ANNUAL REPORT 2016

CONTENTS

KEY FIGURES AND FINANCIAL RATIOS – DKK

	2016	2015	2014	2013	2012
INCOME STATEMENT, DKK THOUSANDS					
Revenue	308,059	319,136	353,585	345,459	353,036
Gross profit	84,306	88,314	81,272	72,695	74,772
Operating profit (EBIT)	16,411	16,210	1,320	(555)	11,876
Net financial items	(3,265)	(3,133)	(4,100)	(4,271)	(4,912)
Profit before tax	13,146	13,077	(2,781)	(4,826)	6,964
Profit for the year, continuing activities	16,540	13,242	(6,796)	(9,958)	4,838
Profit/(loss) for the year, discontinuing activities	-	-	(682)	1,461	2,894
Profit for the year	16,540	13,242	(7,478)	(8,497)	7,732
BALANCE SHEET, DKK THOUSANDS					
Non-current assets	68,470	62,734	66,429	71,581	86,235
Current assets	176,601	181,710	170,011	163,252	161,162
Assets	245,071	244,445	236,440	237,821	251,717
Equity	102,360	84,797	70,521	77,517	73,557
Non-current liabilities	13,545	15,559	15,913	18,849	29,325
Current liabilities	129,166	144,090	150,004	140,967	146,984
Net interest-bearing debt	16,870	30,439	53,379	24,607	40,482
Net working capital	81,058	75,571	80,451	57,168	54,926
OTHER KEY FIGURES, DKK THOUSANDS					
Investment in intangible and tangible assets	5,849	1,245	5,264	2,413	11,708
Cash flow from operating activities (CFFO)	16,853	23,854	(24,476)	(12,216)	20,067
Free cash flow	11,004	22,610	(22,582)	(5,835)	18,624
Average number of employees	183	180	191	188	192
FINANCIAL RATIOS					
Gross profit margin	27.4%	27.7%	23.0%	21.0%	21.2%
Profit margin (EBIT margin)	5.3%	5.1%	0.4%	-0.2%	3.4%
Liquidity ratio	136.7%	126.1%	115.8%	115.8%	109.6%
Equity ratio	41.8%	34.7%	29.8%	32.6%	29.2%
Return on equity	17.7%	17.1%	-10.1%	-11.2%	11.1%
Financial leverage	16.5%	35.9%	75.7%	31.7%	55.0%
NWC/revenue	26.3%	23.7%	22.8%	16.5%	15.6%
Earnings per share, DKK	5.36	4.30	-2.41	-3.38	3.20
Equity value per share, DKK	33.0	27.3	22.7	25.0	32.3
Share price, DKK	92.5	44.8	21.8	27.7	30.6
Price-book ratio	2.8	1.6	1.0	1.1	0.9
Market capitalisation, DKK	287,343	139,167	67,720	86,048	95,056

Financial ratios are calculated in accordance with “Recommendations and Financial Ratios 2015” from the Danish Society of Financial Analysts. Net working capital is calculated as Inventory, Trade receivables and Work in progress for third parties less Prepayments from customers and Trade payables.

KEY FIGURES AND FINANCIAL RATIOS – EUR*

INCOME STATEMENT, EUR THOUSANDS	2016	2015	2014	2013	2012
Revenue	41,377	42,865	47,492	46,400	47,418
Gross profit	11,324	11,862	10,916	9,764	10,043
Operating profit (EBIT)	2,204	2,177	177	(75)	1,595
Net financial items	(438)	(421)	(551)	(573)	(660)
Profit before tax	1,766	1,756	(374)	(648)	935
Profit for the year, continuing activities	2,222	1,779	(912)	(1,337)	650
Profit/(loss) for the year, discontinuing activities	-	-	(92)	196	389
Profit for the year	2,222	1,779	(1,004)	(1,141)	1,039
BALANCE SHEET, EUR THOUSANDS					
Non-current assets	9,210	8,438	8,935	9,628	11,599
Current assets	23,754	24,442	22,868	21,959	21,678
Assets	32,964	32,880	31,804	31,989	33,858
Equity	13,768	11,406	9,486	10,427	9,894
Non-current liabilities	1,822	2,093	2,140	2,535	3,945
Current liabilities	17,374	19,382	20,177	18,961	19,771
Net interest-bearing debt	2,269	4,094	7,180	3,310	5,445
Net working capital	10,903	10,165	10,821	7,690	7,388
OTHER KEY FIGURES, EUR THOUSANDS					
Investment in intangible and tangible assets	787	167	708	325	1,575
Cash flow from operating activities (CFFO)	2,267	3,209	(3,292)	(1,643)	2,699
Free cash flow	1,480	3,041	(3,038)	(785)	2,505
Average number of employees	183	180	191	188	192
FINANCIAL RATIOS					
Gross profit margin	27.4%	27.7%	23.0%	21.0%	21.2%
Profit margin (EBIT margin)	5.3%	5.1%	0.4%	-0.2%	3.4%
Liquidity ratio	136.7%	126.1%	115.8%	115.8%	109.6%
Equity ratio	41.8%	34.7%	29.8%	32.6%	29.2%
Return on equity	17.7%	17.1%	-10.1%	-11.2%	11.1%
Financial leverage	16.5%	35.9%	75.7%	31.7%	55.0%
NWC/revenue	26.3%	23.7%	22.8%	16.5%	15.6%
Earnings per share, EUR	0.72	0.58	-0.32	-0.45	0.43
Equity value per share, EUR	4.43	3.67	3.05	3.36	4.34
Share price, EUR	12.44	6.03	2.93	3.73	4.12
Price-book ratio	2.8	1.6	1.0	1.1	0.9
Market capitalisation, EUR	38,650	18,719	9,109	11,574	12,786

Financial ratios are calculated in accordance with "Recommendations and Financial Ratios 2015" from the Danish Society of Financial Analysts. Net working capital is calculated as Inventory, Trade receivables and Work in progress for third parties less Prepayments from customers and Trade payables.

**On the translation of key figures and financial ratios from Danish kroner to euro, Danmarks Nationalbank's rate of exchange at 30 December 2016 of 743.44 has been used for balance sheet items, and the average rate of exchange of 744.52 has been used for income statement and cash flow items.*

LETTER FROM MANAGEMENT

Improved earnings in both business areas
Following a very low order intake during the first nine months of 2016 for SKAKO Concrete, market activity resumed in fourth quarter and the Group ended the year with a higher order intake than last year. Order intake in fourth quarter was only to a limited extent converted to revenue in 2016 and Group revenue amounted to DKK 308,1m which was DKK 11m lower than last year.

Despite the decrease in revenue, profit for the year increased by nearly 25% and amounted to DKK 16,5m, which is within our expectations and in line with our guidance for the year. We are pleased that both SKAKO´s business areas again contributed positively to the increased earnings.

Prepared to seize future growth opportunities
A key priority for Management in 2016 has been to strengthen our customer focus.

- SKAKO Vibration have been successful in Germany for many years, where our product portfolio, services and know-how within the automotive Industry has made SKAKO the preferred partner for many leading companies in the industry. We are aiming at becoming one of the leading global participants in the automotive industry. In 2016 we have therefore strengthened our presence in countries with a significant automotive industry. We have thus employed a regional Sales Manager in North America and has strengthened our local presence in Asia by appointing new agents in South Korea, India and Thailand.

- SKAKO Vibration has a global market leader position as supplier of washing and vibratory equipment to the phosphate industry. In 2016 we cemented our position as we received two large orders in Morocco.

- SKAKO Concrete has strengthened the presence in North America by staffing up with a Sales Manager in the United States. Furthermore, we were established with own sales representatives in Germany and the UK and we are starting to benefit from this.

- SKAKO Concrete has a strong aftersales division and we have significantly improved our product portfolio.

Another key priority for Management in 2016 was to simplify the business even further. Whilst our offering to customers often has a high degree of complexity, our internal setup needs to be lean and simple. We have started to implement a new ERP system within the Group providing the functionality necessary to further optimize our business. We have already experienced improved efficiency from this and we expect further efficiency improvements when the ERP system is fully implemented.

We know that all our employees worldwide are committed to contributing to the Group's goals so we would like to take this opportunity to thank our dedicated and talented employees around the world for their performance and solid contribution to the results realised in 2016.

Kaare Vagner Jensen
Chairman of the Board

Søren Pedersen
Director

Jakob Have
CFO

Lionel Girieud
Director

SKAKO AT A GLANCE

The SKAKO Group has two business areas:

- SKAKO Vibration: Vibratory feeding, conveying and screening equipment
- SKAKO Concrete: Concrete batching plants for ready-mix, precast and jobsite plants

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

Our production facilities are in Faaborg in Denmark and Strasbourg in France and the products are based on application know-how and own developed technology.

The global market is penetrated using a niche strategy with a sector-driven focus. We are strong within the automotive sector, the mining sector and especially the phosphate mining sector. The main markets are EU and North Africa. We have strong focus on expanding in Morocco to support our significant growth within supplying to the phosphate mining sector. Focus is also on becoming one of the leading global participants in the automotive industry.

SKAKO Concrete
SKAKO Concrete develops, designs and sells a versatile high-end product range of all types of concrete batching plants for ready-mix, precast and jobsite plants. Our main focus is on plant sales with a strong after sales division.

Our production facility is in Lille in France and the products are based on own developed technology.

The main markets are EU, North America and the Middle East. We have strong focus on obtaining higher market share on existing markets without increasing the risk profile on the orders.

We have completed a turnaround and we continue to have high focus on efficiency and optimization initiatives.

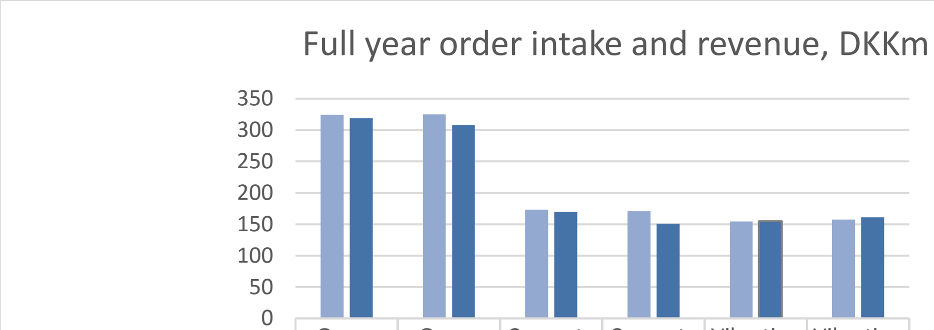
Research and development
Both business areas' product portfolios were significantly improved in 2016, among other things with a patented semi-automated modular system to fill and compact gabions, and our new packaging system, a flexible machine that can fill differently sized carton boxes and plastic returnable boxes. Furthermore, we have developed a new AM 4500 mixer and a wash unit for AM mixers.

