

The background of the cover is a dark, industrial scene. On the left, a large, dark, curved object, possibly a piece of machinery or a mold, is visible. In the center-right, a bright yellow glow emanates from a point, with numerous thin, white, fiber-like strands radiating outwards. The overall atmosphere is one of intense industrial activity.

ANNUAL REPORT 2013

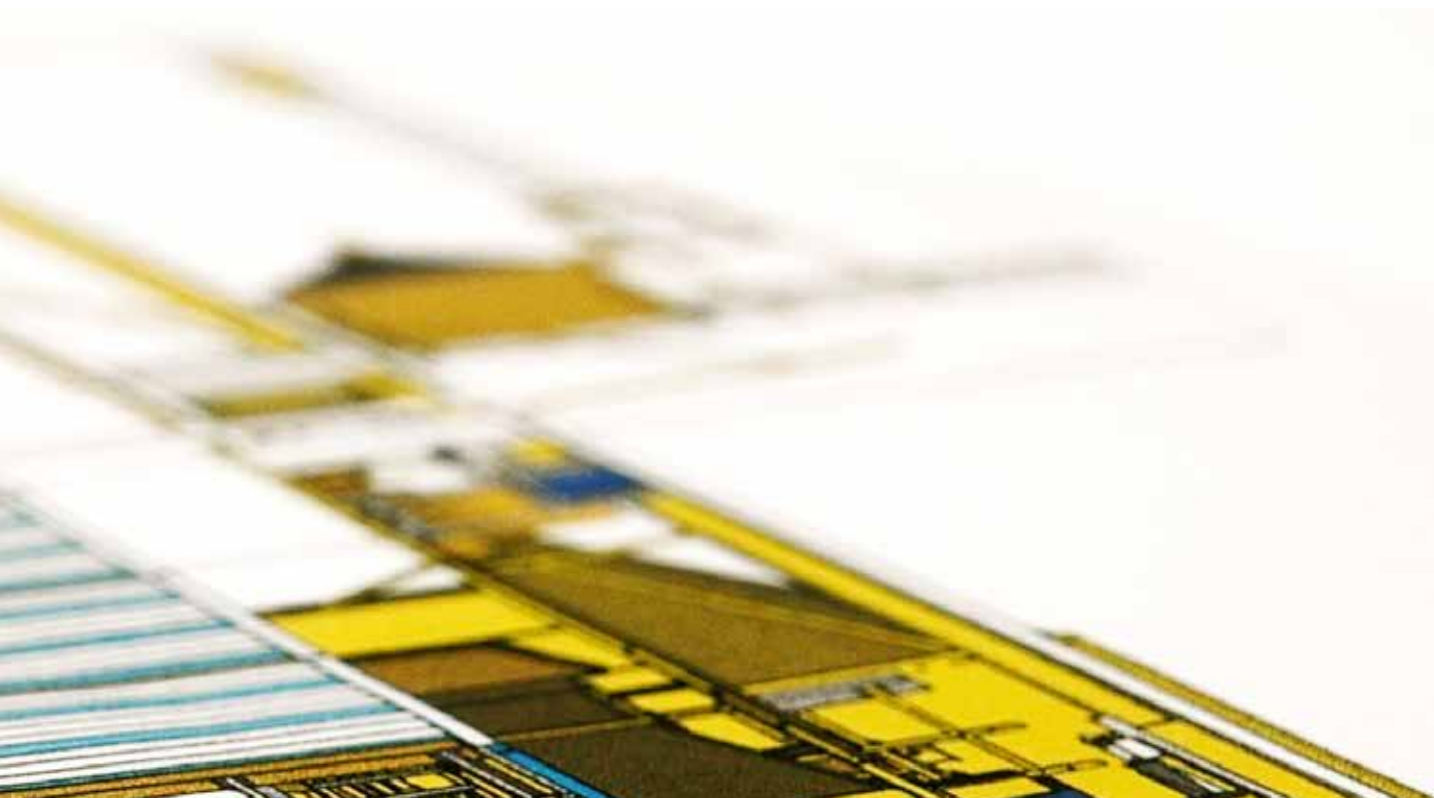
# SKAKO

SKAKO A/S CVR NO. 36 44 04 14



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THIS IS A TRANSLATION OF THE OFFICIAL DANISH ANNUAL REPORT. IN CASE OF DISCREPANCIES BETWEEN THE ORIGINAL DANISH WORDING AND THE ENGLISH TRANSLATION, THE DANISH TEXT SHALL PREVAIL.

