1*	5.0	5.0
2**	>3.5	4.0
3	0	4
4	90%	80%

Risks

1. The rate of illness increases due to an epidemic.
2. Internal information on corrective actions is not sufficient.
3. Unintentional violations of safety standards.
4. Performance appraisal interviews are not carried out on time due to business travels.

*Measured as total number of sick days divided by the average number of employees in the year
**On a scale from 1 to 5, where 5 is the most positive score

Anti-corruption and bribery

Policy

SKAKO seeks to avoid corruption and bribery by creating a framework that secures that employees at SKAKO are able to abide to laws and regulations, and that there will never exist any doubt with regards to a SKAKO employee's impartiality.

Actions

1. SKAKO enforces a gift policy.
2. SKAKO has introduced an internal whistle blower scheme to give employees the opportunity to report on corruption, bribery and other matters while being anonymous.
3. SKAKO has developed an Employee "Code of Conduct" e-learning that describes the way SKAKO expects all its employees to act in accordance with laws and regulations. The employee "Code of Conduct" also describes usage of the whistle blower scheme. Every year all SKAKO employees must conduct the Employee "Code of Conduct" e-learning session.
4. Maintain whistle blower scheme to also be available for external parties.

KPIs

2. No reported violations of anti-corruption laws and regulations, and SKAKO Employee Code of Conduct.
3. All employees to pass SKAKO's Employee "Code of Conduct" e-learning.

Results for 2023 compared to goals for 2023

1. SKAKO A/S has maintained its gift policy throughout 2023.
2. SKAKO A/S has received no reported violations of anti-corruption laws and regulations, and SKAKO Employee Code of Conduct in 2023.
3. 75% of SKAKO employees have passed the SKAKO Employee Code of Conduct e-learning. The main reason for the result not being 100% is new hires in late 2023 who did not complete the Code of Conduct session yet.
4. In 2023, SKAKO has maintained the whistle blower scheme to also be available to external parties. Furthermore, the whistle blower scheme is part of the SKAKO Employee Code of Conduct e-learning.

Results & goals

	Goal for 2024	Result for 2023	Result for 2022	Result 2021
2	0	0	0	0
3	100%	75%	80%	95%

Risks

2. Employees lack knowledge of the whistle blower scheme.
3. Employee "Code of Conduct" e-learning is not prioritized.

Human rights

Policy

To SKAKO, respect of human rights is about the company's own employees' conditions and securing that suppliers and sub-suppliers deliver services to the Group in a way that considers their employees' rights including safety and health.

Actions

SKAKO has formulated a Supplier "Code of Conduct" that specifies principles we expect our supplier to follow. This ensures that suppliers and their suppliers produce and deliver their services to the Group in a way that considers the environment and the employees' rights.

KPI

The part of our main suppliers that have signed our supplier "Code of Conduct".

Result for 2023 compared to goal for 2023

SKAKO has not reached the goal of having all suppliers sign our code of conduct. This will be another target in 2024 and forward. Code of Conduct for SKAKO Group is currently being revised and will be launched in summer 2024.

Results & goals

Goal 2024	Result for 2023	Goal for 2022	Result 2022	Result 2021
95%	90%	95%	95%	85%

Risks

Lack of transparency in compliance with SKAKOs Supplier "Code of Conduct".

Equality, cf. Section 99b of the Danish Financial Statements Act

Policy

At SKAKO A/S we believe that a diverse and tolerant organization makes the company stronger, increases the competitiveness and creates a good and innovative working environment. We want to develop and benefit from the total potential of all employees and that all employees can develop their full potential in balance between working life and private life.

At present, SKAKO A/S has one female board member who entered the Board of Directors in April 2020 whereby SKAKO reached its goal of having at least one female board member by 2023. However, the Board of Directors is aware that this still represents an underrepresentation and wants to support and contribute to the part of female board members being increased. Considering SKAKO A/S's business and the line of business within which SKAKO A/S is operating, the Board of Directors has set the specific goal that the part of women elected at the general meeting is to amount to at least 40% by 2027.

In the view of the Board of Directors, this goal is an ambitious and realistic goal for a company within the lines of business in which SKAKO is operating as these lines of business traditionally do not have a large number of women neither in the board of directors nor at the other management levels. Within the last 12 months we succeeded in hiring one female manager who replaced a male manager. It is the plan of the Board of Directors to further increase the number of female managers in the years to come.

Ultimately, SKAKO A/S's shareholders elect the Board of Directors at the company's general assembly and consequently also determine the gender composition of the Board of Directors. To the extent that the Board of Directors proposes new candidates for the Board of Directors, the Board of Directors will regard gender as one separate parameter in order to reach the determined goal. When candidates are proposed for SKAKO A/S's Board of Directors, it is essential that the members represent professional competences relevant to SKAKO A/S.

It is SKAKO's goal to increase the part of women in the management group within a three-year period. SKAKO A/S will reach the goal by requiring candidates of both genders in the recruiting phase and by taking into account the underrepresented gender at succession planning. SKAKO works very intentionally on showing multiplicity in its marketing to signal that the company wants to reflect the society in its employee composition.

Actions

1. SKAKO actively seeks to recruit new employees of all ethnicities and genders.
2. SKAKO seeks to have an improved gender distribution in employees and Management.
3. SKAKO seeks to have an improved gender distribution in the Board of Directors. There has been no change in the Board of Directors in 2023, and therefore the search of the market for relevant candidates of the underrepresented gender has not been relevant.

KPIs

1. Share of the underrepresented gender among all employees.
2. Share of the underrepresented gender among all managers.
3. Share of the underrepresented gender in Management.
4. Share of the underrepresented gender in the Board of Directors.

Results for 2023 compared to goals for 2023

1. In 2023, SKAKO is status quo, compared to 2022. However, the goal has not yet been realized. According to our policy this will be a continuous focus for SKAKO.
2. In 2023, SKAKO is status quo, compared to 2022. However, the goal has not yet been realized. According to our policy this will be a continuous focus for SKAKO.
3. In 2023, SKAKO is status quo, compared to 2022. Target has not been achieved, but will be part of the evaluation criteria for future recruitments to management
4. In 2023, the Board of Directors remained unchanged, with one female board member.

Results & goals

	Goal for 2024	Result 2023	Result 2022	Result 2021	Result 2020	Result 2019
1	20% women	17% women	17% women	17% women	17% women	14% women
2	20% women	6% women	n/a	n/a	n/a	n/a
3	20% women	0% women	17% women	17% women	17% women	13% women
4	20% women	20% women	20% women	20% women	20% women	0% women

Risks

- We will not reach our targets because SKAKO's industry is historically a male-dominated industry with limited access to female candidates.

	2023
Board of Directors	5
Underrepresented gender %	20%
Goal (target 2027) %	40%
Other management, members	2
Underrepresented gender %	0%

SKAKO A/S is below 50 employees and therefor there are no goal for other management.

Diversity, cf. Section 107d of the Danish Financial Statements Act

Policy

At SKAKO A/S we believe that a diverse and tolerant organization makes the company stronger, increases the competitiveness and creates a good and innovative working environment. We want to develop and benefit from the total potential of all employees and that all employees can develop their full potential in balance between working life and private life. Therefore, no discrimination based on gender, religion, ethnicity, sexual orientation, etc. is tolerated in SKAKO. When recruiting members to the SKAKO management team, we are convinced that diversity will add value to the company.

To make sure all employees and management in SKAKO comply with SKAKOs policies of tolerance and inclusion, we have established an Employee “Code of Conduct” e-learning that describes the way SKAKO expects all its employees to act in accordance with our policies, and laws and regulations.

Actions

1. SKAKO has developed an Employee “Code of Conduct” e-learning that describes the way SKAKO expects all its employees to act in accordance with laws and regulations. The employee “Code of Conduct” also describes usage of the whistle blower scheme. Every year all SKAKO employees must carry through the Employee “Code of Conduct” e-learning. The e-learning provides the management with insight on how to secure diversity in the organization and on management level.
2. Enhance the awareness in the SKAKO management team on the benefits of diversity. This could be in a workshop with this specific purpose

KPIs

1. All employees to pass SKAKO’s Employee “Code of Conduct” e-learning.

Results for 2023 compared to goals for 2023

1. 75% of SKAKO employees have passed the SKAKO Employee Code of Conduct e-learning.

Results & goals

	Goal for 2024	Result 2023	Result 2022	Result 2021	Result 2020
1	100%	75%	80%	95%	90%

Risks

1. Employee “Code of Conduct” e-learning is not prioritized.

Data ethics (§99d ÅRL)

Policy

At SKAKO A/S we are acting with responsibility, when it comes to data ethics. This applies to all data, i.e. business intelligence data, employee information and supplier/ customer information. We have defined eight basic principles of working with data:

Welfare:	Data on society, democracy and social relations are treated with respect.
Dignity:	Treatment of data may not be used to harm an individual.
Privacy:	Any data treatment shall respect privacy and personal data shall be protected. It should always be considered what data are necessary and what are the sources of the data.
Own rights:	The individual should always have the right to obtain information on what data are stored and know for what purpose the data are intended.
Equality: ethnicity, disability	Treatment of data may not discriminate with regards to sexuality, sex, political opinions, religion, generical data, or other health related information.
Justice:	Treatment of data is performed with responsibility to local legislation.
Data security:	Treatment of data shall be sufficiently safe, robust and reliable. Data shall be stored and shared in way that unintended availability for unauthorized use is impossible.
Responsibility:	SKAKO is responsible for data collected, stored and distributed by SKAKO.

Actions

1. Continuously communicate the basic principles of data ethics to SKAKO staff.
2. Implement annual review of data stored in CRM system.
3. Secure that all customers and suppliers are confirming their consent with data stored in CRM.

3.3 RISK MANAGEMENT

First and foremost, risk management activities in the SKAKO Group focus on financial risks to which the Company is fairly likely to be exposed. In connection with the preparation of the Group's strategic, budgetary and annual plans, the Board of Directors considers the risks identified in these activities.

Financial risks

Financial risk management concentrates on identifying risks in respect of exchange rates, credit and liquidity with a view to protecting the Group against potential losses and ensuring that Management's forecasts for the current year are only to a limited extent affected by changes or events in the surrounding world – be the changes in exchange rates or in interest rates. It is Group policy to exclusively hedge financial risks arising from our commercial activities and not to undertake any financial transactions of a speculative nature.

Exchange rate risks

With more than 90% of the Group's sales being invoiced in DKK and EUR currencies, reported revenue is only limited affected by movements in the Group's trading currencies.

Credit risks

The Group's credit risks relate primarily to trade receivables. For large projects we have a signed Letter of Credit from the customer's bank before we undertake any work. Our remaining customer base is fragmented so credit risks in general only lead to minor losses on individual customers. Overall, we therefore estimate that we have no major credit exposure on Group level.

Liquidity risk

The Group aims at having sufficient cash resources to be able to take appropriate steps in case of unforeseen fluctuations in cash outflows. We have access to suitable undrawn credit facilities, and the liquidity risk is therefore considered to be low.

Financial reporting process and internal controls

SKAKO has established and maintains an internal control setup that supports correct and timely reporting to Management and Market. The responsibility of maintaining sufficient and efficient internal control and risk management in connection with financial reporting lies with the Executive Board. The Board of Directors has assessed the Group's existing control environment and concluded that it is adequate and that there is no need for setting up an internal audit function.

Once every quarter we carry through a detailed planning and forecast process, and any deviations from the plans and budgets are carefully monitored. Furthermore, we perform weekly, monthly and quarterly reviews and assessments of all large projects.

Safeguarding corporate assets

Management continuously seeks to minimize any financial consequences of damage to corporate assets including any operating losses resulting from such damage. We have invested in security and surveillance systems to prevent damage and to minimize such damage, should it arise. Major risks, which cannot be adequately minimized, are identified by the Company's Management, who will ensure that appropriate insurance policies are, on a continuous basis, established under the Group's global insurance program administered by recognized and credit-rated insurance brokers and that such insurances are taken out with insurance companies with high credit ratings. The Group's insurance program has deductible clauses in line with normal market terms. The Board of Directors reviews the Company's insurance policies once a year including the coverage of identified risks and is briefed regularly on developments in identified risks. The purpose of this reporting is to keep the Board members fully updated and to facilitate corrective action to minimize any such risks.

Declining market conditions

Management continuously monitors market conditions and maintains close relations to significant customers in order to be able to make a timely response in light of changing circumstances. Monitoring of consequences regarding the Corona virus falls under this category, as well as geopolitical risks such as the current Ukraine war, inflation and increasing interest rates.

Cyber security

SKAKO maintains and enforces an IT safety policy to reduce risks from cyber crime. Furthermore, SKAKO has implemented an IT contingency plan based on recommendations from the Danish Data Protection Agency and other recommended authorities regarding cyber security. SKAKO's head of IT operations oversees monitoring and enforcing of the IT contingency plan.

Project execution

The Company continuously executes projects across the world, and in some cases faces challenges in the execution. The Management continuously monitors project execution to identify possible risks as early as possible. Furthermore, projects are actively distributed among project managers to ensure that the most experienced managers execute the most complex projects.