All products have been specially developed to strengthen our position on core markets and to attract new customers. Our innovation is aiming at adding value to the market by developing new equipment, developing better alternative technologies and developing innovative solutions that can optimize the performance of existing plants and equipment. Several forms of direct and indirect R&D incentives in terms of tax incentives and other grants and subsidy schemes for research and development exist, all with the aim of boosting innovation and productivity. As in prior years, part of our research and development costs have been covered by research and development incentives received, cf. note 2 in the consolidated financial statements. We will continue our strong focus on developing new innovative products and solutions in the years to come.

FINANCIAL REVIEW (FULL YEAR 2016)

Order intake, revenue and earnings
Following a very low order intake during the first nine months of 2016 for the Concrete division, market activity resumed in fourth quarter and we ended the year with an order intake of DKK 325,2m (2015: DKK 324,4m).

Order intake in fourth quarter was only to a limited extent converted to revenue in 2016 and Group revenue amounted to DKK 308,1m which was DKK 11m lower than last year.
Gross profit amounted to DKK 84,3m (2015: DKK 88,3m), corresponding to a gross profit margin of 27.4% (2015: 27.7%).



	Group 2015	Group 2016	Concrete 2015	Concrete 2016	Vibration 2015	Vibration 2016
Order intake	324,4	325,2	173,5	171,0	154,5	157,6
Revenue	319,1	308,1	169,5	151,0	154,8	161,2

Our high focus on efficiency and optimization initiatives has started to materialize, and EBIT amounted to DKK 16,4m representing an increase of DKK 0,2m compared to last year, corresponding to a EBIT margin of 5.3% (2015: 5.1%).

Profit for the year amounted to DKK 16,5m (2015: DKK 13,2m). corresponding to earnings per share (EPS) of DKK 5.36 (2015: DKK 4.30).

	Group 2015	Group 2016	Concrete 2015	Concrete 2016	Vibration 2015	Vibration 2016
Operating profit (EBIT)	16,2	16,4	2,5	5,8	15,0	13,0
Profit for the year	13,2	16,5	2,6	6,8	11,0	12,6

Profit for the year of DKK 16,5m was within the guidance for 2016 of a profit for the year in the level DKK 15-25m, corresponding to earnings per share (EPS) in the level DKK 4.83-8.05.

Equity
The Group´s equity was DKK 102,4m at 31 December 2016 (DKK 84,8m at 31 December 2015) matching an equity ratio of 41.8%. The increase in equity is mainly due to profit for the year of DKK 16,5m.

Cash flow
Cash flow from operating activities (CFFO) amounted to DKK 16,9m (2015: DKK 23,9m).
Free cash flow amounted to DKK 11,0m (2015: DKK 22,6m).

The order book contains several large projects and the cash flow is impacted by the payment terms in these contracts.

Balance sheet
At 31 December 2016, the Group's assets totalled DKK 245,1m which is an increase of DKK 0,6m on the balance sheet total at year-end 2015.

Net interest-bearing debt was reduced by DKK 13,6m and totalled DKK 16,9m at 31 December 2016. In 2016 we have renegotiated conditions with our primary financial institution which have resulted in interest rates reduced by more than 50% compared to last year.

There have been no events that materially affect the assessment of this Annual Report 2016 after the balance sheet date and up to today.

The Parent company
The profit for the period in the Parent company is influenced by a reversal of write down related to shares in subsidiaries.

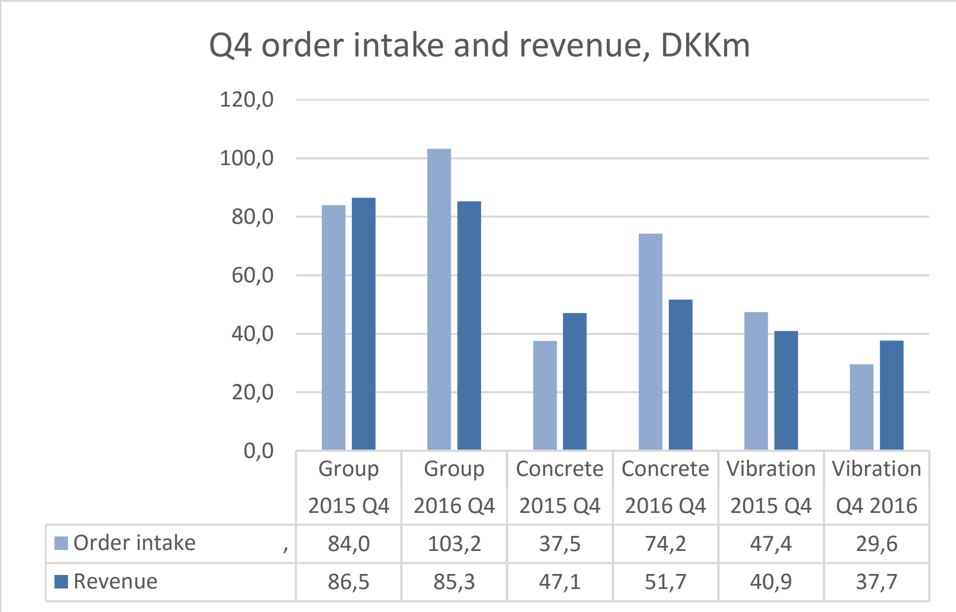
We have successfully completed a turnaround of the business and generated a strong pipeline of orders during 2016. Based on this, the write down from previous years has been reversed, in total DKK 75,3m.

The reversal of write down has no impact on the consolidated figures.

FINANCIAL REVIEW (Q4 2016)

Order intake, revenue and earnings
Order intake in Q4 2016 amounted to DKK 103,2m representing an increase of 23% (Q4 2015: DKK 84,0m). The increase was predominantly driven by the Concrete division due to the two large, total DKK 37m, orders won in Sweden and in the Far East, cf. company announcements 12/2016 and 13/2016.

Revenue amounted to DKK 85,3m (Q4 2015: DKK 86,5m) which was DKK 10m higher than average for the first three quarters of 2016. The two large orders won in Sweden and in the Far East had a limited impact on revenue in Q4 2016.

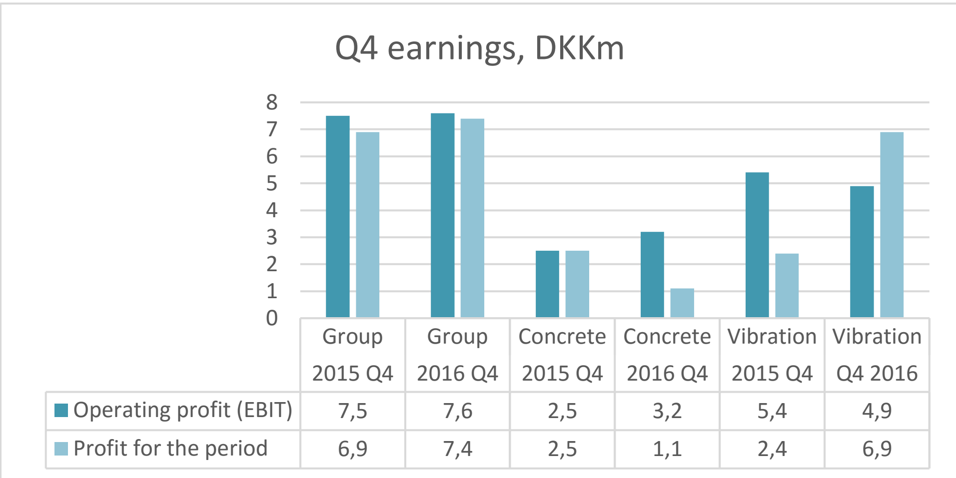


	Group 2015 Q4	Group 2016 Q4	Concrete 2015 Q4	Concrete 2016 Q4	Vibration 2015 Q4	Vibration Q4 2016
Order intake	84,0	103,2	37,5	74,2	47,4	29,6
Revenue	86,5	85,3	47,1	51,7	40,9	37,7

The gross profit amounted to DKK 25,4m (Q4 2015: DKK 29,3m), corresponding to a gross profit margin of 29.8% (Q4 2015: 33.9%).

Our high focus on efficiency and optimisation initiatives has started to materialize, and EBIT amounted to DKK 7,6m (Q4 2015: 7,5m), corresponding to a EBIT margin of 8.9% (Q4 2015: 8.7%).

Profit for the period amounted to DKK 7,4m (Q4 2915: 6,9m).



	Group 2015 Q4	Group 2016 Q4	Concrete 2015 Q4	Concrete 2016 Q4	Vibration 2015 Q4	Vibration Q4 2016
Operating profit (EBIT)	7,5	7,6	2,5	3,2	5,4	4,9
Profit for the period	6,9	7,4	2,5	1,1	2,4	6,9

Quarterly cash flow developments
Cash flow from operating activities (CFFO) amounted to DKK 20,5m in Q4 2016 (Q4 2015: DKK 13,3m).

Free cash flow amounted to DKK 17,8m in Q4 2016 (Q4 2015: DKK 6,3m).
The order book contains several large projects and the cash flow of the period is impacted on the payment terms in these contracts.

OUTLOOK 2017

Market and business conditions going forward
We are entering 2017 with a higher backlog compared to prior year, which is expected to contribute positively to our financial performance in the beginning of 2017, when comparing to prior year.

The pipelines in both SKAKO Concrete and SKAKO Vibration are good. In recent years, we have annually announced up to four large orders and we expect to announce a similar level of large orders in 2017. For large orders, the usual time from contract signing to project handover is more than six months. The financial performance for 2017 is largely depending on timing of receipt of new large orders.

Outlook 2017
We are guiding for an operating profit (EBIT) of DKK 15-20m.

SHAREHOLDER INFORMATION

As of 31 December 2016, SKAKO's nominal share capital was 31,064,180 DKK divided into 3,106,418 shares of 10 DKK each. All shares are the same class and carry one vote each.

The Board of Directors has been authorised by the annual general meeting to increase the company's share capital by a nominal value of up to DKK 1,000,000. The authorisation is valid until 31 March 2017. Furthermore, the Board of Directors has been authorised to increase the share capital by an additional nominal value of up to DKK 2,000,000 in connection with the warrant program. The authorisation is valid until 18 April 2021.