3.4 CORPORATE GOVERNANCE AND REMUNERATION REPORT

Recommendations on corporate governance

As a listed company on 31 December 2023, SKAKO observes the ´Recommendations on Corporate Governance´ (issued in November 2017 and updated in December 2020) implemented by Nasdaq Copenhagen in its ´Rules for issuers of shares´. The ´Recommendations on Corporate Governance´ contain 40 recommendations and are based on the comply-or-explain principle, which makes it legitimate for a company to explain why it does not comply with them. SKAKO fully complies with 38 of the 40 recommendations, and partially complies with one, and therefore complies with the ´Recommendations on Corporate Governance´ in all material respects.

A complete schematic presentation of the recommendations and how we comply, Statutory report on corporate governance, cf. section 107 b of the Danish Financial Statements Act, is available on our website under Investor Relations. https://skako.com/about/investor-relations/ (in the Master Data section)

We find it relevant to highlight a number of aspects and supplementary information on corporate governance in the SKAKO Group in this chapter.

Deviations from recommendations

SKAKO has not established a nomination or a remuneration committee. Given the size of SKAKO, the Board of Directors finds it most suitable that the total Board of Directors takes care of the tasks. SKAKO has disclosed a tax policy and it has been approved by the Board of Directors and are available on our website under Investor Relations.

Audit committee

The Company's Board of Directors has set up an audit committee. The Board of Directors appoints the chairman of the Audit Committee, who must be independent and who must not be Chairman of the Board of Directors.

According to its charter, the Audit Committee, among other things, assists the Board of Directors in relation to internal accounting and financial control systems, the integrity of the company's financial reports and engagements with external auditors. The audit committee also carries out ongoing assessments of the company's financial and business risks. The audit committee has also a special focus on the divestment of Concrete activities.

In 2023, the committee reviewed the main accounting principles, tax strategy and compliance and key risks, etc.

In 2023, the Audit Committee held four meetings.

Remuneration

The Company has formulated remuneration policies for the Board of Directors and Executive Management. The policies were approved on the general assembly 28 April 2021.

The policies are available on our website under Investor Relations.

Furthermore, the Company has produced a remuneration report for the Board of Directors and Executive Management.

The report is available on our website under Investor Relations.

3.5 EXECUTIVE MANAGEMENT

		
Name	Lionel Girieud	Thomas Pedersen
Born in	1971	1975
Title	CEO	Group CFO
Member of the management since	2016	2022
Number of shares in SKAKO	5,166	0
Board positions	–	–

3.6 BOARD OF DIRECTORS

		
Name	Jens Wittrup Willumsen	Lars Tveen
Title	Chairman of the Board of Directors and member of the audit committee Considered as a non-independent Board member	Deputy Chairman Considered as an independent Board member
Born in	1960	1963
Board member since	2010	2017
SKAKO shares	Jens Wittrup Willumsen owns 50% of the shares in Frederik2 Aps. Frederik2 Aps owns 800,000 shares in SKAKO. Further, Jens Wittrup Willumsen has a direct ownership of 19,876 shares in SKAKO.	15,104
Managerial positions in other companies	**Chairman of the Board:** Licensewatch A/S, COMIT A/S, Copenhagen Optimization ApS, Begravelse Danmark A/S, TMC Nordic , Year Xero Inc. **Deputy Chairman:** Billund Lufthavn A/S **Board member:** FDM Travel A/S, Charlotte Sparre A/S, Experimentarium A/S, Museum Kolding, SEC Datacom Group A/S, Cogo ApS **Others positions:** Colonial ApS, Director own holding company. Frederik2 ApS, Director own investment company	**Chairman of the Board:** BMC Ejendomme A/S, Project Zero-Fonden, BMC Videnshuset A/S, Alsik A/S, Alsik Estate A/S, Sønderborg Lufthavn A/S, GOTO Sønderborg A/S, Fonden GO TO Sønderborg, Torvehallerne Sønderborg ApS **Board member:** B&MC Holding, Nordborg A/S, Danfoss Historical Center A/S, BMC Invest A/S, MCH A/S, BMC Aviation A/S, Fonden Universe Science Park, B&MC Borgen A/S, BMC Holding II A/S, Komplementarselskabet CIE Ejendomsselskab ApS, CIE Ejendomsselskab P/S **Others positions:** CEO: Bitten og Mads Clausens Fond, B&MC Holding, Nordborg A/S, Danfoss Historical Center A/S, BMC Invest A/S, BMC Aviation A/S, B&MC Borgen A/S, BMC Holding II A/S
Special competences	Jens Wittrup Willumsen is educated Cand. Merc. from Copenhagen Business School and has had managing positions in Denmark and abroad. His competences include strategy, finance, financing, sales and marketing.	Lars Tveen is educated production engineer from Odense University in 1989 and has a bachelor in Commerce from University of Southern Denmark from 1993. Following his education Lars Tveen was appointed at Danfoss as Management Trainee. In April 2022, Lars Tveen was appointed CEO for the Bitten & Mads Clausens Foundation.
Participation in board meetings	Jens Wittrup Willumsen participated in all board and audit committee meetings in 2023.	Lars Tveen participated in all board meetings in 2023.



Name	Carsten Krogsgaard Thomsen	Christian Herskind Jørgensen	Sophie Louise Knauer
Title	Chairman of the Audit Committee Considered as an independent Board member	Considered as a non-independent Board member	Considered as an independent Board member
Born in	1957	1961	1983
Board member since	2017	2009	2020
SKAKO shares	19,255	Christian Herskind Jørgensen owns 50% of the shares in Frederik2 Aps. Frederik2 Aps owns 800,000 shares in SKAKO. Further, Christian Herskind Jørgensen has a direct ownership of 109,000 shares in SKAKO.	–
Managerial positions in other companies	**Board member:** NTG Nordic Transport Group A/S, ØU Capital A/S	**Chairman of the Board:** Fonden Amager Bakke, LABFLEX A/S, Taulov DryPort A/S, Skive Holding ApS, Associated Danish Ports A/S **Board member:** Nordsøenheden/Nordsøfonden, LM|Pihl A/S **Others positions:** Herskind Venture Capital ApS, Director own holding company, Ejendomsselskabet Helsingør/Århus, Director Frederik2 ApS, Director own holding company	**Board member:** NTG Nordic Transport Group A/S, Solar A/S, Rekom Group A/S, Rekom Group Holding ApS, Ferm Living ApS, CC Globe Holding I ApS, CC Globe Holding II ApS, CC Fly Holding I ApS, CC Mist NEW Holding II ApS **Other positions:** Lady invest ApS and It's a club ApS managing director and owner.
Special competences	Carsten Krogsgaard Thomsen is educated Cand. Polit. and has had a long career with primary focus on economics and finance. Through his career, Carsten Krogsgaard Thomsen has accumulated extensive experience within M&A, and compliance in listed companies. From 2014 to 2020 Carsten Krogsgaard Thomsen was CFO in NNIT and previously also held positions as EVP and CFO in Dong Energy A/S, EVP in DSB (Danish State Railways), finance and planning manager at Rigshospitalet (the Copenhagen University Hospital) and consultant in McKinsey & Company.	Christian Herskind Jørgensen is educated lawyer from University of Copenhagen and University of London and is also Brigadier. His competences include significant experience within sales, marketing, strategy, management, HR and legal matters.	Sophie Louise Knauer is educated HA JUR and Cand. Merc. in economy and strategic management from Copenhagen Business School. Her career includes top management in TDC, CEO for People Group A/S and senior consultant at McKinsey & Company. Sophie Louise Knauer has built strong competences within strategic management and digital transformation.
Participation in board meetings	Carsten Krogsgaard Thomsen participated in all board and audit committee meetings in 2023.	Christian Herskind Jørgensen participated in all board meetings in 2023.	Sophie Louise Knauer participated in all board meetings in 2023.

3.7 SHAREHOLDER INFORMATION

As of 31 December 2023, SKAKO's nominal share capital was 31,064,180 DKK divided into 3,106,418 shares of 10 DKK each. All shares are fully paid, the same class and carry one vote each.

The Board of Directors has been authorized by the annual general assembly to initiate a share buy-back programme for up to 10% of the share capital. The authorization was valid until 1 April 2027.

SKAKO A/S is listed at NASDAQ OMX Copenhagen A/S under identification code DK0010231877. The share price as of 31 December 2023 was 103 corresponding to a market capitalization of DKK 320.0m.

By the end of 2023 the company had 2,003 registered shareholders compared with 1,678 registered shareholders by the end of 2022. The registered shareholders own a total of 93.9% of the share capital compared to 94.1% by the end of 2022.

Specification of movements in share capital

DKK Thousands	2023	2022	2021	2020	2019
Share capital at 01.01.	31,064	31,064	31,064	31,064	31,064
Capital increase	–	–	–	–	–
Share capital at 31.12.	31,064	31,064	31,064	31,064	31,064

Shareholders with more than 5% of the share

Frederik2 ApS, Copenhagen	25.75%
Danica Pension, Copenhagen	10.48%
Maj Invest Holding A/S, Copenhagen	9.98%

Dividends

Based on the results in 2023 and capital structure of SKAKO A/S as of 31 December 2023, the Board of Directors have February 26, 2024 approved an extraordinary dividend of DKK 39.3 per share which is more than the net proceeds from the transaction after transactions cost.
Based on the results in 2023 and capital structure of SKAKO A/S as of 31 December 2023, the Board of Directors recommends a dividend distribution of DKK 5 per share corresponding to 113% of profit for the year exclusive the profit from discontinued activities and a total dividend distribution of DKK 15.4m. With a share price of DKK 103.0 as of 31 December 2023, this corresponds to a dividend yield of 4.9%.

Ex dividend date: 17 April 2024
Record date: 24 April 2024
Payment date: 24 April 2024

Financial calendar 2023

14 March	Annual report for 2023
17 April	Ordinary general meeting 2024
22 May	Interim report for the period 1 January - 31 March 2024
22 August	Interim report for first half-year 2024
13 November	Interim report for the period 1 January - 30 September 2024

Presentation of the annual report

Together with HC Andersen Capital, SKAKO A/S will do an online presentation of the annual report for 2023 on Friday 15 March 2024 at 11.00 - 11.30 am.
Registration for event: https://www.inderes.dk/videos/skako-presentation-of-fy-2023

Annual general meeting 2024

The annual general meeting will be held on Wednesday 17 April 2024 at 3 p.m. at the Company's head office at Bygmestervej 2, 5600 Faaborg, Denmark.

Investor Relations

Investors, analysts and medias are welcome to contact Jens Wittrup Willumsen (Chairman of the Board of Directors) by phone +45 2347 5640 or by e-mail to skako.dk@skako.com

4. FINANCIAL STATEMENTS

4.1 STATEMENT BY MANAGEMENT

Today, we have discussed and approved the Annual Report 2023 of SKAKO A/S for the financial year 1 January to 31 December 2023.

The annual report has been prepared and presented in accordance with IFRS accounting standards as adopted by the EU and further requirements in the Danish Financial Statement Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position on 31 December 2023 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2023.

Further, in our opinion the Management's report includes a fair view of the development and performance of the Group's and the parent company's business and financial condition, the profit for the year and of the Group's and the parent company's financial position, together with a description of the principal risks and uncertainties that the Group and the parent company face.

In our opinion, the annual report of SKAKO A/S for the financial year 1 January to 31 December 2023 with the file name 529900WNR3U8C847AW24-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend the Annual Report for 2023 be approved at the Annual General Meeting.

Faaborg, 14 March 2024

Executive Board

Lionel Girieud
Director

Thomas Pedersen
Group CFO

Board of Directors

Jens Wittrup Willumsen
Chairman

Lars Tveen
Deputy Chairman

Carsten Krogsgaard Thomsen

Christian Herskind Jørgensen

Sophie Louise Knauer

4.2 INDEPENDENT AUDITOR'S REPORTS

To the shareholders of SKAKO A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of SKAKO A/S for the financial year 1 January to 31 December 2023 comprise income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in *the Auditor's responsibilities for the audit of the Financial Statements section of our report*.

We 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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of SKAKO A/S on 26 April 2012 for the financial year 2012. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 12 years including the financial year 2023. We were reappointed following a tendering procedure at the General Meeting on 19 April 2022.

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 for 2023. 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.