The company's Board of Directors has the authority of the general meeting to acquire up to 10% own shares at a market price +/-10%. The authority is valid until 18 April 2017.

SKAKO A/S is listed at NASDAQ OMX Copenhagen A/S under identification code DK0010231877. The price of SKAKO shares increased by 106.5% in 2016, and at 31 December 2016, the share price was 92.5 corresponding to a market capitalisation of DKK 287.3m.

By the end of 2016 the company had 1697 registered shareholders compared with 1184 registered shareholders by the end of 2015. The registered shareholders own a total of 93.4% of the share capital compared to 79.2% by the end of 2015.

Specification of movements in share capital

DKK thousands	2016	2015	2014	2013	2012
Share capital at 01.01.	31,064	31,064	31,064	24,362	24,362
Capital increase	-	-	-	6,702	-
Share capital at 31.12	31,064	31,064	31,064	31,064	31,064

Shareholders with more than 5% of the shares

Lind Invest ApS, Aarhus:	30.58%
Danica Pension, Copenhagen:	10.11%
Maj Invest Holding A/S, Copenhagen:	9.98%
Christian Herskind Jørgensen, Humlebæk:	5.34%

Dividend

The Board of Directors recommends that no dividend is paid for 2016.

Financial calendar 2017

22 March	Annual report for 2016
18 April	Ordinary general meeting 2017
23 May	Interim report for the period 1 January – 31 March 2017
29 August	Interim report for first half-year 2017
31 October	Interim report for the period 1 January 2017 – 30 September 2017

Annual general meeting 2017

The annual general meeting will be held on Tuesday 18 April 2017 at 3 p.m. at the Company's head office, Bygmestervej 2, 5600 Faaborg, Denmark.

Investor Relations

Investors, analysts and medias are welcome to contact Kaare Vagner Jensen (Chairman of the Board of Directors) by phone +45 63113860 or by email to skako.dk@skako.com

COMPANY ANNOUNCEMENTS 2016

Main company announcements in 2016

5 February	01- SKAKO wins new significant order in North Africa
10 February	02- SKAKO appoints new CFO
22 March	03 - Annual report 2015
22 March	04 - Notice to ordinary General Assembly
18 April	05 - Course of General Assembly on 18 April 2016
24 May	06 - Interim report first quarter 2016
7 June	07 - Insider trading with SKAKO shares
22 June	08 - SKAKO secures another large order in North Africa
18 July	09 - Granting of warrants to management and managerial employees
30 August	10 - Interim report first half-year 2016
5 September	11 - Insider trading with SKAKO shares
20 October	12 - SKAKO sells newly developed concrete mixer to major Scandinavian customer
21 October	13 - Another large order to SKAKO Concrete for a high silo concrete mixing plant to distant market
25 October	14 - Financial calendar for 2017
27 October	15 - Interim report for SKAKO A/S for the first three quarters of 2016

The company announcements are available on the company website:
http://www.skako.com/dk/skako-group/investor-relations/selskabsmeddelelser.html

RISK MANAGEMENT ACTIVITIES

Risk management activities in the SKAKO Group first and foremost 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 90% of the Group's sales being invoiced in foreign currencies, reported revenue is affected by movements in the Group's trading currencies. The Group seeks to hedge against such exchange rate risks by seeking to match positive and negative cash flows in the main currencies as much as possible.

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 led 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
Once a quarter we carry through a detailed planning and budgetary process, and any deviations from the plans and budgets are carefully monitored.

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.

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, taken out under the Group's global insurance programme administered by recognised and credit-rated insurance brokers and that such insurances are taken out with insurance companies with high credit ratings. The Group's insurance programme 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.

CORPORATE GOVERNANCE

Recommendations on corporate governance

Recommendations issued by the Danish Committee on Corporate Governance and adopted by Nasdaq Copenhagen are best-practice guidelines for the management of companies admitted to trading on a regulated market in Denmark. The recommendations should be viewed together with the statutory requirements including not least the Danish Companies Act and the Danish Financial Statements Act, but also European Union company law and the OECD Principles of Corporate Governance.

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, http://www.skako.com/fileadmin/SKAKO/PDF/Stamdata_SKAKO/SKAKO_recommendations_on_corporate_governance_2016.pdf

Through this reference to our website, we meet the requirement that the annual report must include a statutory report on company management, cf. section 107 b of the Danish Financial Statements Act.

The work on corporate governance is an ongoing process for our Board of Directors and Executive Board, who determine the extent to which the Company should comply with the recommendations and regularly assess whether the recommendations give rise to amendments to our rules of procedure or managerial processes. When reporting on corporate governance, we follow the "comply or explain" principle, which means that if we do not comply with a recommendation, this does not constitute a breach as long as we explain why we have chosen not to follow a given recommendation and also explain what we do instead. The few cases where we have chosen to deviate from a recommendation are well-founded, and we explain what we do instead. To further increase transparency, we have decided to provide supplementary and relevant information, even when we follow the recommendations.

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

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.
In 2016, the committee reviewed the main accounting principles, tax strategy and compliance and key risks, etc.
In 2016, the Audit Committee held four meetings.

Statutory statement for the underrepresented gender

At SKAKO A/S we believe that a multiple and tolerant organisation 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. Gender equality in the management and focus on multiplicity is an integrated part of SKAKO A/S's personnel policy.

At present, SKAKO A/S has no female board members. However, the Board of Directors is aware of this 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 20% by 2020.

In the view of the Board of Directors, the determined 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 promoting two female managers. 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.

CORPORATE GOVERNANCE (continued)

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.

Corporate social responsibility
SKAKO has no formal policies regarding social responsibility. However, the company works on the basis of general principles for social responsibility and on limiting the negative environmental impacts as much as possible.

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

Through energy improvements and savings and through innovative thinking of internal transportation and communication, SKAKO contributes to reducing its climate impact.

This has resulted in the wording of the "Code of Conduct" in our production principles. This ensure that suppliers and their suppliers produce and deliver their services to the Group in a way that considers the environment and the employees' rights.

Environment

- **Production:** The Group is a knowledge and engineering company with production of key components. The production consists of mainly mounting and testing and does not include energy-demand or polluting processes. Except from one cabin for wet painting in the factory in Lille, France all surface treatment processes are outsourced to sub suppliers.

- **Heating:** Continuously, a number of energy-saving initiatives have been and will be carried out in order to reduce heating costs.

- **Transport:** The company has an indirect environmental impact in form of ingoing and outgoing transport such as trucks, ships and to a minor extent planes. In case of plant orders for distant markets, production of major steel constructions is executed at local sub suppliers to a certain extent and in other cases the customer produces himself these constructions. Generally, there is a high focus on minimizing transport in relation to handling of plant orders.

It is the Group's view that we all have a responsibility of contributing to a better environment. The Group companies continue to focus on the environment.

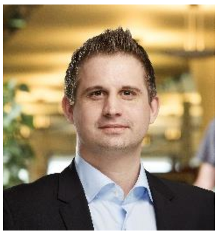
Innovation
Our innovation is aimed at adding value to the market by developing new equipment, developing better alternative technologies and developing innovative solutions that can optimize the performance of existing plants and equipment.

Safety and health
The Group's policies within the working environment and in relation to the Group's employees involve a strong focus on establishing and securing a healthy working environment to prevent accidents and damage as well as creating positive relations to the workplace, in general.

Workplace environment committees have been established in Denmark and in France, respectively, in order to plan the cooperation between management and employees to increase health and safety of the Group's employees. Heart defibrillators have been mounted in the Group and a number of employees have followed first aid courses continuously to be able to increase safety among employees.

EXECUTIVE MANAGEMENT





Name	**Søren Pedersen**	**Lionel Girieud**	**Jakob Have**
Born in	1962	1971	1981
Title	Director	Director	CFO
Member of the Management since	2014	2016	2016
Number of shares in SKAKO	5,460	5,166	5,000
Board positions	-	-	-

BOARD OF DIRECTORS

		
Name	**Kaare Vagner Jensen** Chairman Member of the Audit Committee Considered as an independent Board member	**Christian Herskind Jørgensen** Deputy Chairman Considered as an independent Board member
Born in	1946	1961
Board member since	2010	2009
SKAKO shares	75,667	165,907
Managerial positions in other companies	**Chairman of the Board:** ERRIA A/S Strandøre Invest A/S Copenhagen Engineering A/S Selskab 1 ApS **Board member:** Mols-Linien A/S ERRIA Container Service I/S Plumrose Latinoamerico C.A. LS Stålmontage ApS **Others positions:** LD Invest Vietnam K/S (member investment committee)	**Chairman of the Board:** Mannaz A/S Fonden Amager Bakke **Deputy Chairman:** Fonden Soldaterlegatet Fonden til støtte for soldater I internationale missioner **Board member:** Danske Ingeniørers Efteruddannelses Fond Sumisura A/S Nordsøenheden/Nordsøfonden Orbicon A/S Associated Danish Ports A/S LM Byg A/S **Others positions:** Refshaleøen Holding A/S, Managing Director Refshaleøens Ejendomsselskab A/S, Managing Director Herskind Venture Capital ApS, Director Ejendomsselskabet Helsingør/Århus, Director
Special competences	Kaare Vagner Jensen is educated extended marine engineer and engineer officer (in the Danish Navy) with several supplementary educations from IMD/INSEAD. His competences include many years of management of significant Danish and international companies within industry, railway and shipping business.	Christian Herskind Jørgensen is educated lawyer from University of Copenhagen and University of London and is also Reserve Colonel. His competences include significant experience within sales, marketing, strategy, management, HR and conditions of employment as well as legal matters.

BOARD OF DIRECTORS (continued)

		
Name	**Jens Wittrup Willumsen** Chairman of the Audit Committee Considered as an independent Board member	**Henrik Lind** Considered a non-independent Board member
Born in	1960	1975
Board member since	2010	2011
SKAKO shares	49,876	949,808
Managerial positions in other companies	**Chairman of the Board:** Mediehuset Ingeniøren A/S Dansk Selskab for Virksomhedsledelse (VL) INDEX: Design to Improve Life SimplyDay AB Freeminds Media A/S Ezector Solutions ApS **Deputy Chairman:** Billund Lufthavn **Board member:** FDM Travel Marketsoft A/S Charlotte Sparre A/S Experimentarium A/S Koldinghus Handiscover AB Fonden Design Society **Others positions:** Colonial ApS, Director own holding company	**Deputy Chairman:** Lind Capital A/S Lind Capital Fondsmæglerselskab A/S **Board member:** Kristensens Partners III A/S Cornerstone Properties Germany Holding ApS 4U-Development A/S Blue Equity Management A/S **Other positions:** Danske Commodities A/S, CEO Lind Invest ApS, CEO Aros Investments Holding ApS, CEO
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.	Henrik Lind is educated HD in Financing from University of Aarhus, supplemented by a board education from Plesner. His competences include comprehensive experience with business development as well as financial and structural conditions hereunder M&A activities.

MANAGEMENT STATEMENT

We have today discussed and approved the Annual Report 2016 of SKAKO A/S for the financial year 1 January – 31 December 2016.

The annual report has been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

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 2016 and of the results of the Group´s and the parent company´s operations and cash flows for the financial year 1 January – 31 December 2016.

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.

We recommend the Annual Report for 2016 be approved at the Annual General Meeting.

Faaborg, 22 March 2017

Executive Board

Søren Pedersen Director	Lionel Girieud Director	Jakob Have CFO

Board of Directors

Kaare Vagner Jensen Chairman	Christian Herskind Jørgensen Deputy Chairman
Jens Wittrup Willumsen	Henrik Lind

INDEPENDENT AUDITOR´S REPORT

To the shareholders of SKAKO A/S

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 2016 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 2016 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

What we have audited

SKAKO A/S' Consolidated Financial Statements and Parent Company Financial Statements for the financial year 1 January to 31 December 2016 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including summary of significant accounting policies 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2016. 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.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Revenue recognition from long-term construction contracts Recognition of the Group's revenue is complex due to a high degree of accounting estimates and uncertainty regarding recognition of revenue from long-term construction contracts. Work in progress for third parties amounted to DKK 49 million (2015: DKK 30 million) net and prepayments from customers DKK 10 (2015: DKK 18 million). We focused on this area, as recognition of revenue involves a number of judgements made by Management originating from percentage of completion and estimated cost to completion. We refer to note 13.	Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with applicable accounting standards. We performed substantive procedures over significant contracts and costs allocated to projects in order to assess the accounting treatment and principles applied. We assessed Management's estimated cost to completion and contribution margin for construction contracts in order to evaluate valuation of construction contracts and recognised revenue. We compared the estimated contribution margins to actual contribution margins for finished projects in 2016 and 2017 and to prior year's estimates. 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. We performed journal entry testing of revenue entries including entries regarding long-term contracts.

Deferred tax assets At 31 December 2016, the Group has recognised deferred income tax assets of DKK 23 million (2015: DKK 17 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 potentially material and the valuation of tax assets is associated with uncertainty and judgement. Reference is made to note 11.	We evaluated Management's procedure for estimating the deferred tax assets. In understanding and evaluating Management's judgements, we considered the status of recent tax authority audits and enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. Further, we evaluated the Group's budgets for the coming years including key assumptions. In addition, we used tax specialists, evaluated and challenged the adequacy of Management's key assumptions to assess Management's estimates.

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 Responsibility 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 International Financial Reporting 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Odense, 22 March 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Gert Fisker Tomczyk State Authorised Public Accountant	Line Hedam State Authorised Public Accountant

SKAKO

ANNUAL REPORT 2016

Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT

DKK thousands		2016	2015
Notes			
1	Revenue	308,059	319,136
2,3	Production costs	(223,753)	(230,822)
	Gross profit	**84,306**	**88,314**
3	Distribution costs	(39,418)	(37,159)
3,4,5	Administrative expenses	(28,477)	(34,961)
	Other income	0	16
	Operating profit (EBIT)	**16,411**	**16,210**
6	Financial income	58	487
6	Financial expenses	(3,323)	(3,620)
	Profit before tax	**13,146**	**13,077**
7	Tax on profit for the year	3,394	165
	Profit for the year	**16,540**	**13,242**
	Profit for the year attributable to SKAKO A/S shareholders	**16,540**	**13,242**
8	Earnings per share (EPS), DKK	5.36	4.3
8	Diluted earnings per share (EPS), DKK	5.36	4.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK thousands		2016	2015
Notes			
	Profit for the year	**16,540**	**13,242**
	Other comprehensive income:		
	Items that have been or may subsequently be reclassified to the income statement:		
	Foreign currency translation, subsidiaries	496	903
	Value adjustments of hedging instruments	153	169
	Tax on items that have been or may subsequently be reclassified to the income statement	0	(38)
	Other comprehensive income	**649**	**1,033**
	Comprehensive income	**17,189**	**14,275**
	Comprehensive income attributable to SKAKO A/S shareholders	**17,189**	**14,275**

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

DKK thousands		2016	2015
Notes			
	Other intangible assets	5,356	1,013
	Intangible assets under development	542	561
9	**Intangible assets**	**5,898**	**1,574**
	Land and buildings	34,488	35,721
	Plant and machinery	2,727	3,758
	Operating equipment, fixtures and fittings	1,116	1,968
	Leasehold improvements	58	1,265
	Tangible assets under construction	453	53
10	**Tangible assets**	**38,842**	**42,765**
	Other receivables	1,145	1,128
11	Deferred tax assets	22,585	17,268
	Other non-current assets	**23,730**	**18,396**
	Total non-current assets	**68,470**	**62,735**
12	Inventories	43,425	48,258
	Trade receivables	65,521	77,396
13	Work in progress for third parties	48,830	29,939
	Income tax	185	1,067
	Other receivables	7,593	8,922
	Prepaid expenses	1,586	2,107
	Other investments	74	74
	Cash	9,387	13,947
	Current assets	**176,601**	**181,710**
	Assets	**245,071**	**244,445**

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

DKK thousands		2016	2015
Notes			
	Share capital	31,064	31,064
	Foreign currency translation reserve	747	251
	Hedging reserve	45	(108)
	Retained earnings	70,504	53,590
	Total equity	**102,360**	**84,797**
14	Bank loans and credit facilities	9,724	12,116
14	Financial leasing	237	519
15	Provisions	3,584	2,924
	Non-current liabilities	**13,545**	**15,559**
15	Provisions	8,714	6,411
14	Bank loans and credit facilities	16,014	29,113
14	Financial leasing	282	2,637
13	Prepayments from customers	9,847	17,812
	Trade payables	66,872	62,210
	Income tax	743	351
	Other liabilities	24,812	22,566
	Deferred income	1,882	2,990
	Current liabilities	**129,166**	**144,090**
	Liabilities	**142,711**	**159,649**
	EQUITY AND LIABILITIES	**245,071**	**244,445**

CONSOLIDATED CASH FLOW STATEMENT

DKK thousands		2016	2015
Notes			
	Profit before tax	13,146	13,077
16	Adjustments	10,136	8,748
	Changes in receivables, etc.	(5,182)	(8,483)
	Change in inventories	4,833	2,780
	Change in trade payables and other liabilities, etc.	(2,166)	11,451
	Cash flow from operating activities before financial items and tax	**20,767**	**27,573**
	Financial items received and paid	(3,265)	(3,133)
	Taxes paid	(649)	(586)
	Cash flow from operating activities	**16,853**	**23,854**
	Investment in intangible assets	(5,030)	(719)
	Investment in tangible assets	(819)	(526)
	Cash flow from investing activities	**(5,849)**	**(1,245)**
	Change in borrowings	(2,392)	1,642
	Cash flow from financing activities	**(2,392)**	**1,642**
	Change in cash and cash equivalents	8,612	24,251
	Cash and cash equivalents at 1 January	(15,094)	(39,755)
	Foreign exchange adjustment, cash and cash equivalents	(71)	410
	Cash and cash equivalents at 31 December	**(6,553)**	**(15,094)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK thousands	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity
Equity at 1 January 2015	31,064	(652)	(238)	40,348	70,522
Comprehensive income in 2015:					
Profit for the year				13,242	13,242
Other comprehensive income:					
Foreign currency translation adjustments, subsidiaries		903			903
Value adjustments of hedging instruments			168		168
Tax on other comprehensive income			(38)		(38)
Other comprehensive income	-	903	130	-	1,033
Comprehensive income, year	**0**	**903**	**130**	**13,242**	**14,275**
Equity at 31 December 2015	**31,064**	**251**	**(108)**	**53,590**	**84,797**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK thousands	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Equity
Equity at 01 January 2016	31,064	251	(108)	53,590	84,797
Comprehensive income in 2016:					
Profit for the year				16,540	16,540
Other comprehensive income:					
Foreign currency translation adjustments, subsidiaries		496			496
Value adjustments of hedging instruments			153		153
Tax on other comprehensive income			0		0
Other comprehensive income	-	496	153	-	649
Comprehensive income, year	**-**	**496**	**153**	**16,540**	**17,189**
Share-based payment, warrants				220	220
Disposal treasury shares				154	154
Equity at 31 December 2016	**31,064**	**747**	**45**	**70,504**	**102,360**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Segment information and geographical revenue

Accounting policy

SKAKO operates in the following business segments: Concrete and Vibration.

Administrative functions such as Finance, HR, 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.

Revenue is presented by geographical regions. Segment income and costs include transactions between business areas. The transactions are eliminated in connection with the consolidation. Revenue is recognised in the income statement on delivery and passing of the risk to the buyer, and when the revenue can be measured reliably.

Work-in-progress for third parties is recognised in revenue based on the value of the work completed at the balance sheet date whereby the revenue corresponds to the sales value of the year's completed work based on costs incurred as percentage of the total estimated costs (percentage of completion method).

Revenue from the supply of services and spare parts are recognised as revenue in line with the services agreed being supplied so that the revenue corresponds to the sales value of the work completed in the financial year.

All intercompany transactions are made on market terms.