Revenue recognition from construction contracts Revenue from customer contracts is recognized over time. The proportion of revenue to be recognized in a particular period is calculated according to the percentage of completion of the project. This is measured by reference to the costs of performing the contract incurred up to the relevant balance sheet date as a percentage of the total estimated costs of performing the contract. Contract assets amounted to DKK 38 million (2022: DKK 64 million) net and contract liabilities amounted to DKK 3 million (2022: DKK 47 million) net. Recognition of the Group's revenue involves a high degree of subjectivity in determining significant assumptions for the total estimated costs for the contracts. We focused on this area, as recognition of revenue involves judgements made by Management originating from percentage of completion and estimated cost to completion. Reference is made to note 1 and 17.	We considered the appropriateness of the Group's accounting policies for revenue recognition and assessed compliance with applicable accounting standards. We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, procedures and relevant controls relating to revenue recognition from construction contracts. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement. We performed substantive procedures over input data from contracts and costs allocated to projects. We assessed Management's estimated cost to completion and contribution margin for construction contracts in order to evaluate the valuation of construction contracts and recognized revenue. We compared the estimated contribution margins to actual contribution margins for finished projects and to prior year's estimates. We performed a retrospective analysis of Management's ability to assess the cost to completion and expected contribution margin in prior years. We tested Management's estimated percentage of completion by assessing subsequent development in costs allocated to the projects and Management's updated estimates for cost to completion and contribution margin.
Deferred tax assets At 31 December 2023, the Group has recognized deferred tax assets of DKK 10 million (2022: DKK 26 million). Management is required to exercise considerable judgement when determining the appropriate amount to capitalise in respect of deferred tax. We focused on this area as the amounts involved are significant and the valuation of tax assets is dependent on highly subjective assumptions on budgeted taxable income for the coming years. Reference is made to note 15.	We evaluated Management's method for estimating the deferred tax assets. In understanding and evaluating Management's method and assumptions we performed a retrospective analysis of Management's ability to budget the taxable income in prior years. Further, we examined the Group's budgets and projections for the coming years including significant assumptions. We evaluated and challenged the adequacy of the significant assumptions determined by Management in developing the accounting estimate.

Key audit matters

Discontinuing activity

As of 29 December 2023, SKAKO divested its Concrete activities. This transaction has a significant influence on the consolidated financial statements.

The result of discontinuing activities for 2023 amounted to a profit of DKK 67 million, which comprises profits during the year from the Concrete business, profits from the sale and taxes.

The determination of the results and taxes arising from the sale is dependent on the closing balance sheets of the discontinuing entities and the final purchase price, which are not fully settled with the buyer yet.

We focused on this area as the closing balance sheets and results of the discontinuing entities as well as the final purchase price are subject to estimation uncertainty and negotiation, which affects the final results.

Further the presentation and disclosures of the deconsolidation is complex and non-routine and therefore poses a significant risk of material misstatements in the Consolidated Financial Statements.

Reference is made to note 10.

We have audited material assets and liabilities in the closing balance sheets of the discontinuing entities, including the split between continued and discontinued activities.

We evaluated and challenged Management's accounting estimates in the closing balance sheets, which affects the results of the discontinuing activities as well as the estimated purchase price.

We audited the income statement of the discontinuing activities for the period until the divestment, which forms part of the accumulated results from discontinuing activities.

Further, we audited Management's determination of the preliminary purchase price including significant assumptions in the contract between SKAKO and the buyer of the discontinued activities.

We assessed the appropriateness of the related presentation and disclosures from the deconsolidation provided in the Consolidated Financial Statements.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company 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 in a manner that gives 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, actions taken to eliminate threats or safeguards applied.

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.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of SKAKO A/S for the financial year 1 January to 31 December 2023 with the filename 529900WNR3U8C847AW24-2023-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of SKAKO A/S for the financial year 1 January to 31 December 2023 with the file name 529900WNR3U8C847AW24-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Odense, 14 March 2024

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR no 3377 1231

Torben Jensen	**Mikael Johansen**
State Authorized Public Accountant	State Authorized Public Accountant
mne18651	mne23318

4.3 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

DKK Thousands		2023	2022
Notes			
1, 2	Revenue from contracts with customers	248,159	237,535
3, 4	Production costs	(173,425)	(169,049)
	Gross profit	74,734	68,486
4	Distribution costs	(26,010)	(25,615)
4, 5, 6	Administrative expenses	(24,126)	(23,211)
	Operating profit before special items (EBIT)	24,599	19,659
7	Special items	(1,934)	(1,958)
	Operating profit (EBIT)	22,662	17,701
8	Financial income	2,163	1,759
8	Financial expenses	(5,493)	(3,985)
	Profit before tax	19,332	15,474
9	Tax on profit for the year	(5,558)	(3,089)
	Profit for the year before discontinued activities	**13,774**	**12,385**
10	Result of discontinued activities after tax	67,463	12,689
	Profit for the year	81,237	25,074
	Profit for the year attributable to SKAKO A/S shareholders	81,237	25,074
11	Earnings per share (EPS), DKK	26.34	8.13
11	Diluted earnings per share (EPS), DKK	25.36	7.83
11	Earnings per share continuing activities (EPS), DKK	4.47	4.02
11	Diluted earnings per share continuing activities (EPS), DKK	4.32	3.87

Consolidated statement of comprehensive income

DKK Thousand		2023	2022
Notes			
	Profit for the year	81,237	25,074
	Other comprehensive income:		
	Items that have been or may subsequently be reclassified to the income statement:		
	Foreign currency translation, subsidiaries	2,661	533
	Value adjustments of hedging instruments	49	-
	Other comprehensive income	2,710	533
	Comprehensive income	83,947	25,607

Consolidated balance sheet 31 December

DKK Thousands		2023	2022
Notes			
	Intangible assets	25,189	36,188
	Intangible assets under development	1,615	4,237
12	Intangible assets	26,804	40,425
14	Leased assets	8,025	8,786
13	Land and buildings	4,173	5,821
13	Plant and machinery	1,168	1,238
13	Operating equipment, fixtures and fittings	1,673	2,458
13	Leasehold improvements	2,427	2,906
13	Tangible assets under construction	74	156
	Tangible assets	17,540	21,365
	Other receivables	765	1,234
15	Deferred tax assets	9,891	25,575
	Other non-current assets	10,657	26,809
	Total non-current assets	55,001	88,599
16	Inventories	26,182	72,740
21	Trade receivables	58,274	101,385
17, 21	Contract assets	38,203	63,876
	Other receivables	7,706	9,270
	Prepaid expenses	800	3,045
	Cash	156,027	45,142
	Current assets	287,192	295,458
	Assets	342,193	384,057

Consolidated balance sheet 31 December CONTINUED

DKK Thousands		2023	2022
Notes			
	Share capital	31,064	31,064
	Foreign currency translation reserve	2,743	82
	Hedging reserve	-	(49)
	Retained earnings	165,725	99,538
	Proposed dividends	15,532	15,532
	Equity	215,064	146,167
	Other liabilities	2,299	7,562
19	Provisions	2,059	4,345
18	Loans and borrowings	4,106	9,150
14	Leasing	5,989	5,416
	Non-current liabilities	14,454	26,473
19	Provisions	1,027	3,530
18	Loans and borrowings	2,270	9,828
18	Bank loans and credit facilities	3,278	38,119
14	Leasing	2,905	3,626
17	Contracts liabilities	3,310	46,829
	Trade payables	64,665	81,200
	Income tax	7,070	997
	Other liabilities	28,151	27,288
	Current liabilities	112,675	211,417
	Liabilities	127,129	237,890
	EQUITY AND LIABILITIES	342,193	384,057

Consolidated cash flow statement

DKK Thousnads		2023	2022
Notes			
	Profit before tax including discontinued activities	104,391	24,230
20	Adjustments	(67,073)	16,341
	Changes in receivables, etc.	45,207	(25,890)
	Change in inventories	(4,378)	(9,367)
	Change in trade payables and other liabilities, etc.	(61,364)	30,351
	Cash flow from operating activities before financial items and tax	16,783	35,665
	Interest received	2,163	916
	Interest paid	(5,493)	(5,878)
	Taxes paid and received	(1,294)	(2,105)
	Cash flow from operating activities	12,159	28,850
12	Investment in intangible assets	(561)	(4,153)
13	Investment in tangible assets	(10,600)	(6,174)
	Disposals	24,094	1,690
	Proceeds from sale of Concrete activities	148,916	-
	Cash flow from investing activities	161,849	(8,637)
	New borrowings	573	-
	Repayments	(13,323)	(2,072)
	Paid dividends	(15,532)	(12,335)
	Change in short-term bank facilities	(34,841)	2,149
20	Cash flow from financing activities	(63,123)	(12,258)
	Change in cash and cash equivalents	110,885	7,955
	Cash and cash equivalents 1 January	45,142	39,075
	Foreign exchange adjustment, cash and cash equivalents	-	(1,888)
	Cash and cash equivalents 31 December	156,027	45,142
	Breakdown of cash and cash equivalents at the end of the year:		
	Cash	156,027	45,142
	Cash and cash equivalents at the end of the year:	156,027	45,142

Consolidated statement of changes in equity

DKK Thousands

	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Proposed dividends	Equity
Equity 1 January 2023	31,064	82	(49)	99,538	15,532	146,167
Paid dividends					(15,532)	(15,532)
Comprehensive income in 2023:						
Profit for the year				65,705	15,532	81,237
Other comprehensive income:						
Foreign currency translation adjustments, subsidiaries		2,661				2,661
Value adjustments of hedging instruments			49			49
Other comprehensive income		2,661	49			2,710
Comprehensive income, year		2,661	49	65,705	15,532	83,947
Share-based payment, warrants				482		482
Equity 31 December 2023	31,064	2,743	0	165,725	15,532	215,064

Consolidated statement of changes in equity

DKK Thousands

	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Proposed dividends	Equity
Equity 1 January 2022	31,064	(451)	(49)	89,338	12,335	132,237
Distributed interim dividends					(12,335)	(12,335)
Comprehensive income in 2022:						-
Profit for the year				9,542	15,532	25,074
Other comprehensive income:						-
Foreign currency translation adjustments, subsidiaries		533				533
Value adjustments of hedging instruments						-
Other comprehensive income	-	533	-	-	-	533
Comprehensive income, year	-	533	-	9,542	15,532	25,607
Share-based payment, warrants				658	-	658
Equity 31 December 2022	31,064	82	(49)	99,538	15,532	146,167

4.4 CONSOLIDATED NOTES

Notes to consolidated financial statements

Note No. Description Page

Significant estimates and assessments:

Note No. Description Page

1. Revenue from contracts with customers

Accounting policy

SKAKO develops, designs and sells high-end vibratory feeding, conveying, and screening equipment, used across the complete spectrum of material handling and processing. The main focus is on plant sales with a solid aftersales division.

Administrative functions such as Finance, HR and IT are shared by the divisions. The administrative functions are based in the individual countries but supported by Group functions in Denmark. Shared costs are allocated to business segments based on assessment of usage.

All intercompany transactions are made on market terms.

Segment assets and liabilities comprise items directly attributable to a segment and items that can be allocated to a segment on a reasonable basis.

Revenue is the fair value of consideration received or receivable from the sale of our plants and aftersales products or services and is the gross sales price less VAT and any price reductions in the form of discounts and rebates.

Geographical information is based on the four regions that support the industries. Revenue is presented in the region in which delivery takes place.

Segment income and costs include transactions between business areas. The transactions are eliminated in connection with the consolidation

Revenue is recognized over time or at a point in time. Revenue is recognized over time when an asset on behalf of a customer is created with no alternative use and SKAKO has an enforceable right to payment for performance completed year to date, or the customer obtains control of a plant or product and thus has the ability to direct the use and obtain the benefit from the plant or product.
Terms of payment are depending on conditions in the specific market. Plant sales orders are in general agreed with prepayment and payment milestones.

SKAKO Group activities during the financial year covers the two segment Concrete and Vibration.
The SKAKO Concrete activities were divested to Zefyr Invest IV as of December 29, 2023 therefor the segment in the annual report covers only the remaining segment Vibration in 2022 and 2023.

Plant sales

Plant sales are negotiated contracts to design and install concrete batching plants, and vibratory feeding, conveying and screening equipment for customers. Revenue will be recognized over time, as the above criteria are met, using “the percentage of completion method”.

The proportion of revenue to be recognized in a particular period is calculated according to the percentage of completion of the project. For most contracts this is measured by reference to the costs of performing the contract incurred up to the relevant balance sheet date as a percentage of the total estimated costs of performing the contract. Reference to cost is assessed to be the most appropriate method as incurred hours and material costs are the value drivers for the projects. The sales value agreed in the contract is recognized over the contract period using above method.

Contracts where the recognized revenue from the work performed exceeds progress billings are recognized in the balance sheet under assets

Contracts for which progress billings exceed the revenue are recognized under liabilities. Prepayments from customers are recognized under liabilities.

If it is likely that the total costs in relation to a construction contract will exceed the total revenue on a specific project, the expected loss is recognized immediately in the income statement in the current period.

1. Revenue from contracts with customers CONTINUED

Accounting policy CONTINUED

Aftersales, spare parts and products

SKAKO sell a range of spare parts and products as aftersales to the plant sales. Revenue is recognized when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and SKAKO has objective evidence that all criteria for acceptance have been fulfilled.

Aftersales services

Revenue from the service contracts is recognized in the period in which the services are provided based on amounts billable to a customer. Revenue is recognized based on usage of units, and price lists according to the contract.

Order backlog

The order backlog represents the value of outstanding performance obligations on effective contracts, where we will transfer control at a future point in time and the remaining performance obligations on contracts where we transfer control over time.