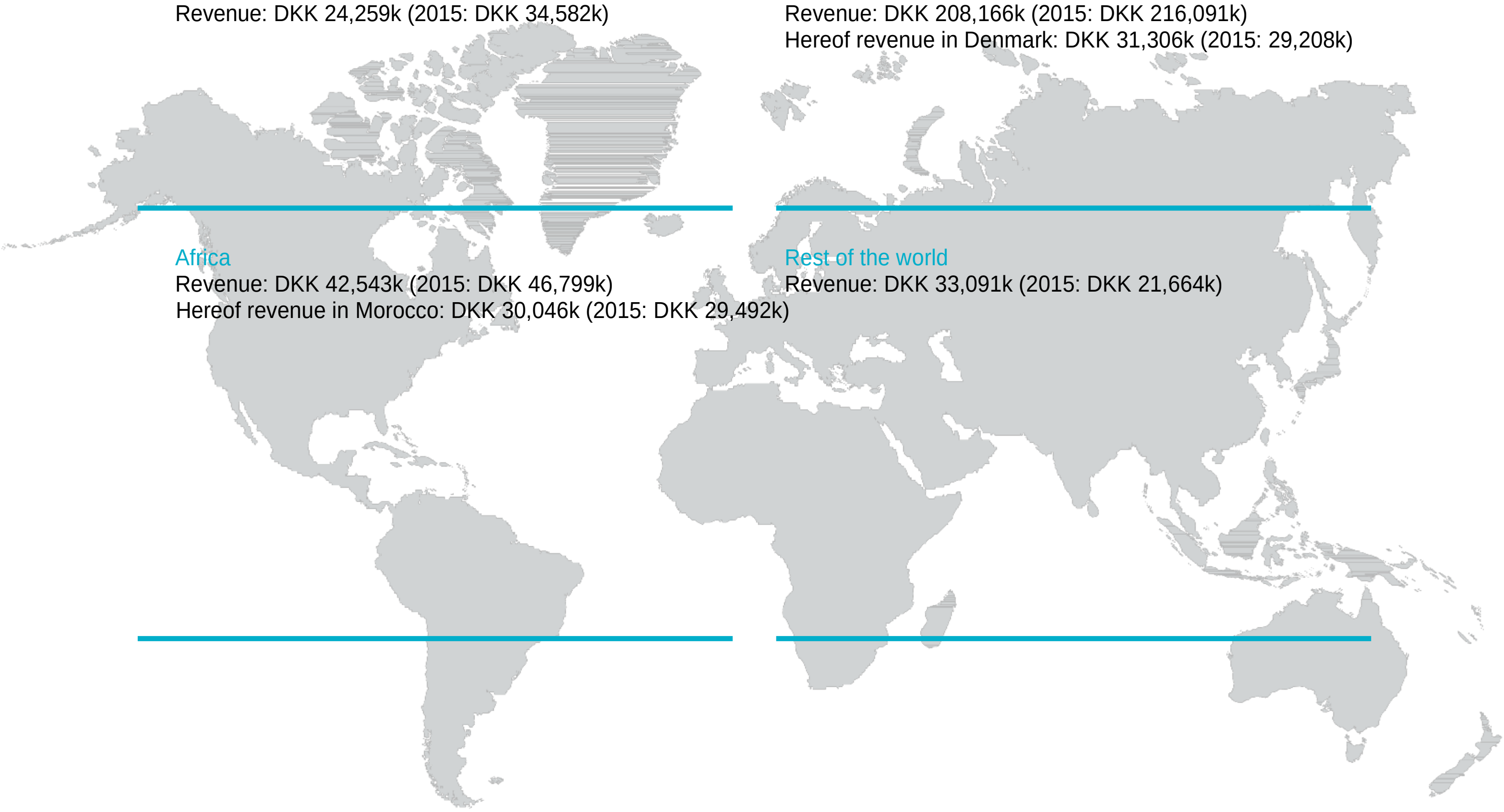
Segment assets and liabilities comprise items directly attributable to a segment and items that can be allocated to a segment on a reasonable basis.

1 Segment information and geographical revenue (continued)

DKK thousands **2016**	Concrete plants	Vibration equipment	Not distributed including parent company	Eliminations	Group total
External revenue	150,794	157,265	-	-	308,059
Internal revenue	246	3,901	-	(4,147)	-
Total revenue	151,040	161,166		(4,147)	308,059
Depreciations	(2,458)	(832)	(565)	-	(3,855)
Operating profit (EBIT)	5,758	13,030	(2,377)	-	16,411
Financial income	336	116	175	(569)	58
Financial expenses	(1,710)	(1,509)	(673)	569	(3,323)
Result before tax	4,384	11,636	(2,874)	-	13,146
Tax on profit for the year	2,446	947	1	-	3,394
Profit for the year	6,830	12,583	(2,873)	-	16,540
Segment non-current assets	61,981	3,944	2,545	-	68,470
Segment assets	142,982	114,829	6,270	(19,010)	245,071
Segment liabilities	66,120	77,733	17,868	(19,010)	142,711
Investments of intangible and tangible asset	5,171	678	-	-	5,849
Average number of employees	98	85	-	-	183

DKK thousands **2015**	Concrete plants	Vibration equipment	Not distributed including parent company	Eliminations	Group total
External revenue	168,743	150,393	-	-	319,136
Internal revenue	709	4,433	-	(5,142)	-
Total revenue	169,452	154,826	-	(5,142)	319,136
Depreciations	(3,679)	(836)	(1,449)	36	(5,929)
Operating profit (EBIT)	2,525	15,023	(1,338)	-	16,210
Financial income	563	31	1,076	(1,183)	487
Financial expenses	(1,489)	(1,818)	(1,496)	1,183	(3,620)
Result before tax	1,599	13,236	(1,758)	-	13,077
Tax on profit for the year	995	(2,266)	1,436	-	165
Profit for the year	2,594	10,970	(322)	-	13,242
Segment non-current assets	55,317	38,743	2,733	(7,803)	62,735
Segment assets	99,863	143,019	9,336	(7,803)	244,445
Segment liabilities	63,825	82,726	20,473	(7,376)	159,648
Investments in intangible and tangible asset	606	482	157	-	1,245
Average number of employees	98	82	-	-	180

1 Segment information and geographical revenue (continued)



USA
Revenue: DKK 24,259k (2015: DKK 34,582k)

Europe
Revenue: DKK 208,166k (2015: DKK 216,091k)
Hereof revenue in Denmark: DKK 31,306k (2015: 29,208k)

Africa
Revenue: DKK 42,543k (2015: DKK 46,799k)
Hereof revenue in Morocco: DKK 30,046k (2015: DKK 29,492k)

Rest of the world
Revenue: DKK 33,091k (2015: DKK 21,664k)

2 Production costs

Accounting policy

Production costs are costs incurred to generate revenue. Production consists 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 recognised in the Income Statement in step with the incurrence of such costs.
Development costs include all costs not satisfying capitalisation 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 recognised 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.

Significant estimates and assessments by Management

The obsolescence provision for inventories is based on the expected sales forecast. Sales forecasts are based on the Management's expectations of market conditions and trends, and the obsolescence provision is subject to changes in these assumptions.

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

DKK thousands	2016	2015
Cost of goods sold during the year	144,013	158,044
Write down of inventories for the year, net	(722)	3,150
Research and development costs*	13,599	289
Government grants	(1,150)	-
Production staff costs and other costs	68,013	69,339
Total production costs	**223,753**	**230,822**

*Our definition of research and development costs has been extended in 2016.

3 Staff costs

Accounting policy

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

DKK thousands	2016	2015
Wages, salaries and other remuneration	90,184	81,806
Contribution plans and other social security costs, etc.	15,449	15,956
Share-based payment, warrants	220	0
Other staff costs	2,176	2,483
	108,029	**100,245**
The amounts are included in the items:		
Production costs	67,281	62,363
Distribution costs	22,717	21,671
Administrative costs	18,031	16,211
	108,029	**100,245**

The average number of employees was 183 (2015: 180).

Remuneration to Executive management and Board of Directors (included in staff costs)

DKK thousands	2016	2015
Board of Directors and Audit committee	1,100	1,037
Executive management		
Wages, salaries and other remuneration	4,355	4,682
Contribution plans and other social security costs, etc.	735	751
Share-based payment, warrants	131	0
	5,221	**5,433**

The Executive management have been granted warrants to purchase 60,000 shares in the company, cf. note 4.

The Executive managements contracts are based on normal conditions and one Director has a change of control clause.

4 Share-based payment, warrants

Accounting policy

Plans classified as equity-settled warrants are measured at fair value at grant date of allocation and are recognised in the income statement as staff costs in the period in which the final entitlement to the warrants is attained, 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 Black & Scholes model. The calculation takes into account the terms and conditions under which the share warrants are allocated.

In 2016, the Executive Management and other key employees in the Group have been granted warrants to purchase 100,000 shares in the company at a set price (strike price). The share-based program has vesting conditions under which Management must stay employed for three years to receive the remuneration.

At 31 December 2016, the remaining average contractual life of share based remuneration program was less than three years.

	Granted this year	Strike price	Exercise period
Executive management	60,000	72.35	July 2019
Other key employees	40,000	72.35	July 2019
Total	100,000	72.35	

The recognised fair value of warrants in the consolidated income statement amounts to DKK 220k.

The calculation of the fair value of warrants at the time of allocation is based on the following assumptions:

*The expected volatility is based on the historical volatility of the SKAKO shares in the preceding 36 months.

	Granted 18 July 2016
Average price per share	62.5
Annual hurdle rate	5%
Strike price per share	72.35
Expected volatility*	42.61%
Risk-free interest rate	-0.53%
Number of shares allocated	100,000
Fair value per warrant, DKK	14.52
Total fair value, DKK thousands	1,452

5 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	2016	2015
PwC		
Statutory audit	446	554
Other assurance engagements	0	111
Tax and indirect taxes consultancy	37	140
Other services	385	43
	868	**848**
Other audit firms		
Statutory audit	228	239
Other assurance engagements	0	0
Tax and indirect taxes consultancy	25	61
Other services	40	9
	293	**309**

6 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 realised and unrealised 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	2016	2015
Interest on cash and bank deposits	58	43
Financial income from financial assets not measured at fair value in the income statement	**58**	**43**
Gains on assets held for sale	0	8
Foreign exchange gains, net	0	436
Financial income	**58**	**487**
Interest on bank debt	(1,409)	(3,488)
Interest on lease debt	(91)	(132)
Financial expenses on financial liabilities not measured at fair value in the income statement	**(1,500)**	**(3,620)**
Foreign exchange losses, net	(796)	0
Other financial expenses	(1,027)	0
Financial expenses	**(3,323)**	**(3,620)**
Net financial items	**(3,265)**	**(3,133)**

7 Tax on profit for the year

Accounting policy

Tax for the year comprises current tax and changes in deferred tax and is recognised 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 recognised 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	2016	2015
Current tax on the profit for the year	(1,923)	(599)
Adjustment of current tax, prior years	0	0
Change in deferred tax	5,317	764
Adjustment of deferred tax, prior years	0	0
Impact on changes in corporate tax rates	0	0
Tax for the period	3,394	165
Tax using the Danish corporate tax rates	(2,882)	(3,073)
Effect of tax rates in foreign jurisdictions	(1,701)	(222)
Impact in changes in corporate tax rates	0	8
Tax assets not previously recognised	7,560	3,389
Permanent differences	0	63
Other items	417	0
	3,394	165

8 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 is 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 is calculated as profit for the year divided by the average number of shares in circulation.