Significant assessment by Management

Assessments regarding contracts with customers is performed when determining if a contract for sale of a plant, spare parts or service, or a combination hereof, involves one or more performance obligations.

Assessments regarding recognition method are made when determining if a contract for sale of a plant, spare parts or service is recognized as revenue over time or at a point in time. The assessments relate to whether we have an alternative use of the assets sold and if we have an enforceable right to payment throughout the contractual term.

When assessing if an asset has no alternative use, we estimate the alternative use cost amount. We have limited historical data as we rarely redirect our assets. The estimate is based on the specifics of each contract. When assessing if we are entitled to payment throughout the contract term, an assessment is made based on the contract wording, legal entitlement and profit estimates.

Significant estimates by Management

Total expected costs related to plant sales are partly based on estimates as they include provisions for unforeseen cost deviations in future supplies of raw materials, subcontractor products and services plus construction and handing over. Provisions for warranties on work-in-progress for third parties are based on Management estimates for each project while taking contract obligations into account.

1. Revenue from contracts with customers CONTINUED

Segregation of revenue

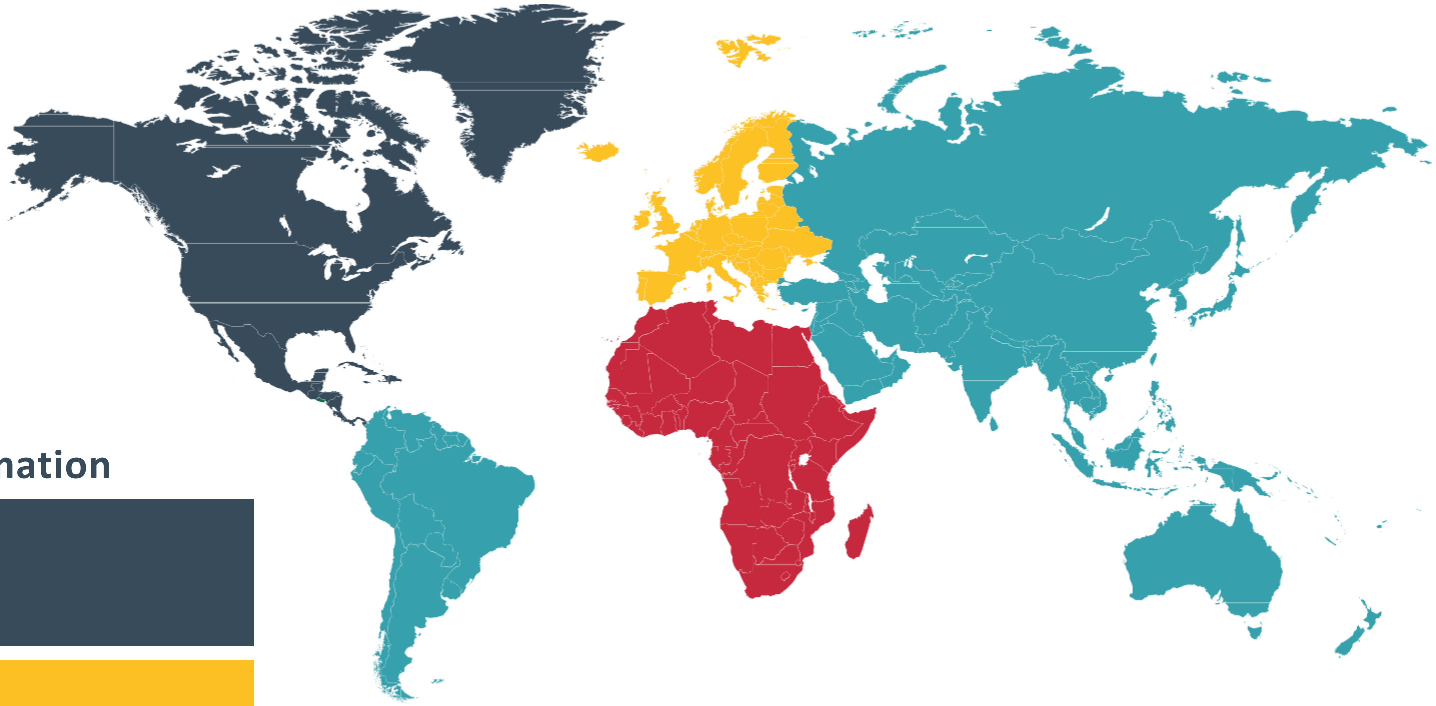
Revenue, DKK Thousands	Vibration		Group*	
	2023	**2022**	**2023**	**2022**
Plant	170,302	162,211	170,302	162,211
- Over time	165,323	155,107	165,323	155,107
- A point in time	4,979	7,104	4,979	7,104
Aftersales	**77,857**	**75,324**	**77,857**	**75,324**
- Over time	-	-	-	-
- A point in time	77,857	75,324	77,857	75,324
Total revenue	**248,159**	**237,535**	**248,159**	**237,535**

*After eliminations

Segregation of revenue

Revenue, DKK Thousands	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the period:		
- Plant sales	3,700	2,129
- Aftersales	-	-
Total revenue recognized from contract liabilities	**3,700**	**2,129**

1. Revenue from contracts with customers CONTINUED



Geographical revenue information

North America

Revenue: DKK 7,337k (2022: DKK 5,922k)

Europe

Revenue: DKK 207,180k (2022: DKK 202,001k)
Hereof revenue in Denmark: DKK 22,719k (2022: DKK 24,045)
Hereof revenue in France: DKK 55,145k (2022: DKK 55,826k)
Hereof revenue in the UK: DKK 15,617k (2022: DKK 13,737k)
Hereof revenue in Germany: DKK 30,868k (2022: DKK 22,562k)
Hereof revenue in Spain: DKK 42,657k (2022: DKK 38,822k)

Africa

Revenue: DKK 23,271k (2022: DKK 13,499k)
Hereof revenue in Morocco: DKK 1,796k (2022: DKK 10,051k)

Rest of the world

Revenue: DKK 10,371k (2022: DKK 16,113k)

Geographical non-current assets information

North America

DKK 0k (2022: DKK 706k)

Europe

DKK 45,959k (2022: DKK 85,660k)
Hereof in Denmark: DKK 29,710k (2022: DKK 69,385k)
Hereof in France: DKK 14,313k (2022: DKK 13,391k)
Hereof in Spain: DKK 1,452k (2022: DKK 2,480k)
Hereof in Other: DKK 484k (2022: DKK 404k)

2. Segment information

2023

DKK Thousands

2023	Vibration	Not distributed including parent company	Eliminations	Group total
Minerals	99,187			99,187
Fasteners	38,077			38,077
Recycling	86,619			86,619
Other	24,277			24,277
Internal	-			-
Total revenue	248,159			248,159
Depreciations	(4,511)			(4,511)
Operating profit (EBIT) before special items	27,157	(2,558)		24,599
Order backlog, beginning	72,550			72,550
Order intake	237,551			237,551
Order backlog, ending	61,942			61,942
Segment non-current assets	44,974	10,027		55,001
Segment assets	258,248	154,449	(45,237)	367,460
Segment liabilities	102,797	75,211	(45,237)	132,771
Investments in intangible and tangible asset	11,161			11,161
Average number of employees	115			115

2. Segment information

2022

DKK Thousands

2022	Vibration	Not distributed including parent company	Eliminations	Group total
Minerals	101,477			101,477
Fasteners	32,870			32,870
Recycling	79,604			79,604
Other	19,274			19,274
Internal	4,310			4,310
Total revenue	**237,535**			**237,535**
Depreciations	(5,170)			(5,170)
Operating profit before special items (EBIT)	**23,684**	**(4,025)**		**19,659**
Order backlog, beginning	54,215			54,215
Order intake	255,870			255,870
Order backlog, ending	**72,550**			**72,550**
Segment non-current assets	40,007			40,007
Segment assets	229,339			229,339
Segment liabilities	119,956			119,956
Investments in intangible and tangible asset	4,550			9,082
Average number of employees	112			112

3. Production costs

Accounting policy

Production costs are costs incurred to generate revenue. Production costs consist of raw materials, consumables, production staff, research and development cost as well as maintenance of and depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets used in the production process.

Research costs are always recognized in the Income Statement in step with the incurrence of such costs. Development costs include all costs not satisfying the capitalization criteria, but incurred in connection with development, prototype construction and development of new business concepts.

Direct and indirect research and development incentives in terms of tax incentives and other grants and subsidy schemes for research and development are recognized when there is reasonable certainty that the conditions for such grants are satisfied and that they will be awarded. Grants are offset against research and development costs.

The measurement and classification of government grants related to research and development is based on Management's assessment. The incentive schemes applied do not require positive taxable income and hence government grants received have been accounted for in accordance with IAS 20.

DKK Thousands	2023	2022
Cost of goods sold during the year	106,351	100,725
Write-down of inventories for the year, net	(139)	(83)
Research and development costs	45	66
Production staff costs and other costs	67,168	68,341
Total production costs	**173, 425**	**169,049**

4. Staff costs

Accounting policy

Staff costs consist of direct wages and salaries, remuneration, pension, share-based payments, training, etc.

DKK Thousands	2023	2022
Wages, salaries and other remuneration	53,242	53,445
Contribution plans and other social security costs, etc.	10,912	9,999
Share-based payment, warrants	482	658
Other staff costs	2,929	764
	67,565	**64,866**
The amounts are included in the items:		
Production costs	36,352	35,222
Distribution costs	20,706	20,489
Administrative costs	10,507	9,155
	67,565	**64,866**

The average number of employees was 115 (2022: 112).

Staff costs 2022 include the final regulation of the government compensation related to capacity cost of (DKK – 0.1m)

4. Staff costs CONTINUED

Remuneration to Executive Management and Board of Directors

DKK Thousands	2023	2022
Board of Directors and Audit Committee	**1,652**	**1,715**
Executive Management		
Wages, salaries and other remuneration	7,648	6,846
Contribution plans and other social security costs, etc.	341	493
Share-based payment, warrants	493	439
	8,482	**7,778**
Total remuneration for Executive Management and Board of Directors	**10,134**	**9,493**

The Executive Management have been granted warrants to subscribe for shares in the company, cf. note 5.

The Executive Management contracts are based on normal conditions.

The board of directors and audit committee fee includes DKK 252k to board member for extraordinary work during the transaction and divestment of SKAKO Concrete activities

5. Share-based payment, warrants

Accounting policy

Plans classified as equity-settled warrants are measured at fair value at grant date and are recognized in the income statement as staff costs in the period in which the final entitlement to the warrants is attained (the vesting period), as well as an inflow directly in equity.

In connection with initial recognition of warrants, an estimate is made of the number of warrants to which Group Executive Management and key staff are expected to become entitled. Subsequent adjustment is made for changes in the estimate of the number of warrant entitlements, so the total recognition is based on the actual number of warrant entitlements.

The fair value of the warrants allocated is estimated by means of the Monte Carlo model. The calculation takes into account the terms and conditions under which the share warrants are allocated.

In 2021, the Executive Management and other key employees in the Group have been granted warrants to purchase a total of 150,000 shares in the company at a set price (strike price). The share-based programme has vesting conditions under which Management must stay employed for three years to receive the remuneration. The following exercise period runs for two years.

5. Share-based payment, warrants CONTINUED

	2021 warrants		
	Granted	Strike price (all)	Exercise period starts
Warrants granted	150,000	55,60	April 2024
Executive management			110,000
- hereof forfeited			(30,000)
Total executive management			80,000
Other employees			40,000
- Hereof forfeited			(15,000)
Total other employees			25,000
Number of warrant entitlements			**105,000**

The recognized fair value of warrants in the consolidated income statement amounts to DKK 482k (cost) (2022: 658k, cost). The calculation of the fair value of warrants at the time of allocation is based on the following assumptions:

	Granted 22 March 2021
Average price per share	55,6
Annual hurdle rate	0%
Strike price per share	55,6
Expected volatility*	33,5%
Expected dividends**	4,1%
Cost of equity	7,00%
Number of shares allocated	150,000
Fair value per warrant, DKK	16,90
Total fair value, DKK thousands	2,535

* For the 2021 programme, the preceding 48 months have been used

** The expected future dividend at the time of granting

6. Fee to parent company auditors appointed at the annual general meeting

In addition to the statutory audit, PwC, the Group auditors appointed at the Annual General Meeting, provides other assurance engagements and other consultancy services to the Group.

DKK Thousands	2023	2022
PwC		
Statutory audit	1,164	1,442
Other assurance engagements	-	39
Tax and indirect taxes consultancy	150	119
Other services	333	298
	1,647	**1,898**
Other audit firms		
Statutory audit	224	290
Other assurance engagements	0	0
Tax and indirect taxes consultancy	67	290
Other services	347	177
	637	**757**

A few Group enterprises are not audited by the Parent's appointed auditors (PwC) or the auditors' foreign affiliates.

The fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the Group amounts to DKK 0.5m (2022: DKK 0.4m) and consists of tax, VAT and accounting advisory.

7. Special items

Accounting policy

Special items include significant expenses of a special nature that relates to the terminated transaction on divestment of SKAKO's to divions SKAKO Concrete and SKAKO Vibration including all operating activities in SKAKO Group and that cannot be attributed directly to the Group's ordinary operating activities.

Special items include significant non-recurring items.

Special items are shown separately from the Group's ordinary operations as this gives a truer and fairer view of the Group's operating profit.

Special items consists of transaction costs for the terminated transaction process with Zefyr Invest and amounting to DKK 1,934m (2022: DKK 2,00m)

8. Net financial items

Accounting policy

Net financial items mainly consist of interest income and interest expenses and also include interest on lease debt as well as realized and unrealized foreign exchange gains and losses. Interest income and interest expenses are accrued based on the principal amount and the effective interest rate.

The effective interest rate is the discount rate used for discounting expected future payments attaching to the financial asset or financial liability in order for the present value to match the carrying amount of such asset or liability.

DKK Thousands	2023	2022
Interest on cash and bank deposits	2,140	1,632
Financial income from financial assets not measured at fair value in the income statement	**2,140**	**1,632**
Foreign exchange gains, net	23	127
Financial income	**2,163**	**1,759**
Interest on bank debt	(2,011)	(1,071)
Interest on lease debt	(102)	(80)
Financial expenses on financial liabilities not measured at fair value in the income statement	**(2,113)**	**(1,151)**
Foreign exchange losses, net	(170)	(670)
Other financial expenses	(3,210)	(2,164)
Financial expenses	**(5,493)**	**(3,985)**
Net financial items	**(3,330)**	**(2,226)**

9. Tax on profit for the year

Accounting policy

Tax for the year comprises current tax and changes in deferred tax and is recognized in the Income Statement with the share attributable to the profit for the year, and in the other comprehensive income with the share attributable to items recognized in other comprehensive income. Exchange rate adjustments of deferred tax are included as part of the year's adjustments of deferred tax.

Current tax comprises tax calculated on the basis of the expected taxable income for the year using the applicable tax rates for the financial year and any adjustments of taxes for previous years.

DKK Thousands	2023	2022
Current tax on the profit for the year	(1,788)	(3,590)
Adjustment of current tax, prior years	(1,371)	-
Change in deferred tax	(2,399)	(114)
Adjustment of deferred tax, prior years	-	-
Impact on changes in corporate tax rates	-	615
Tax for the period, net income	**(5,558)**	**(3,089)**
Tax using the Danish corporate tax rates	(1,036)	(3,698)
Effect of tax rates in foreign jurisdictions	(675)	294
Impact in changes in corporate tax rates	-	-
Tax assets not capitalized	-	-
Tax assets not previously capitalized	(2,476)	631
Permanent and temporary differences and other items	(1,371)	(316)
	(5,558)	**(3,089)**

10. Discontinued activity

Accounting policy

Discontinued activities are excluded from the result of continuing activities and presented separately as profit/loss from discontinued activities in the income statement. Compared figures are restated.

Cashflow from discontinued activities is presented separately as net cash from discontinued activities in the cash flow statement and specified in this section. Compared figures are restated.

The SKAKO Concrete activities were sold to Zefyr Invest IV as of December 29, 2023.

Cash flow statement for 2022 and 2023 includes the SKAKO Group covering both Concrete and Vibration activities.

Analysis of income from the discontinued activities	2023	2022
Revenue	268,446	204,699
Cost	(253,672)	(195,943)
Other operating income (gains from divestment after tax)	57,330	-
Profit before tax from discontinued activities	**72,104**	**8,756**
Income tax	(4,641)	3,933
Profit after tax from discontinued activities	**67,463**	**12,689**

Net cash flow from the discontinued activities	2023	2022
Cash flow from operating activities	14,933	(3,108)
Cash flow from investing activities	133,983	(558)
Cash flow from financing activities	-	7,882
Net cash flow from discontinued activities	**148,916**	**4,216**

11. Earnings per share (EPS)

Accounting policy

Earnings per share (EPS) and diluted earnings per share (EPS, diluted) are measured according to IAS 33. Non-diluted earnings per share are calculated as the profit for the year divided by the total average number of shares outstanding during the year (shares issued adjusted for treasury shares).

Diluted earnings per share are calculated as the profit for the year divided by the average number of shares outstanding less share options in-the-money (shares issued adjusted for treasury shares).

DKK Thousands	2023	2022
Earnings		
Profit for the year	81,238	25,074
Number of shares, average		
Number of shares issued	3,106,418	3,106,418
Adjustment for treasury share	(22,567)	(22,567)
Average number of shares	3,083,851	3,083,851
Earnings per share (EPS)	26.34	8.13
Earnings per share, diluted	25.36	7.83
Earnings per share continuing activities (EPS), DKK	4.47	4.02
Diluted earnings per share continuing activities (EPS), DKK	4.32	3.87

As of 31 December 2023, SKAKO's nominal share capital was 31,064,180 DKK divided into 3,106,418 shares of 10 DKK each. All shares are of the same class and carry one vote each.

Treasury shares represent 0.73% of number of shares issued.

12. Intangible assets

Accounting policy

On initial recognition, goodwill is recognized and measured as the difference between the purchase price – including the value of non-controlling interests in the acquired enterprise and the fair value of any existing investment in the acquired enterprise – and the fair values of the acquired assets, liabilities and contingent liabilities. Please refer to Accounting policies in Note 26.

On recognition, goodwill is allocated to corporate activities that generate independent payments (cash generating units). The definition of a cash-generating unit is in line with the Group's managerial structure as well as the internal financial management reporting.

SKAKO goodwill relates to SKAKO Dartek and goodwill is monitored as in previous years. Impairment test of goodwill are based on calculated capital value of the single unit, based on five-year business plans as well as a calculated terminal value that compared with carrying amount of the tested assets.
The main assumptions of the business plans of the individual CGUs are linked to SKAKO's expected growth and earnings over a number of years, and the applied gross profit margins and costs are based on management's expectations.

Intangible assets with a finite useful life are measured at cost less accumulated amortization and impairment losses. Goodwill is not amortized but is tested for impairment at least once a year. If the recoverable amount of a cash-generating unit is lower than the carrying amounts of property, plant and equipment and intangible assets including goodwill, attributable to the particular cash generating unit, the particular assets will be written down.

Development projects for which the technical rate of utilization, sufficient resources and a potential future market or application in the Group can be demonstrated and which are intended to be manufactured, marketed or used are recognized as completed development projects. This requires that the cost can be determined, and it is sufficiently certain that the future earnings or the net selling price will cover production, sales and administrative costs plus the development costs. Other development costs are recognized in the income statement when the costs are incurred. Development costs consist of salaries and other costs that are directly attributable to development activities.

Amortization of completed development projects is charged on a straight-line basis during their estimated useful life. Development projects are written down for impairment to recoverable amount, if lower. Development projects in progress are tested for impairment once a year.

The amortization profile is systematically based on the expected useful life of the assets, taking into account the remaining agreement period and consumption (unit of production method) at the time of implementation. The basis of amortization is reduced by impairment, if any.

Amortization takes place systematically over the estimated useful life of the assets which is as follows:

- Development costs, 2-10 years
- Software systems, 2-10 years
- Other intangible assets, 3-5 years

12. Intangible assets CONTINUED

Significant estimate by Management

Impairment testing is carried out annually on preparation of the annual report or on indication of impairment in which discounted values of future cash flows are compared with carrying amounts. The calculations use cash flow projections based on financial budgets approved by Management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using growth rates estimated by Management.

DKK Thousands

	Goodwill	Other intangible assets	Intangible assets under development	Development projects	Software	Total
Cost at 1 January 2023	25,440	4,426	4,237	1,458	30,098	65,659
Foreign exchange adjustments	-	-	-	-	-	-
Investments	-	-	94	112	355	561
Disposals	(3,145)	(4,426)	(2,716)	(98)	(25,517)	(35,902)
Transferred between categories	-	-		-	-	
Cost at 31 December 2023	**22,295**	**-**	**1,615**	**1,472**	**4,936**	**30,318**
Amortisation and impairment 1 January 2023	-	2,868	-	469	21,897	25,234
Foreign exchange adjustment	-	-	-	-	-	-
Disposals	-	(2,868)	-	(49)	(19,523)	(22,440)
Amortisation	-	-	-	154	566	720
Amortisation and impairment 31 December 2023	**-**	**-**	**-**	**574**	**2,940**	**3,514**
Carrying amount 31 December 2023	**22,295**	**-**	**1,615**	**898**	**1,996**	**26,804**

12. Intangible assets CONTINUED

DKK Thousands

	Goodwill	Other intangible assets	Intangible assets under development	Development projects	Software	Total
Cost at 1 January 2022	25,440	4,426	3,112	1,458	28,671	63,107
Foreign exchange adjustments	-	-	-	-	-	-
Investments	-	-	2,726	-	1,427	4,153
Disposals	-	-	(1,201)	-	-	(1,201)
Transferred between categories	-	-	(400)	-	-	(400)
Cost at 31 December 2022	**25,440**	**4,426**	**4,237**	**1,458**	**30,098**	**65,659**
Amortisation and impairment 1 January 2022	-	1,771	-	293	18,863	20,927
Foreign exchange adjustment	-	-	-	9	-	9
Disposals	-	-	-	-	605	605
Amortisation	-	1,097	-	167	2,429	3,693
Amortisation and impairment 31 December 2022	**-**	**2,868**	**-**	**469**	**21,897**	**25,234**
Carrying amount 31 December 2022	**25,440**	**1,558**	**4,237**	**989**	**8,201**	**40,425**

12. Intangible assets CONTINUED

DKK Thousands	2023	2022
Depreciation is included in the items:		
Production costs	504	2,585
Distribution costs	180	923
Administrative costs	36	185
	720	**3,693**

Impairment test of goodwill:

The carrying amount of goodwill related to Dartek, DKK 22,295.

Dartek

Goodwill for Dartek have been tested for impairment on 31 December 2023 based on value in use. Net cash flows for the years 2024-2028 are determined on the basis of key assumptions and estimates based on growth and profit margin expectations in accordance with SKAKO's business plans. The discount rate used amounts to 10.0% before tax and estimates for future revenue growth (2022: 10.0% before tax). The uncertainties associated with these expectations are reflected in the cash flow. The valuation method is based on annual revenue growth of 2% in 2024 to 2028 as well as in the terminal period (2022: 2%). The test did not result in any impairment of the carrying amounts related to the cash generating units Dartek.

A sensitivity analysis has not been carried out, as negative changes in the fundamental assumption, which will result in impairment of goodwill, are considered unlikely to become a reality.

13. Tangible assets

Accounting policy

Land and buildings, plant and machinery and other facilities, operating equipment and tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged on a straight-line basis over the estimated useful life of the assets until they reach the estimated residual value.

Estimated useful life is as follows:

- Buildings, 10-40 years
- Plant and machinery, 3-10 years
- Operating equipment and other tools and equipment, 3-10 years
- Leasehold improvements, 3-10 years
- Land not depreciated

Newly acquired assets are depreciated from the time they are available for use.