DKK thousands	2016	2015
Earnings		
Profit for the year	16,540	13,242
Number of shares, average		
Number of shares issued	3,106,408	3,106,408
Adjustment for treasury share	(22,567)	(26,781)
Average number of shares	3,083,841	3,079,627
Earnings per share (EPS)	5.36	4.30
Earnings per share, diluted	5.36	4.30

9 Intangible assets

Accounting policy

Other intangible assets
Other intangible assets with a finite useful life are measured at cost less accumulated amortisation and impairment losses.

Development projects, for which the technical rate of utilisation, 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 recognised as completed development projects. This requires that the cost can be determined and it is sufficient 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 recognised in the income statement when the costs are incurred. Development costs consist of salaries and other costs that are directly attributable to development activities.

Amortisation 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 at least once a year.

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

Amortisation 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

Significant estimates and assessments by Management

Management estimates the useful life of software systems. The asset is then depreciated and amortised systematically over the expected future useful life.

9 Intangible assets (continued)

DKK thousands	Intangible assets under development	Development projects	Software	Total
Cost at 1 January 2016	561	1,537	17,914	20,012
Foreign exchange adjustments	-	(6)	(12)	(18)
Investments	542	-	4,488	5,030
Disposals	-	-	(1,531)	(1,531)
Transferred between categories	(561)	-	561	-
Transferred from tangible assets		-	7	7
Cost at 31 December 2016	**542**	**1,531**	**21,427**	**23,500**
Amortisation and impairment at 1 January 2016	-	1,537	16,901	18,438
Foreign exchange adjustment	-	(6)	(32)	(38)
Disposals	-	-	(1,531)	(1,531)
Amortisation	-	-	733	733
Amortisation and impairment at 31 December 2016	**-**	**1,531**	**16,071**	**17,602**
Carrying amount at 31 December 2016	**542**	**-**	**5,356**	**5,898**

DKK thousands	Intangible assets under development	Development projects	Software	Total
Cost at 1 January 2015	-	1,518	23,094	24,612
Foreign exchange adjustments	-	19	8	27
Investments	561	-	158	719
Disposals	-	-	(5,906)	(5,906)
Transferred between categories	-	-	560	560
Cost at 31 December 2015	**561**	**1,537**	**17,914**	**20,012**
Amortisation and impairment at 1 January 2016	-	1,137	22,182	23,319
Foreign exchange adjustment	-	-	6	6
Disposals	-	-	(5,906)	(5,906)
Amortisation	-	400	619	1,019
Amortisation and impairment at 31 December 2015	**-**	**1,537**	**16,901**	**18,438**
Carrying amount at 31 December 2015	**561**	**0**	**1,013**	**1,574**

DKK thousands	2016	2015
The amortisation is included in the items:		
Production costs	310	487
Distribution costs	114	195
Administrative costs	309	337
	733	**1,019**

10 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

Assets with an acquisition value of less than DKK 50,000 or expected life of less than one year are expensed in the Income Statement at acquisition.

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

Assets held under a finance lease are measured in the balance sheet at fair value or the present value of future lease payments at the time of entering the contract, if lower. In calculating the present value, the internal interest rate of the lease agreement is used as a discounting factor or as the Group's alternative borrowing rate are depreciated like other tangible assets of the Group.

The capitalised residual lease commitment is recognised in the balance sheet as debt whilst the interest component of the lease payment is recognised in the income statement as a financial item.

For operating leases, the lease payments are recognised in the income statement on a straight-line basis over the lease period.

Significant estimates and assessments by Management

Management makes an estimate of the useful life and residual values. The asset is then depreciated and amortized systematically over the expected future useful life.

10 Tangible assets (continued)

DKK thousands	Land and building	Plant and machinery	Operating equipment, fixtures and fittings	Leasehold improvements	Tangible assets in course of construction	Total
Cost at 1 January 2016	56,798	22,992	17,750	6,773	547	104,860
Foreign exchange adjustments	(201)	(71)	(37)	(9)		(317)
Investments	-	64	277	77	401	818
Disposals	-	-	(1,717)	(2,691)	(495)	(4,903)
Transferred between categories	97	22	(119)	-	-	-
Transferred to intangible assets	-	-	(7)	-	-	(7)
Cost at 31 December 2016	**56,694**	**23,007**	**16,147**	**4,150**	**453**	**100,451**
Depreciation and impairment at 1 January 2016	21,077	19,235	15,781	5,508	494	62,095
Foreign exchange adjustments	(75)	(55)	(25)	(6)	-	(161)
Disposals	-	-	(1,503)	(1,450)	(494)	(3,447)
Depreciation	1,204	1,100	778	40	-	3,122
Transferred between categories	-	-	-	-	-	-
Depreciation and impairment at 31 December 2016	**22,206**	**20,280**	**15,031**	**4,092**	**-**	**61,609**
Carrying amount at 31 December 2016	**34,488**	**2,727**	**1,116**	**58**	**453**	**38,842**
Hereof finance leases			304			304

DKK thousands	Land and building	Plant and machinery	Operating equipment, fixtures and fittings	Leasehold improvements	Tangible assets in course of construction	Total
Cost at 1 January 2015	56,030	23,573	17,971	6,423	1,388	105,385
Foreign exchange adjustments	127	44	136	9	4	320
Investments	328	-	168	-	30	526
Disposals	-	(627)	(184)	-	-	(811)
Transferred between categories	-	-	(341)	341	-	-
Transferred to intangible assets	313	-	-	-	(874)	(560)
Cost at 31 December 2015	**56,798**	**22,992**	**17,750**	**6,773**	**547**	**104,860**
Depreciation and impairment at 1 January 2015	19,249	18,496	14,933	4,495	-	57,173
Foreign exchange adjustments	45	31	103	6	-	185
Disposals	-	-	(171)	-	-	(171)
Depreciation	1,783	708	1,170	753	494	4,908
Transferred between categories	-	-	(254)	254	-	-
Depreciation and impairment at 31 December 2015	**21,077**	**19,235**	**15,781**	**5,508**	**494**	**62,095**
Carrying amount at 31 December 2015	**35,721**	**3,757**	**1,969**	**1,265**	**53**	**42,765**
Hereof finance leases	-	-	590	-	-	590

DKK thousands	2016	2015
The depreciation is included in the items:		
Production costs	1,891	2,322
Distribution costs	789	1,193
Administrative costs	442	1,393
	3,122	**4,908**

11 Deferred tax

Accounting policy

Deferred tax is calculated using the balance sheet liability method on all 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 are stated in the income statement unless they are items previously entered in the statement of other comprehensive income.

A deferred tax liability 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 recognised 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 utilisation 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 estimates and assessments by Management

Deferred tax assets, including the tax value of any tax losses allowed for carry forward, are recognised 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 utilised. Deferred tax on temporary differences between the carrying amounts and the tax values of investments in subsidiaries is recognised, unless the Parent is able to control the time of realisation of such deferred tax, and it is probable that such deferred tax will not be realised as current tax in the foreseeable future. Deferred tax is recognised in respect of eliminations of intra-Group profits and losses.

DKK thousands	2016	2015
Deferred tax recognised in the balance sheet:		
Deferred tax assets	22,585	17,268
Deferred tax liabilities	-	-
Deferred tax, net 31 December	22,585	17,268
Deferred tax, net at 1 January	17,268	15,798
Foreign currency translation adjustments	(5)	-
Changes in deferred tax	5,322	1,470
Deferred tax, net at 31 December	**22,585**	**17,268**
Deferred tax assets:		
Intangible assets	2,112	214
Property, plants and equipment	10,179	14,782
Inventories	838	2,359
Receivables	-	(4,248)
Provisions	1,346	1,847
Tax losses	8,114	2,314
Other items	(4)	-
	22,585	**17,268**
Deferred tax assets not recognised:		
Intangible assets	2,095	5,795
Property, plants and equipment	928	395
Inventories	883	-
Provisions	1,151	126
Tax losses	33,077	52,272
	38,134	**58,588**

Tax losses carried forward are not subject to time limitation. All recognised deferred tax assets is expected to be offset against positive taxable income within a 3-5 years period.

12 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 realisable 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 (IPO), which are allocated on the basis of the normal capacity of the production facility. IPO include the proportionate share of capacity costs directly relating to Group-manufactured products and work in progress.

Significant estimates and assessments by Management

The obsolescence provision for inventories is based on the expected sales forecast. Sales forecasts are based on the Management's expectations of market conditions and trends, and the obsolescence provision is subject to changes in these assumptions.

DKK thousands	2016	2015
Raw materials and consumables	19,760	3,544
Work-in-progress	4,147	17,349
Finished goods and goods for resale	19,518	27,365
Inventories net of write downs at 31 December	43,425	48,258
Carrying amount of inventories at fair value after deduction of costs to sell	0	0
Included in Income Statement under production costs:		
Write down of inventories for the year, net	(722)	3,150
Costs of goods sold during the year	144,013	158,044

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

13 Work-in-progress for third parties

Accounting policy

Work-in-progress for third parties is recognised in revenue 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 estimate 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 recognised as work-in-progress for third parties under short-term liabilities.

If projects are expected to be loss-making, the loss is recognised 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 are completed.

Significant estimates and assessments 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.

DKK thousands	2016	2015
Total costs incurred	88,352	88,124
Profit recognised as income, net	31,217	22,564
Work-in-progress for third parties	119,569	110,688
Invoicing on account to customers	(80,586)	(98,561)
Net work-in-progress for third parties	38,983	12,127
Of which work-in-progress for third parties is stated under assets	48,830	29,939
and prepayments from customers	(9,847)	(17,812)
Net work-in-progress for third parties	38,983	12,127

Work-in-progress for third parties consists of all open projects at 31 December including cost and profit recognised in prior years.