13. Tangible assets CONTINUED

DKK Thousands

	Land & buildings	Plant & machinery	Operating equipment, fixtures and fittings	Leasehold improvements	Tangible assets in course of construction	Total
Cost 1 January 2023	8,422	10,827	17,049	7,440	156	43,894
Foreign exchange adjustments	-	(4)	(9)	-	-	(13)
Investments	1,942	260	819	557	-	3,578
Disposals	(4,176)	(5,094)	(8,147)	(4,688)	(81)	(22,186)
Transferred between categories						
Cost at 31 December 2023	**6,189**	**5,989**	**9,712**	**3,309**	**74**	**25,273**
Depreciation and impairment 1 January 2023	2,601	9,589	14,591	4,534	-	31,315
Foreign exchange adjustments	-	(3)	(9)	-	-	(12)
Disposals	(867)	(4,951)	(6,965)	(3,943)	-	(16,726)
Depreciation	282	186	422	292	-	1,182
Depreciation and impairment 31 December 2023	**2,016**	**4,821**	**8,039**	**882**	**-**	**15,758**
Carrying amount 31 December 2023	**4,173**	**1,168**	**1,673**	**2,427**	**74**	**9,515**

13. Tangible assets CONTINUED

DKK Thousands

	Land & buildings	Plant & machinery	Operating equipment, fixtures and fittings	Leasehold improvements	Tangible assets in course of construction	Total
Cost 1 January 2022	8,147	12,558	17,130	5,930	97	43,862
Foreign exchange adjustments	22	(24)	-	-	-	(2)
Investments	253	636	1,061	1,110	119	3,179
Disposals	-	(2,083)	(1,402)	-	(60)	(3,545)
Transferred between categories	-	(260)	260	400	-	400
Cost 31 December 2022	8,422	10,827	17,049	7,440	156	43,894
Depreciation and impairment 1 January 2022	2,315	11,505	14,071	4,300	-	32,191
Foreign exchange adjustments	-	(46)	-	-	-	(46)
Disposals	-	(2,083)	32	-	-	(2,051)
Amortization	286	213	488	234	-	1,221)
Depreciation and impairment 31 December 2022	2,601	9,589	14,591	4,534	-	31,315
Carrying amount 31 December 2022	5,821	1,238	2,458	2,906	156	12,579

DKK Thousands	**2023**	**2022**
Depreciation is included in the items:		
Production costs	827	855
Distribution costs	296	305
Administrative costs	59	61
	1,182	**1,221**

14. Leases – right-of-use assets

Accounting policy

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable.
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as the commencement date.
- Amounts expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate for implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group., the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct cost and restoration cost.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leased with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

14. Leases – right-of-use assets CONTINUED

DKK Thousands

Lease assets	Rental of promises	Equipment	Company cars	Total
Costs 1 January 2023	10,561	682	9,490	20,733
Additions	4,404	342	2,276	7,022
Disposals	(5,653)	(526)	(4,267)	(10,446)
Reclassification	-	-	-	-
Exchange rate adjustment	-	-	-	-
Costs 31 December 2023	**9,312**	**498**	**7,499**	**17,309**
Depreciation and impairment loss 1 January 2023	4,544	475	6,928	11,947
Depreciation	1,271	15	1,323	2,609
Depreciation reversed on disposals	(1,436)	(319)	(3,517)	(5,272)
Exchange rate adjustment	-	-	-	-
Depreciation and impairment loss 31 December 2023	**4,379**	**171**	**4,734**	**9,284**
Carrying amount 31 December 2023	**4,933**	**327**	**2,765**	**8,025**

DKK Thousands

Lease assets	Rental of promises	Equipment	Company cars	Total
Costs 1 January 2022	8,413	809	7,914	17,136
Additions	-	52	1,698	1,750
Transferred between categories	2,148	-	389	2,537
Disposals	-	(179)	(511)	(690)
Exchange rate adjustment	-	-	-	-
Costs 31 December 2022	10,561	682	9,490	20,733
Depreciation and impairment loss 1 January 2022	3,257	164	5,680	9,101
Depreciation	1,287	290	1,514	3,091
Depreciation reversed on disposals	-	(179)	(266)	(445)
Exchange rate adjustment	-	200	-	200
Depreciation and impairment loss 31 December 2022	4,544	475	6,928	**11,947**
Carrying amount 31 December 2022	6,017	207	2,562	8,786

14. Leases – right-of-use assets CONTINUED

Lease liabilities – DKK Thousands	2023	2022
Lease liabilities are recognized in the balance sheet as follows:		
Non-current liabilities	5,989	5,416
Current liabilities	2,905	3,626
Total lease liabilities	**8,894**	**9,042**
Recognized in the profit and loss statement:		
Interest expenses related to lease liabilities	186	221
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	1,397	3,734
Expense relating to leases of low-value assets that are not shown above as short-term leases	7	7
Expense relation to variable lease payments not included in lease liabilities	-	-

Cash flow from leasing – DKK Thousands	2023	2022
Interests	(186)	(221)
Liabilities payment	(1,397)	(3,736)
Adjustments in total according to leases	**(1,583)**	**(3,957)**

15. Deferred tax

Accounting policy

Deferred tax is calculated using the balance sheet liability method on temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated based on the applicable tax rates for the individual financial years. The effect of changes in the tax rates is stated in the income statement unless they are items previously entered in the statement of other comprehensive income.

A deferred tax provision is made to cover re-taxation of losses in foreign enterprises if shares in the enterprises concerned are likely to be sold and to cover expected additional future tax liabilities related to financial year or previous years. No deferred tax liabilities regarding investments in subsidiaries are recognized if the shares are unlikely to be sold in the short term.

The tax value of losses that are expected with adequate certainty to be available for utilization against future taxable income in the same legal tax unit and jurisdiction is included in the measurement of deferred tax.

SKAKO A/S is jointly taxed with all Danish subsidiaries, SKAKO A/S being the administrator of the Danish joint taxation.

All the Danish subsidiaries provide for the Danish tax based on the current rules with full distribution. Recognition of deferred tax assets and tax liabilities is made in the individual Danish enterprises based on the principles described above. The jointly taxed Danish enterprises are included in the Danish tax payable on account scheme.

If companies in the Group have deferred tax liabilities, they are valued independently of the time when the tax, if any, becomes payable.

Significant estimate by Management

Deferred tax assets, including the tax value of tax losses allowed for carry forward, are recognized in the balance sheet at the estimated realisable value of such assets, either by a set-off against a deferred tax liability or by a net asset to be set off against future positive taxable income. At the balance sheet date, an assessment is made as to whether it is probable that sufficient taxable income will be available in the future against which the deferred tax asset can be utilized. Deferred tax on temporary differences between the carrying amounts and the tax values of investments in subsidiaries is recognized unless the Parent is able to control the time of realization of such deferred tax, and it is probable that such deferred tax will not be realized as current tax in the foreseeable future. Deferred tax is recognized in respect of eliminations of intra-Group profits and losses.

15. Deferred tax CONTINUED

DKK Thousands	2023	2022
Deferred tax recognized in the balance sheet:		
Deferred tax assets	9,891	25,575
Deferred tax, net 31 December	**9,891**	**25,575**
Deferred tax, net 1 January	25,575	21,057
Foreign currency translation adjustments	-	-
Changes in deferred tax	(15,684)	4,516
Deferred tax, net 31 December	**9,891**	**25,575**
Deferred tax:		
Intangible assets	(989)	(1,498)
Property, plants and equipment	55	8,140
Inventories	1,055	388
Provisions	-	781
Tax losses	10,330	19,375
Other items	(560)	(1,611)
	9,891	**25,575**
Deferred tax assets not recognized:		
Intangible assets	-	-
Property, plants and equipment	205	205
Inventories	-	-
Other items	121	121
Tax losses	17,384	19,498
	17,710	**19,824**

Tax losses carried forward are not subject to time limitation. All recognized deferred tax assets are expected to be offset against positive taxable income within a five-year period. Recognition is based on current results and Management's expectations for the future. The deferred tax assets are evaluated in each joint taxation in the SKAKO Group, consisting of joint taxations in respectively Denmark, France, Germany, Spain and the UK.

Management has performed a sensitivity analysis on expectations for the future. This shows that a 10 % decrease compared to expectations will result in a decrease of DKK 1.0m in the recognized deferred tax assets. Because the deferred tax assets are evaluated in each joint taxation, the sensitivity cannot be applied on a linear basis.

16. Inventory

Accounting policy

Raw materials, work-in-progress and goods for resale are measured at cost according to the FIFO principle (according to which the most recently purchased items are considered to be in stock) or at their net realizable value, whichever is lower.

Group-manufactured products and work in progress are measured at the value of direct cost, direct payroll costs, consumables and a proportionate share of indirect production costs (IPC), which are allocated on the basis of the normal capacity of the production facility. IPC include the proportionate share of capacity costs directly relating to Group-manufactured products and work in progress.

Inventory – DKK Thousands	2023	2022
Raw materials and consumables	3,854	17,684
Work-in-progress	4,612	7,958
Finished goods and goods for resale	17,717	47,098
Inventories net of write-downs at 31 December	26,182	72,740
Included in Income Statement under production costs:		
Write-down of inventories for the year, net	(139)	692
Costs of goods sold during the year	106,351	193,746

Write-downs for the year are shown net as breakdown into reversed write-downs, and new write-downs are not possible.

17. Contract assets and liabilities

Accounting policy

Revenue is recognized based on the value of the work completed at the balance sheet date. The revenue corresponds to the sales value of the year's completed work based on costs incurred as a percentage of the total estimated costs (percentage of completion method).

The stage of completion for the individual project is calculated as the ratio between the cost incurred at the balance sheet date and the total estimated cost to complete the project. In some projects, where cost estimates cannot be used as a basis, the ratio between completed sub-activities and the total project is used instead. All direct and indirect costs that relate to the completion of the contract are included in the calculation.

When invoicing on account exceeds the value of the work completed, the liability is recognized as a contract liability under short-term liabilities.

If projects are expected to be loss-making, the loss is recognized immediately in the income statement. Costs not yet incurred are provided for as other provisions. Provisions are based on individual assessment of the estimated loss until the projects have been completed.

Significant assessment by Management

Total expected costs related to work-in-progress for third parties are partly based on estimates as they include provisions for unforeseen cost deviations in future supplies of raw materials, subcontractor products and services plus construction and handing over. Provisions for warranties on work-in-progress for third parties are based on Management estimates for each project while taking contract obligations into account.

17. Contract assets and liabilities CONTINUED

DKK Thousands	2023	2022
Total costs incurred	82,276	145,419
Valuation after IFRS 9 (note 21)	(139)	(139)
Profit recognized as income, net	26,633	40,445
Contract assets	108,770	185,725
Contract liabilities	(73,877)	(168,678)
Net contract assets and liabilities	34,893	17,047
Of which contract assets are stated under assets	38,203	63,876
and contract liabilities	(3,310)	(46,829)
Net contract assets and liabilities	34,893	17,047

Contract assets and liabilities consist of all open projects on 31 December including cost and profit recognized in prior years. The majority of all contract assets and liabilities on 31 December are expected to be revenue recognized in 2024.

18. Bank loans and credit facilities

Accounting policy

Debt to credit institutions is recognized at the date of borrowing at the proceeds received less transaction costs. For subsequent periods, financial liabilities are measured at amortized cost for the difference between proceeds and the nominal value to be recognized as a financial expense over the term of the loan.

DKK Thousands

2023	0-1 year	1-5 years	More than 5 years	Total	Carrying amount	Weighted average effective interest rate
Cash and cash equivalents	156,027	-	-	156,027	156,027	3.1%
Assets	**156,027**			**156,027**	**156,027**	**3.1%**
Lease debt	(2,905)	(5,989)	-	(8,895)	(8,895)	3.4%
Other debt	(2,270)	-	-	(2,269)	(2,269)	0.0%
Debt to credit institutions	-	(4,106)	-	(4,106)	(4,106)	0.4%
Short term bank facilities	(3,278)	-	-	(3,278)	(3,278)	6.0%
Liabilities	**(8,453)**	**(10,095)**	**-**	**(18,548)**	**(18,548)**	**3.4%**
Net debt	**147,574**	**(10,095)**	**-**	**137,479**	**137,479**	**2.9%**

18. Bank loans and credit facilities CONTINUED

DKK Thousands

2022	0-1 year	1-5 years	More than 5 Years	Total	Carrying amount	Weighted average effective interest rate
Cash and cash equivalents	45,142	-	-	45,142	45,142	0.0%
Assets	45,142	-	-	45,142	45,142	**0.0%**
Lease debt	(3,626)	(5,416)	-	(9,042)	(9,042)	2.4%
Other debt	(9,828)	-	-	(9,828)	(9,828)	0.0%
Debt to credit institutions	-	(9,150)	-	(9,150)	(9,150)	0.4%
Short term bank facilities	(38,119)	-	-	(38,119)	(38,119)	2.3%
Liabilities	(51,573)	(14,566)	-	(66,139)	(66,139)	**1.1%**
Net debt	(6,431)	(14,566)	-	(20,997)	(20,997)	**1.1%**

Based on the Group's net debt at the end of the 2023 financial year, a rise of 1 percentage point in the general interest rate level will cause a decrease in consolidated annual earnings after tax and equity of approx. DKK 150k (DKK 270k in 2022).

Cash management

SKAKO is committed to maintaining a flexible capital structure. On 31 December 2023, SKAKO had undrawn committed credit facilities in the amount of DKK 168,797k (2022: DKK 61,274k). On 31 December 2023, SKAKO had 'cash and cash equivalents' and 'bank overdraft', net of DKK 152,749k (2022: DKK 7,023k).

Capital management

SKAKO monitors capital on the basis of the net debt relative to EBITDA. At the end of the year, the net debt to EBITDA ratio was equity ratio was negative -4.7 (2022: 0.5). SKAKO has a medium-term goal of a net debt to EBITDA ratio below 2.5.

19. Provisions

Accounting policy

Provisions are recognized when the Group, due to an event occurring before or at the balance sheet date, has a legal or constructive obligation and it is probable that financial benefits must be waived to settle the obligation. Provisions are measured according to Management's best estimate of the amount whereby the obligation is expected to be settled.

Provisions for warranty claims are estimated on a project-by-project basis based on historically realized cost related to claims in the past. The provision covers estimated own costs of completion, subsequent warranty supplies and unsettled claims from customers or subcontractors.

Provisions regarding disputes and lawsuits are based on Management's assessment of the likely outcome settling the cases based on the information at hand at the balance sheet date.

Significant assessment by Management

Management assesses provisions and the likely outcome of pending and probable lawsuits, etc. on an on-going basis. The outcome depends on future events, which are uncertain by nature. In assessing the likely outcome of lawsuits, etc., Management bases its assessment on internal and external legal assistance and established precedents.

Warranties and other provisions are measured on the basis of empirical information covering several years. Together with estimates by Management of future trends, this forms the basis for warranty provisions and other provisions. Long-term warranties and other provisions discounted to net present value takes place based on the future cash flow and discount rate expected by Management.

19. Provisions CONTINUED

DKK Thousands	2023		
	Warranties	Other provisions	Total
Provisions at 1 January	3,524	4,351	7,875
Foreign exchange adjustments	0	(2)	(2)
Additions	1,827	1,659	3,486
Used	(2,724)	(4,349)	(7,073)
Reversals	(1,200)	-	(1,200)
Provisions at 31 December	1,427	1,659	3,086
The maturity of provisions is specified as follows: Current liabilities	1,027	0	1,027
Non-current liabilities	400	1,659	2,059
	1,427	1,659	3,086

DKK Thousands	2022		
	Warranties	Other provisions	Total
Provisions at 1 January	3,027	4,142	7,169
Foreign exchange adjustments	4	2	6
Additions	3,454	4,351	7,805
Used	(1,361)	(4,144)	(5,505)
Reversals	(1,600)	-	(1,600)
Provisions at 31 December	3,524	4,351	7,875
The maturity of provisions is specified as follows: Current liabilities	2,214	1,316	3,530
Non-current liabilities	1,310	3,035	4,345
	3,524	4,351	7,875

Provisions for warranty covers a 1-3-year warranty period.

Other provisions relate to provisions for disputes, etc. and are essentially expected to be applied within the next five years.

20. Adjustments, consolidated cash flow statement

Adjustments

DKK Thousands	2023	2022
Amortisation and depriciation	4,511	10,196
Change in provisions	(1,403)	(84)
Financial items received and paid	3,330	4,637
Other	(73,511)	1,592
	(67,073)	16,341

Change in borrowings and short-term credit facilities

DKK Thousands	2023	2022
Borrowings 1 January	29,757	66,062
Repayments	(18,231)	(4,507)
New borrowings	7,022	4,583
Currency adjustments	-	-
Borrowings 31 December	18,548	66,138

21. Exchange rate, liquidity and credit risks

Accounting policy

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written down when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of longer than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written down are credited against the same line item.

Risk management activities in the SKAKO Group mainly focus on financial risks to which the Company is fairly likely to be exposed. In connection with the preparation of the Group's strategic, budgetary and annual plans, the Board of Directors considers the risks identified in these activities.

Financial risks

Financial risk management concentrates on identifying risks in respect of exchange rates, credit and liquidity with a view to protecting the Group against potential losses and ensuring that Management's forecasts for the current year are only to a limited extent affected by changes or events in the surrounding world – be the changes in exchange rates or in interest rates. It is Group policy to exclusively hedge financial risks arising from our commercial activities and not to undertake any financial transactions of a speculative nature.

Exchange rate risks

With more than 90% of the Group's sales being invoiced in foreign currencies, primarily EUR, reported revenue is affected by movements in the Group's trading currencies. The Group does not hedge (systematic) currency risks with financial instruments but seeks to minimize such exchange rate risks by matching positive and negative cash flows in the main currencies as much as possible. The Group conducts ongoing conversion to DKK in connection with the purchase and sale of foreign currency and monitoring of currency exposure.

21. Exchange rate, liquidity and credit risks CONTINUED

Below is a sensitivity analysis in respect of exchange rates, given a positive change of 5% in the currencies with the highest exposures. We do not consider a currency risk on EUR. The estimate has been provided on a non-hedged basis.

DKK Thousands	Net position	Change in currency	2023: Potential impact on P/L and Equity	2022: Potential impact on P/L and equity
EUR	52,596	0%	0	0
USD	1,555	5%	78	624
GBP	11,968	5%	598	312
MAD	14,246	5%	712	1,626

Liquidity risk

The Group aims at having sufficient cash resources to be able to take appropriate steps in case of unforeseen fluctuations in cash outflows. We have access to suitable undrawn credit facilities and the liquidity risk is therefore considered to be low.

Credit risks

The Group's credit risks relate primarily to trade receivables and contract assets. For large projects we have a signed Letter of Credit from the customer's bank before we undertake any work. Our remaining customer base is fragmented so credit risks in general only involve minor losses on individual customers.
Overall, we therefore estimate that we have no major credit exposure on Group level. The maximum credit risk relating to receivables matches the carrying amount of such receivables. All trade receivables are considered to be paid within one year

Trade receivables can be allocated as follows:

DKK Thousands	2023	2022
Europe	53,193	64,164
The USA	112	9,599
Africa	4,969	5,267
Other	-	22,355
	58,274	101,385

The Group has two types of financial assets that are subject to the expected credit loss model:

- Trade receivables from contracts with customers
- Contract assets from plant sales

21. Exchange rate, liquidity and credit risks CONTINUED

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The loss allowance as at 31 December 2022 and 31 December 2023 was determined as follows for both trade receivables and contract assets:

31 December 2023 – DKK Thousands

	Not Due	Due 0-30 days	Due 31-120 days	Due 121-365 days	Due more than 1 year	Total
Expected loss rate	0.1%	0.4%	1.0%	1.9%	30.0%	
Gross carrying amount – trade receivables	42,880	5,831	3,226	2,485	8,229	62,651
Gross carrying amount – contract assets	38,203	0	0	0	0	38,203
Loss allowance	**81**	**58**	**43**	**19**	**4,315**	**4,516**

31 December 2022 – DKK Thousands

	Not Due	Due 0-30 days	Due 31-120 days	Due 121-365 days	Due more than 1 year	Total
Expected loss rate	0.1%	0.4 %	1.0%	1.9%	100.0%	
Gross carrying amount – trade receivables	73,857	21,313	982	850	6,602	103,604
Gross carrying amount – contract assets	63,876	0	0	0	0	63,876
Loss allowance	**138**	**85**	**10**	**16**	**1,969**	2,218

The closing loss allowances for trade receivables and contract assets as at 31 December 2022 reconcile to the opening loss allowances as follows:

DKK Thousands	Contract assets		Trade receivables	
	2023	**2022**	**2023**	**2022**
1 January – calculated under IFRS 9	138	134	2,080	2,057
Increase in loan loss allowance recognized in profit or loss during the year	139	138	4,377	2,080
Receivables written off during the year as uncollectible	-	-	-	-
Unused amount reversed	(138)	(134)	(2,080)	(2,057)
At 31 December	**139**	**138**	**4,377**	**2,080**

22. Contractual liabilities, contingent liabilities and securities

The company's financial institutions have provided bank guarantees for consignments and prepayments of a total of DKK 28.3m (2022: DKK 53.7m).

Towards the company's primary financial institution, a deposit of DKK 50m (2022: DKK 50m) has been provided with deposit in unsecured claims, stocks, tangible assets and intangible rights.

There is a 12-month rent commitment related to a building in Denmark. The minimum rent liability amounts to DKK 2.1m (2022: DKK 3.1m).

The Danish subsidiaries of the Group are liable for tax of the jointly taxed income, etc. of the Group. SKAKO A/S is the administrative company of the joint taxation.

23. Related parties

SKAKO A/S has no related parties with a controlling interest. Given its share of ownership, Frederik2 ApS are considered to have significant influence.

The company's related parties comprise the company's Executive Management, Board of Directors and these persons' related family members. Related parties also comprise companies in which the before-mentioned persons have controlling or common control. In addition, related parties comprise the subsidiaries cf. page 113 in which SKAKO A/S has controlling or significant influence.

24. Events after the balance sheet date

SKAKO A/S have February 26, 2024 in OMX 1/2024 approved extraordinary dividend to shareholder of DKK 122m besides this there have been no events that materially affect the assessment of this Annual Report 2023 after the balance sheet date and up to today.

25. Approval and publication

At the Board meeting on 14 March 2024, our Board of Directors approved this Annual Report 2023 for publication. The report will be presented to the shareholders of SKAKO A/S at the annual general meeting on 17 April 2024.

26. Group accounting policies

The Group's general accounting policies are described below. In addition to this, specific accounting policies are described in each of the individual notes to the consolidated financial statements.

Generally

The consolidated financial statements are presented in compliance with IFRS Accounting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports published by reporting class D (listed) companies cf. the Danish executive order on IFRS issued in compliance with the Danish Financial Statements Act. The registered office of SKAKO A/S is in Faaborg, Denmark.

The consolidated financial statements are presented in Danish kroner (DKK), which is the presentation currency for Group activities and the functional currency for the Parent. The consolidated financial statements are presented on the basis of historical cost except for share-based remuneration which are measured at their fair value.

The financial statements for the Parent as well as the Parent's accounting policies are presented from the consolidated financial statements and are shown on the last part of this Annual Report 2023.

The accounting policies remain unchanged for the consolidated financial statements compared to 2022.

Effect of new accounting standards

Amendments to IAS 1, IAS 8, IAS 12 and IFRS 17 have no impact on the Group's accounting policies, due to immateriality to SKAKO.

Changes in accounting policies and classification for 2023

No new standards are expected to be implemented in 2023.

Effect of new accounting standards not yet in force

Revised and new standards and interpretations issued, but not yet effective or approved by the EU at the time of publication of this Annual Report 2023 have not been incorporated into this report.

Definition of materiality

IFRS contain extensive disclosure requirements. The Group discloses the information required according to IFRS unless such information is deemed immaterial.

Classification discontinued activities

A discontinued operation is a component of the entity that has been disposed. The results of discontinued operations are presented separately in the statement of profit or loss. Comparatives in the statement of profit and loss for previous periods are restated to reflect the result of discontinued operations.

Consolidated financial statements

The consolidated financial statements comprise SKAKO A/S (the Parent) and the enterprises in which the Parent can or actually does exercise control by either directly or indirectly holding more than 50% of the voting rights.

Consolidation principles

The consolidated financial statements are prepared on the basis of the financial statements for the Parent and its subsidiaries by aggregating uniform items. The financial statements included in the consolidated financial statements are prepared in accordance with the Group's accounting policies. Intra-Group income, expenses, shareholdings, balances and dividends as well as unrealized intra- Group profits on inventories are eliminated. The accounting items of subsidiaries are recognized 100% in the consolidated financial statements.

Income statement

Income and costs are recognized on an accrual basis. The income statement is broken down by function, and all costs including depreciation, amortization and impairment losses are then charged to production, distribution and administration.

Distribution costs

Distribution costs include costs relating to training, sales, marketing, promotion materials, distribution, bad debts as well as depreciation, amortisation and impairment losses on assets used for distribution purposes.

Administrative expenses

Administrative expenses include administrative staff costs, office expenses as well as depreciation, amortisation and impairment losses on assets used for administrative purposes.

26. Group accounting policies CONTINUED

Prepaid expenses

Prepaid expenses recognized under assets include costs relating to the subsequent financial years. Prepaid expenses are measured at cost.

Deferred income

Deferred income includes income received relating to the subsequent financial year. Deferred income is measured at cost.

Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and certain overdrafts, and other liquid assets.

Equity

Foreign currency translation reserve includes foreign currency translation adjustments on the translation of financial statements of foreign subsidiaries from their respective functional currencies into Danish kroner. Foreign currency translation adjustments are recognized in the income statement on realization of the net investment. Hedging reserves include fair value adjustments of derivatives satisfying the criteria for hedging of future transactions. The amounts are recognized in the income statement or the balance sheet in step with recognition of the hedged transactions.

Treasury shares

On the sales of treasury shares, the purchase price or selling price, respectively, is recognized directly in equity under other reserves (retained earnings).

Cash flow statement

The cash flow statement is prepared according to the indirect method and reflects the consolidated net cash flow broken down into operating, investing and financing activities.

Cash flow from operating activities includes inflows from the year's operations adjusted for non-cash operating items, changes in working capital, financial income received and expenses paid, realized foreign currency translation gains and losses and income tax paid. Cash flow from investing activities includes the purchase, development, improvement or sale of intangible assets and property, plant and equipment.

Cash flow from investing activities comprises cash flows from the purchase and sale of intangible, tangible and financial non-current assets.

Cash flow from financing activities comprises cash flows from raising and repaying long-term debt, instalments on lease liabilities and bank overdraft.