14 Bank loans and credit facilities

Accounting policy

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

DKK thousands	0-1 year	1-5 years	More than 5 years	Total	Carrying amount	Weighted average effective interest rate
2016						
Cash and cash equivalents	9,387	-	-	9,387	9,387	
Interest-bearing asset	**9,387**	**-**	**-**	**9,387**	**9,387**	**0%**
Finance lease debt	(282)	(237)	-	(519)	(519)	
Debt to credit institutions	(2,067)	(8,706)	(1,018)	(11,791)	(11,791)	2.4%
Short term bank facilities	(13,947)	-	-	(13,947)	(13,947)	2.0%
Interest-bearing liabilities	**(16,296)**	**(8,943)**	**(1,018)**	**(26,257)**	**(26,257)**	**2.2%**
Net interest-bearing debt	**(6,909)**	**(8,943)**	**(1,018)**	**(16,870)**	**(16,870)**	**2.2%**
2015						
Cash and cash equivalents	13,947	-	-	13,947	13,947	
Interest-bearing asset	**13,947**	**-**	**-**	**13,947**	**13,947**	**0%**
Finance lease debt	(2,637)	(519)	-	(3,157)	(3,157)	
Debt to credit institutions	(2,112)	(8,706)	(3,406)	(14,224)	(14,224)	2.4%
Short term bank facilities	(27,001)	-	-	(27,001)	(27,001)	5.6%
Interest-bearing liabilities	**(31,750)**	**(9,225)**	**(3,406)**	**(44,382)**	**(44,382)**	**5.3%**
Net interest-bearing debt	**(17,803)**	**(9,225)**	**(3,406)**	**(30,435)**	**(30,435)**	**5.3%**

In 2016 we have renegotiated conditions with our primary financial institution which have resulted in interest rates reduced to more than half compared to last year.

Interest-bearing debt broken down by currency: 45% in EUR (36% in 2015), 21% in US dollars (15% in 2015), 21% in British pound (10% in 2015), 11% in Danish kroner (37% in 2015) and 2% in other currencies (2% in 2015).

The undiscounted cash flows essentially correspond to the carrying amounts.

Based on the Group's net debt at the end of the 2016 financial year, a rise of 1 percentage point in the general interest rate level will cause an increase in consolidated annual interest expenses before tax of approximately DKK 263 thousand (DKK 450 thousand in 2015).

15 Provisions

Accounting policy

Provisions are recognised 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 realised 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 estimates and assessments 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 by nature uncertain. 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

DKK thousands		2016	
	Warranties	Other provisions	Total
Provisions at 1 January	4,202	5,133	9,335
Foreign exchange adjustments	79	(43)	36
Additions	2,050	5,451	7,501
Used	(2,800)	(78)	(2,878)
Reversals	(15)	(1,681)	(1,696)
Provisions at 31 December	3,516	8,782	12,298
The maturity of provisions is specified as follows:			
Current liabilities	2,182	6,532	8,714
Non-current liabilities	1,334	2,250	3,584
	3,516	8,782	12,298

DKK thousands		2015	
	Warranties	Other provisions	Total
Provisions at 1 January	4,778	4,689	9,467
Foreign exchange adjustments	-	-	-
Additions	1,284	1,138	2,422
Used	(58)	(694)	(752)
Reversals	(1,802)	-	(1,802)
Provisions at 31 December	4,202	5,133	9,335
The maturity of provisions is specified as follows:			
Current liabilities	3,360	3,051	6,411
Non-current liabilities	842	2,082	2,924
	4,202	5,133	9,335

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.

16 Adjustments, consolidated cash flow statement

DKK thousands	2016	2015
Amortisation and depreciation	3,855	5,927
Change in provisions	2,963	(136)
Financial items received and paid	3,265	3,133
Other	53	(176)
	10,136	8,748

17 Exchange rate- and liquidity risks and hedging and forward exchange contracts

Risk management activities in the SKAKO Group first and foremost 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 90% of the Group´s sales being invoiced in foreign currencies, reported revenue is affected by movements in the Group´s trading currencies. The Group seeks to hedge against such exchange rate risks by seeking to match positive and negative cash flows in the main currencies as much as possible.
Below is a sensitivity analysis in respect of exchange rates, given a positive change of 5% in the currencies with the highest exposures. The estimate has been provided on a non-hedged basis.

DKK thousands	Net position	Change in currency	2016: Potential impact on P/L and equity	2015: Potential impact on P/L and equity
EUR	(8,445)	5%	(422)	(196)
USD	9,494	5%	475	44
GBP	4,566	5%	228	103

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. In 2016 the Group has not defaulted in any loan agreements.

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 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.

Trade receivables can be allocated as follows:

DKK thousands	2016		2015	
Europe	30,746		46,410	
United States	6,949		5,802	
Africa	21,704		22,827	
Other	6,122		2,357	
	65,521		77,396	
Aging and provisions for bad debt, 31.12, gross:	**Gross**	**Provision**	**Gross**	**Provision**
Not due	47,835	-	52,130	-
Due 0-30 days	8,080	-	13,395	29
Due 31-120 days	3,817	13	7,947	12
Due 121-365 days	6,011	706	4,200	362
Due more than 1 year	1,765	1,268	3,434	3,306
	67,508	1,987	81,106	3,709

18 Contractual liabilities, contingent liabilities and securities

Irrevocable operational leasing payments are as follows:

DKK thousands	2016	2015
0-1 year	1,564	2,067
1-5 years	4,796	2,920
More than 5 years	342	948
	6,702	5,935

The Group leases operating equipment on operational leasing contracts.

The typical leasing period is a period of three to six years with the warrant of prolongation upon expiry of the period. No leasing contracts include conditional leasing payments.

The company's financial institutions have provided bank guarantees for consignments and prepayments of a total of DKK 41.3 million. (2015: 9.2 million DKK)

Towards the company's primary financial institution, a company deposit of DKK 50 million (2015: DKK 50 million) 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 1.6 million (2015: DKK 1.6 million).

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.

19 Related parties

SKAKO A/S has no related parties with a controlling interest. Given its share of ownership, Lind Invest ApS may be considered to have significant influence.
The company's related parties comprise the company's Executive management, Board of Directors 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 61 in which SKAKO A/S has controlling or significant influence.

20 Events after the balance sheet date

There have been no events that materially affect the assessment of this Annual Report 2016 after the balance sheet date and up to today.

21 Approval and publication

At the Board meeting on 22 March 2017, our Board of Directors approved this Annual Report 2016 for publication. The report will be presented to the shareholders of SKAKO A/S for adwarrant at the annual general meeting on 18 April 2017.

22 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.

General

The consolidated financial statements are presented in compliance with International Financial Reporting 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 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 and financial assets classified as assets available for sale, 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 second last pages of this Annual Report 2016.

The accounting policies remain unchanged for the consolidated financial statements compared to 2015, with the exception of the implementation of new and amended standards as described below. Also, insignificant reclassifications in the comparative figures for 2015 have been made.

22 Group accounting policies (continued)

Effect of new accounting standards
The Group has adopted all new, amended and revised accounting standards and interpretations as published by the IASB and adopted by the EU effective for the accounting period beginning on 1 January 2016. None of these new, updated and amended standards and interpretations resulted in any changes to the accounting policies for the Group or had any significant impact on the consolidated financial statements for 2016.

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 2016, have not been incorporated into this report.

Issued in May 2014, IFRS 15 Revenue from Contracts with Customers establishes a single comprehensive model for entities to be used in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue and related interpretations when it becomes effective. Management is in the process of evaluating the impact and prospects of the standard. It is the Management's expectation that the new standard will have some impact on the timing of revenue recognition, on net or gross recognition of principal and agent relationships and on the disclosure of revenue. The value of the impact of these changes has not been estimated yet, but is at this stage expected to have some, but not material impact. IFRS 15 will take effect on 1 January 2018.

IFRS 9 Financial Instruments was issued in 2009 and has been revised several times since then. Management anticipates that the future application of IFRS 9 may impact the Group's reporting on and disclosure of financial instruments and hedging instruments. Management is in the process of evaluating the impact and prospects of the revised standard and the warrant to hedge net positions (i.e. EBIT) instead of hedging revenue. The new rules on provisions for loans and receivables are expected to have very limited impact on our financial statements. IFRS 9 will take effect on 1 January 2018.

Issued in January 2016, IFRS 16 Leases requires lessees to recognise nearly all leases on the balance sheet. Management is in the process of evaluating the expected future impact of the application of IFRS 16 on the amounts reported and disclosed by the Group. Management expects the implementation of this standard to have a limited impact on the recognition of tangible assets and financial debt on the balance sheet. The standard is also expected to have a limited impact on the classification of expenses in the income statement, the classification of cash flows in the cash flow statement as well as the related key figures. IFRS 16 is expected to take effect on 1 January 2019.

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

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 unrealised intra-Group profits on inventories are eliminated. The accounting items of subsidiaries are recognised 100% in the consolidated financial statements.

Income statement
Income and costs are recognised on an accruals 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.

Receivables
Receivables comprise trade receivables and other receivables.
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. A write down is recognised when there is an indication that an individual receivable cannot be collected. Assessment of bad debt is carried out for individual receivables and includes:

- Evaluation of the customer's ability to pay
- Aging of the receivable
- Possibility of offset assets against claims
- Access to other securities

The write down is deducted from the carrying amount of trade receivables and the cost is recognised in the income statement as administrative costs.

Prepaid expenses
Prepaid expenses recognised 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.

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 recognised 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 recognised in the income statement or the balance sheet in step with recognition of the hedged transactions.

22 Group accounting policies (continued)

Treasury shares
On the sales of treasury shares, the purchase price or selling price, respectively, is recognised 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, realised 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 financing activities* includes the raising and repayment of non-current and current debt not included in working capital. Cash flow in currencies other than the function currency is recognised at average exchange rates for the months of the year, unless they deviate significantly from actual exchange rates on the transaction dates.

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 recognised in the reporting period in which such changes are made.