Estimates and judgements

On the preparation of the consolidated financial statements, Management makes a number of accounting estimates and judgements. These relate to the recognition, measurement and classification of assets and liabilities. Many items can only be estimated rather than accurately measured. Such estimates are based on the most recent information available on preparation of the financial statements. Estimates and assumptions are therefore reassessed on an ongoing basis. Actual figures may, however, deviate from these estimates. Any changes in accounting estimates will be recognized in the reporting period in which such changes are made. See list of significant estimates and assessments in chapter 4.4

Financial ratios

Financial ratios are calculated as follows:

- Gross profit margin = Gross profit x 100 / Revenue
- Profit margin = EBIT x 100 / Revenue
- Liquidity ratio = Total current assets x 100 / Total current liabilities
- Equity ratio = Total equity x 100 / Total assets
- Return on equity = Profit for the period x 100 / (Equity this year + equity prior year) / 2
- Financial leverage = Net interest-bearing debt x 100 / Equity
- Net debt to EBITDA = Net debt / EBITDA (EBIT less depreciations)
- NWC/Revenue = Net working capital x 100 / Revenue
- Earnings per share = Profit for the period / Shares in free flow
- Equity value per share = Equity / Total shares
- Share price = Share price at end of period
- Price-book ratio = Share price / Equity per share
- Market capitalization = Total number of share x Share price
- ROIC = NOPAT / (Invested capital this year + invested capital prior year) / 2
- NOPAT = Profit for the period +/- net financial income
- Invested capital = Total assets - net cash and credits - deferred tax assets – non-interest-bearing current liabilities

4.5 PARENT COMPANY FINANCIAL STATEMENTS

Parent company income statement

DKK Thousands

Notes		2023	2022
	Revenue		
	Other income	75,000	-
1,2	Administrative expenses	(3,078)	(4,025)
	Operating profit before special items (EBIT)	**71,922**	**(4,025)**
3	Special items	(1,934)	(1,650)
	Operating profit (EBIT)	**69,988**	**(5,675)**
4,8	Financial income	1,915	1,051
4	Financial expenses	(4,888)	(1,889)
	Profit before tax	**67,015**	**(6,513)**
5	Tax on profit for the year	2,714	1,784
	Profit for the year	**69,730**	**(4,729)**

Parent company statement of comprehensive income

DKK Thousands		2023	2022
Notes			
	Profit for the year	69,730	(4,729)
	Other comprehensive income	-	0
	Comprehensive income	69,730	(4,729)

Parent company balance sheet - 31 December

Notes	DKK Thousands	2023	2022
	Other intangible assets	-	-
6	**Intangible assets**	**-**	**-**
	Operating equipment, fixtures and fittings	-	-
	Leasehold improvements	-	-
	Tangible assets under construction	-	-
7	**Tangible assets**	**-**	**-**
8	Investments in subsidiaries	164,159	164,159
	Other receivables	-	-
9	Deferred tax assets	1,928	1,020
	Other non-current assets	**166,087**	**165,179**
	Total non-current assets	**166,087**	**165,179**
	Receivables from subsidiaries	164	232
	Trade receivables	-	-
	Income tax	1,806	2,304
	Other receivables	60	59
	Prepaid expenses	230	231
	Other investments	-	-
	Cash	126,246	488
	Current assets	**128,506**	**3,314**
	Assets	**294,593**	**168,493**

Parent company balance sheet - 31 December

DKK Thousands	2023	2022
Notes		
Share capital	31,064	31,064
Retained earnings	128,014	73,222
Proposed dividends	15,532	15,532
Total equity	**174,610**	**119,818**
Debt to subsidiaries	117,073	37,803
Bank loans and credit facilities	-	6,738
Trade payables	627	868
Other liabilities	2,283	3,266
Current liabilities	**119,983**	**48,675**
Liabilities	**119,983**	**48,675**
EQUITY AND LIABILITIES	**294,593**	**168,493**

Parent company cash flow statement

Notes	DKK Thousands	2023	2022
	Profit before tax	67,015	(6,513)
10	Adjustments	(74)	838
	Changes in receivables, etc.	-	68
	Change in trade payables and other liabilities, etc.	(1,225)	1,175
	Cash flow from operating activities before financial items and tax	**65,716**	**(4,432)**
	Interest received	**(1,915)**	**(1,051)**
	Interest paid	**4,888**	**1,889**
	Taxes paid and received	-	1,784
	Cash flow from operating activities	**68,689**	**(1,810)**
	Change in intra-Group balances	79,339	23,683
	Change in short-term bank facilities	(6,738)	(29,232)
	Distributed dividends	(15,532)	(12,335)
	Cash flow from financing activities	**57,069**	**(17,884)**
	Change in cash and cash equivalents	125,758	(19,694)
	Cash and cash equivalents 1 January	488	20,182
	Cash and cash equivalents 31 December	**126,246**	**488**
	Breakdown of cash and cash equivalents at the end of the year:		
	Cash	126,246	488
	Other investments		
	Cash and cash equivalents at the end of the year	**126,246**	**488**

Parent company statement of changes in equity

DKK Thousands	Share capital	Retained earnings	Proposed Dividends	Equity
Equity 1 January 2023	31,064	73,222	15,532	119,818
Paid dividends			(15,532)	(15,532)
Comprehensive income in 2023:				
Profit for the year		54,198	15,532	69,730
Other comprehensive income		112		112
Comprehensive income, year		**54,310**	**15,532**	**69,842**
Share-based payment, share warrants		482		482
Equity 31 December 2023	**31,064**	**128,014**	**15,532**	**174,610**

DKK Thousands	Share capital	Retained earnings	Proposed dividends	Equity
Equity 1 January 2022	31,064	92,825	12,335	136,224
Distributed interim dividends			(12,335)	(12,335)
Comprehensive income in 2022:				
Loss for the year	-	(20,261)	15,532	(4,729)
Other comprehensive income	-	-	-	-
Comprehensive income, year	-	**(20,261)**	**15,532**	**(4,729)**
Share-based payment, share warrants	-	658	-	658
Equity 31 December 2022	**31,064**	**73,222**	**15,532**	**119,818**

4.6 PARENT COMPANY NOTES

1. Staff costs

Number of employees in 2023: 0 (2022: 0)

For information regarding Executive Management and Board of Directors remuneration, including share-based warrant plans, please refer to note 4 and note 5 in the consolidated financial statements.

2.Fee to parent company auditors appointed at the Annual General Meeting

DKK Thousands	2023	2022
PWC		
Statutory audit	376	576
Other assurance engagements	-	-
Tax and indirect taxes consultancy	119	119
Other services	333	159
	828	**854**

The fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the parent company amounts to DKK 0.5m (2022: DKK 0.1m) and consists of accounting and tax advisory.

3. Special items

Special items consists of transaction costs for the terminated transaction process with Zefyr Invest and amounting to DKK 1,934m (2022: DKK 1,65m)

4. Net financial income

DKK Thousands	2023	2022
Interest from subsidiaries	-	631
Dividends received from subsidiaries	-	-
Reversal of write-down of shares in subsidiaries	-	-
Financial income from financial assets not measured at fair value in the income statement	**-**	**631**
Other financial income	1,915	420
Financial income	**1,915**	**1,051**
Interest to subsidiaries	(2,602)	(626)
Interest on bank debt	(1,711)	(668)
Interest on lease debt	-	-
Financial expenses on financial liabilities not measured at fair value in the income statement	**(4,313)**	**(1,294)**
Other financial expenses	(574)	(595)
Financial expenses	**(4,888)**	**(1,889)**
Net financial items	**(2,973)**	**(838)**

5. Tax on profit for the year

DKK Thousands	2023	2022
Current tax on the profit for the year	1,806	1,450
Adjustment of current tax, prior years	-	-
Change in deferred tax	908	334
Adjustment of deferred tax, prior years	-	-
Impact on changes in corporate tax rates	-	-
Tax for the period	**2,714**	**1,784**
Danish corporate tax rates	1,806	1,433
Effect of tax rates in foreign jurisdictions		-
Impact in changes in corporate tax rates		-
Tax assets not capitalized	908	351
Permanent differences and other items		-
	2,714	**1,784**

6. Intangible assets

DKK Thousands	2023	2022
	Software	Software
Cost 1 January	907	907
Investments	-	-
Disposals	-	-
Transferred between categories	-	-
Cost 31 December	**907**	**907**
Amortization and impairment 1 January	907	907
Disposals	-	-
Amortisation	-	-
Amortization and impairment 31 December	**907**	**907**
Carrying amount 31 December	-	-

7. Tangible assets

DKK Thousands	Leasehold improvements	Operating equipment, fixtures and fittings	Total
Cost 1 January 2023	341	2,168	2,509
Investments	-	-	-
Disposals	-	-	-
Transferred between categories	-	-	-
Cost 31 December 2023	**341**	**2,168**	**2,509**
Depreciation and impairment 1 January 2023	341	2,168	2,509
Transferred between categories	-	-	-
Disposals	-	-	-
Depreciation	-	-	-
Depreciation and impairment 31 December 2023	**341**	**2,168**	**2,509**
Carrying amount 31 December 2023	**-**	**-**	**-**

DKK Thousands	Leasehold improvements	Operating equipment, fixtures and fittings	Total
Cost 1 January 2022	341	2,168	2,509
Investments	-	-	-
Disposals	-	-	-
Transferred between categories	-	-	-
Cost 31 December 2022	**341**	**2,168**	**2,509**
Depreciation and impairment 1 January 2022	341	2,168	2,509
Transferred between categories	-	-	-
Disposals	-	-	-
Depreciation	-	-	-
Depreciation and impairment 31 December 2022	**341**	**2,168**	**2,509**
Carrying amount 31 December 2022	**-**	**-**	**-**

8. Investments in subsidiaries

DKK Thousands	2023	2022
Cost 1 January	260,534	260,534
Investments	-	-
Disposals	-	-
Cost 31 December	**260,534**	**260,534**
Write-down 1 January	(96,375)	(96,375)
Reversal of write-down	-	-
Write-down 31 December	**(96,375)**	**(96,375)**
Carrying amount 31 December	**164,159**	**164,159**

Group companies are listed on page 113.

9. Deferred tax

DKK Thousands	2023	2022
Deferred tax recognized in the balance sheet:		
Deferred tax assets	1,928	1,020
Deferred tax liabilities		-
Deferred tax, net 31 December	**1,928**	**1,020**
Deferred tax, net 1 January	1,020	687
Changes in deferred tax	908	333
Deferred tax, net 31 December	**1,928**	**1,020**
Deferred tax assets:		
Tax losses	1,928	1,020
	1,928	**1,020**
Deferred tax assets not recognized:		
Property, plants and equipment	205	205
Inventories		-
Other items	121	121
Tax losses	2,847	3,754
	3,173	**4,080**

Tax losses carried forward are not subject to time limitation.

10. Adjustments, cash flow statement

Adjustments

DKK Thousands	2023	2022
Depreciations	-	-
Financial items received and paid	2,973	838
Other	(3,047)	-
	(74)	838

Change in borrowings and short-term credit facilities

DKK Thousands	2023	2022
Borrowings 1. January	6,738	35,970
Repayments	(6,738)	(29,232)
New borrowings	-	-
Currency adjustments	-	-
Borrowings 31. December	-	6,738

11. Contracts liabilities, contingent liabilities and securities

Please refer to note 21 in the consolidated financial statements.

As security for SKAKO Vibration Holding A/S' and SKAKO Vibration A/S' outstanding account in relation to its primary financial institution, the company has provided an unlimited, joint and several suretyships.

Towards the company's primary financial institution, a company deposit of DKK 50m (2022: DKK 50m) has been provided with deposit in unsecured claims, stocks, tangible assets and intangible rights.

There is a 12-month rent commitment related to the building in Denmark. The minimum rent liability amounts to DKK 2.1m (2022: DKK 3.1m).

The company is jointly taxed with all Danish subsidiaries. The company is jointly and severally liable with the other companies in the joint taxation for Danish corporate taxes and withholding taxes on dividend, interests and royalties within the joint taxation.

12. Related parties

Please refer to note 23 in the consolidated financial statements.

In 2023, the Parent Company has sold services to subsidiaries for DKK 11,7m (2022: DKK 10.8m) and paid net interest expenses, cf. note 3.

13. Events after the balance sheet date

Please refer to note 24 in the consolidated financial statements.

14. Accounting policies

The financial statements for 2023 of the parent company, SKAKO A/S has been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies under reporting class D. The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value.

The accounting policies for the financial statements of the parent company are unchanged from the last financial year and are the same as for the consolidated financial statements with the following additions.

Supplementary accounting policies for the parent company

Investments in Subsidiaries

Investments in subsidiaries are recognized at cost less impairment losses. Where the recoverable amount is lower than cost, investments are written down to this lower value. Dividends received from investments in subsidiaries and associates are recognized in the income statement in the financial year in which the dividends are declared.

Intra-group transactions in the Parent Company Financial Statements

Intra-group transactions are recognized in the parent company financial statements at the carrying amount. Accordingly, additions to or disposals of investments are recognized at the carrying amount, and any difference between the carrying amount of net assets and the consideration paid is recognized directly in equity. Comparative figures are not restated.

Intercompany balances

Intercompany balances which are expected to be settled as part of the normal operating cycle, or where an unconditional right to defer settlement.

Subsidiaries

Company name	Country	Interest
SKAKO A/S	Denmark	**Parent**
SKAKO Vibration Holding A/S	Denmark	100%
SKAKO GmbH	Germany	100 %
SKAKO Vibration A/S	Denmark	100 %
SKAKO Vibration Ltd.	UK	100 %
SKAKO Dartek S.L.	Spain	100 %
SKAKO Vibration S.A.	France	100 %
SKAKO Vibration Succursale Maroc	Morocco	100 %
Aktieselskabet af 01.04.2012	Denmark	100 %

SKAKO

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