Financial statements

PARENT COMPANY INCOME STATEMENT

DKK thousands		2016	2015
Notes			
	Other income	900	6,275
1,2	Administrative expenses	(3,266)	(7,574)
	Operating profit (EBIT)	**(2,366)**	**(1,299)**
3,7	Financial income	75,303	908
3	Financial expenses	(671)	(2,617)
	Profit before tax	**72,266**	**(3,008)**
4	Tax on profit for the year	0	589
	Profit for the year	**72,266**	**(2,419)**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

DKK thousands		2016	2015
Notes			
	Profit for the year	**72,266**	**(2,419)**
	Other comprehensive income	**0**	**0**
	Comprehensive income	**72,266**	**(2,419)**
	Comprehensive income attributable to SKAKO A/S shareholders	**72,266**	**(2,419)**

PARENT COMPANY BALANCE SHEET AT 31 DECEMBER

Notes	DKK thousands	2016	2015
	Other intangible assets	88	348
5	**Intangible assets**	**88**	**348**
	Operating equipment, fixtures and fittings	304	589
	Leasehold improvements	0	20
	Tangible assets under construction	0	0
6	**Tangible assets**	**304**	**609**
7	Investments in subsidiaries	164,158	88,905
	Other receivables	11	340
8	Deferred tax assets	589	589
	Other non-current assets	**164,758**	**89,834**
	Total non-current assets	**165,150**	**90,791**
	Receivables from subsidiaries	0	2,271
	Trade receivables	0	82
	Income tax	0	0
	Other receivables	0	3
	Prepaid expenses	0	13
	Other investments	74	74
	Cash	56	4
	Current assets	**130**	**2,447**
	Assets	**165,280**	**93,238**

PARENT COMPANY BALANCE SHEET AT 31 DECEMBER

DKK thousands		2016	2015
Notes			
	Share capital	31,064	31,064
	Retained earnings	116,360	43,720
	Total equity	**147,424**	**74,784**
	Debt to subsidiaries	16,636	0
	Financial leasing	237	519
	Non-current liabilities	**16,873**	**519**
	Debt to subsidiaries	0	12,036
	Bank loans and credit facilities	107	4,899
	Financial leasing	282	249
	Trade payables	64	181
	Income tax	0	0
	Other liabilities	530	570
	Current liabilities	**983**	**17,935**
	Liabilities	**17,856**	**18,454**
	EQUITY AND LIABILITIES	**165,280**	**93,238**

PARENT COMPANY CASH FLOW STATEMENT

DKK thousands		2016	2015
Notes			
	Profit before tax	72,266	(3,008)
9	Adjustments	(73,941)	3,156
	Changes in receivables, etc.	427	1,817
	Change in trade payables and other liabilities, etc.	(157)	(1,444)
	Cash flow from operating activities before financial items and tax	**(1,405)**	**521**
	Financial items received and paid	(622)	(1,709)
	Taxes paid	0	0
	Cash flow from operating activities	**(2,027)**	**1,188**
	Investment in intangible assets	0	(157)
	Investment in tangible assets	0	0
	Cash flow from investing activities	**0**	**(157)**
	Change in intra-group balances	6,871	31,551
	Cash flow from financing activities	**6,871**	**31,551**
	Change in cash and cash equivalents	4,844	30,206
	Cash and cash equivalents at 1 January	(4,895)	(35,115)
	Foreign exchange adjustment, cash and cash equivalents		14
	Cash and cash equivalents at 31 December	**(51)**	**(4,895)**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

DKK thousands	Share capital	Retained earnings	Equity
Equity at 1 January 2015	31,064	46,139	77,203
Comprehensive income in 2015:			
Profit for the year		(2,419)	(2,419)
Other comprehensive income	0	0	0
Comprehensive income, year	**0**	**(2,419)**	**(2,419)**
Equity at 31 December 2015	**31,064**	**43,720**	**74,784**

DKK thousands	Share capital	Retained earnings	Equity
Equity at 1 January 2016	31,064	43,720	74,784
Comprehensive income in 2016:			
Profit for the year		72,266	72,266
Other comprehensive income	0	0	0
Comprehensive income, year		**72,266**	**72,266**
Share-based payment, share warrants		220	220
Disposal treasury shares		154	154
Equity at 31 December 2016	**31,064**	**116,360**	**147,424**

1 Staff costs

Number of employees in 2016: 0 (2015: 0)

For information regarding Executive Management and Board of Directors remuneration, including share based warrant plans, please refer to note 3 and note 4 in the consolidated financial statements.

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

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

DKK thousands	2016	2015
PwC		
Statutory audit	121	146
Other assurance engagements	0	90
Tax and indirect taxes consultancy	25	120
Other services	290	61
	436	**416**
Other		
Statutory audit	0	0
Other assurance engagements	0	0
Tax and indirect taxes consultancy	25	0
Other services	0	0
	25	**0**

3 Net financial income

DKK thousands	2016	2015
Interest from subsidiaries	36	889
Reversal of write down of shares in subsidiaries	75,254	0
Interest on cash and bank deposits	0	0
Financial income from financial assets not measured at fair value in the income statement	**75,290**	**889**
Gains on assets held for sale	0	12
Other financial income	13	7
Foreign exchange gains, net	0	0
Financial income	**75,303**	**908**
Interest to subsidiaries	(423)	(293)
Interest on bank debt	(146)	0
Interest on lease debt	(45)	(82)
Financial expenses on financial liabilities not measured at fair value in the income statement	**(614)**	**(375)**
Foreign exchange losses, net	(0)	(1,124)
Other financial expenses	(57)	(1,118)
Financial expenses	**(671)**	**(2,617)**
Net financial items	**74,632**	**(1,709)**

4 Tax on profit for the year

DKK thousands	2016	2015
Current tax on the profit for the year	0	0
Adjustment of current tax, prior years	0	0
Change in deferred tax	0	589
Adjustment of deferred tax, prior years	0	0
Impact on changes in corporate tax rates	0	0
Tax for the period	0	589
Danish corporate tax rates	(15,899)	707
Effect of tax rates in foreign jurisdictions	0	0
Impact in changes in corporate tax rates	0	0
Tax assets not previously recognised	(657)	(114)
Permanent differences	16,556	0
Other items	0	(4)
	0	589

5 Intangible assets

DKK thousands	2016	2015
	Software	Software
Cost at 1 January	907	749
Investments	-	158
Disposals	-	-
Transferred between categories	-	-
Cost at 31 December	**907**	**907**
Amortisation and impairment at 1 January	559	279
Disposals	-	-
Amortisation	260	280
Amortisation and impairment at 31 December	**819**	**559**
Carrying amount at 31 December	**88**	**348**

6 Tangible assets

DKK thousands	Leasehold improvements	Operating equipment, fixtures and fittings	Tangible assets under construction	Total
Cost at 1 January 2016	341	2,168	494	3,003
Investments	-	-	-	-
Disposals	-	-	(494)	(494)
Transferred between categories	-	-	-	-
Cost at 31 December 2016	**341**	**2,168**	**0**	**2,509**
Depreciation and impairment at 1 January 2016	321	1,579	494	2,394
Transferred between categories	-	-	-	-
Disposals	-	-	(494)	(494)
Depreciation	20	285	-	305
Depreciation and impairment at 31 December 2016	**341**	**1,864**	**0**	**2,205**
Carrying amount at 31 December 2016	**0**	**304**	**0**	**304**
Hereof finance leases		304		589

DKK thousands	Leasehold improvements	Operating equipment, fixtures and fittings	Tangible assets under construction	Total
Cost at 1 January 2015	-	2,509	494	3,003
Investments	-	-	-	-
Disposals	-	-	-	-
Transferred between categories	341	(341)	-	-
Cost at 31 December 2015	**341**	**2,168**	**494**	**3,003**
Depreciation and impairment at 1 January 2015	-	1,225	-	1,225
Transferred between categories	254	(254)	-	-
Disposals	-	-	-	-
Depreciation	67	608	494	1,169
Depreciation and impairment at 31 December 2015	**321**	**1,579**	**494**	**2,394**
Carrying amount at 31 December 2015	**20**	**589**	**0**	**609**
Hereof finance leases		589		589

7 Investments in subsidiaries

DKK thousands	**2016**	**2015**
Cost at 1 January	260,534	260,534
Investments	-	-
Disposals	-	-
Cost at 31 December	**260,534**	**260,534**
Write down at 1 January	(171,629)	(171,629)
Reversal of write down	75,254	-
Write down at 31 December	**(96,375)**	**(171,629)**
Carrying amount at 31 December	**164,159**	**88,905**

The reversal of write down relates to shares in SKAKO Concrete A/S. We consider the fair value of SKAKO Concrete A/S to be higher than the carrying amount.
Group companies are listed on page 61.

8 Deferred tax

DKK thousands	2016	2015
Deferred tax recognised in the balance sheet:		
Deferred tax assets	589	589
Deferred tax liabilities	-	-
Deferred tax, net 31 December	589	589
Deferred tax, net at 1 January	589	-
Changes in deferred tax	-	589
Deferred tax, net at 31 December	**589**	**589**
Deferred tax assets:		
Tax losses	589	589
	589	**589**
Deferred tax assets not recognised:		
Intangible assets	104	-
Property, plants and equipment	80	395
Inventories	-	-
Provisions	-	125
Tax losses	4,840	4,257
	5,024	**4,777**

Tax losses carried forward are not subject to time limitation.

9 Adjustments, cash flow statement

DKK thousands	2016	2015
Reversal of wright down of shares in subsidiaries	(75,254)	
Depreciations	565	1,449
Financial items received and paid	622	1,709
Other	126	(4)
	(73,941)	3,156

10 Contractual liabilities, contingent liabilities and securities

Irrevocable operational leasing payments are as follows:

DKK thousands	2016	2015
0-1 year	58	70
1-5 years	-	58
More than 5 years	-	-
	58	128

The Group leases operating equipment on operational leasing contracts.
Please refer to note 18 in the consolidated financial statements.

The company has provided security in respect of guarantees concerning the continuous operation in 2017 for one of its subsidiaries.

There is a 12 month rent commitment related to the building in Denmark. The minimum rent liability amounts to DKK 1.6 million (2015: DKK 1.6 million).

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.

11 Related parties

Please refer to note 19 in the consolidated financial statements.

In 2016 the Parent Company has sold services to subsidiaries for DKK 900 thousands (2015: DKK 6,275 thousands) and paid net interest expenses, cf note 3.

12 Events after the balance sheet date

Please refer to note 20 in the consolidated financial statements.

13 Accounting policies

The financial statements for 2016 of the parent company, SKAKO A/S has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of listed companies. The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of available-for-sale financial assets and 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 recognised 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 recognised 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 recognised in the parent company financial statements at the carrying amount. Accordingly, additions to or disposals of investments are recognised at the carrying amount, and any difference between the carrying amount of net assets and the consideration paid is recognised 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 Concrete A/S	Denmark	100%
SKAKO GmbH	Germany	100 %
SKAKO Concrete, Inc.	USA	100 %
SKAKO Concrete S.A.	France	100 %
SKAKO Vibration A/S	Denmark	100 %
SKAKO Vibration Ltd.	UK	100 %
SKAKO Vibration S.A.	France	100 %
SKAKO Vibration Succursale Maroc	Morocco	100 %
Aktieselskabet af 01.04.2012	Denmark	100 %

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