# LETTER FROM THE MANAGEMENT

Lenders showed appreciable confidence in the future profits of the SKAKO Group in November 2013, when they converted their holdings of convertible bonds issued by SKAKO A/S into shares with a total value of EUR 1.7 million.

The SKAKO Group is active in two business areas: the development and delivery of mixing equipment for the production of concrete, and vibration equipment for industrial use. The Group's core competencies and know-how in the fields of design, project management, sales and service are applied on the primary markets for the sale and service of components, plants and complete solutions.

As forecast, the SKAKO Group returned approximately a zero result, in that profits on primary operations (EBIT) amounted to a loss of EUR 0.1 million. Profit for the year was positively affected by good profits and healthy growth in the Vibration business area. SKAKO Concrete's profits were significantly influenced by losses on a major project. Activities in the field of Concrete rose in the fourth quarter of 2013, following a weak flow of orders during the first three quarters of the year. The reinforced efforts in the Middle East and Russia in particular generated results. The area of after-sales has also developed positively, with solid earnings.

New strategies for the period 2014–2016 were prepared in autumn 2013. The product ranges within the different business areas have been decided, and the primary markets are Europe, North America, Africa, the Middle East and Russia. The organisation will be developed on an ongoing basis such that the competencies required to execute the strategy are in place.

Vibration continued to expand into new markets in 2013, and the international sales organisation has been expanded.

As regards Concrete, the market has responded well to the newly developed ROTOCONIX mixer and the CONFLEX transport system. Sales of these products are expected to increase. All in-house production is concentrated in the Group's factory in Lille, France.

The strategic work launched in the fields of market and product development is expected to result in a rising level of activity within the Group over the coming year. As such, positive profits are expected in 2014.

Faaborg, 27 March 2014

Kaare Vagner  
Chairman of the Board

Finn Buus Nielsen  
CEO



## MANAGEMENT REPORT, CONTINUED

### HIGHLIGHTS AND KEY FIGURES FOR THE GROUP

KEUR

HIGHLIGHTS	2013	2012	2011	2010	2009
Net turnover	46,306	47,322	44,649	42,413	55,575
Gross profit	9,744	10,023	10,265	8,168	5,616
Profit on primary operations (EBIT)	-74	1,592	2,314	-1,852	-8,392
Profit on financial items	-573	-658	-276	-426	-56
Profit before tax	-647	933	2,038	-2,279	-8,448
Tax on profit/loss for the year	-688	-285	-483	-311	-104
Profit for the year on continuing operations	-1,335	648	1,555	-2,589	-8,553
Profit for the year on discontinuing operations	196	388	-5,775	-5,197	-
<b>NET PROFIT FOR THE YEAR</b>	<b>-1,139</b>	<b>1,036</b>	<b>-4,221</b>	<b>-7,787</b>	<b>-8,553</b>
Non-current assets	9,595	11,559	10,314	10,723	11,671
Current assets	22,283	22,182	22,931	30,153	40,500
<b>TOTAL ASSETS</b>	<b>31,878</b>	<b>33,740</b>	<b>35,615</b>	<b>40,877</b>	<b>52,170</b>
<b>EQUITY</b>	<b>10,391</b>	<b>9,859</b>	<b>8,782</b>	<b>12,664</b>	<b>20,369</b>
Non-current liabilities	2,527	3,916	5,512	4,154	4,488
Current liabilities	18,961	19,965	18,954	24,058	27,313
Net interest-bearing debt	3,298	5,426	7,249	7,506	6,907
Net working capital (NWC)	5,020	4,378	6,684	9,717	15,898
Investment in property, plant and equipment	323	1,569	992	131	2,032
Depreciation on property, plant and equipment	660	823	714	788	766
Cash flow from operations	-1,637	2,690	814	4,368	-7,679
Cash flow from investment	855	-192	-191	4,807	184
<b>FREE CASH FLOW</b>	<b>-782</b>	<b>2,498</b>	<b>623</b>	<b>9,175</b>	<b>-7,496</b>
Cash flow from financing	-502	-575	1,468	-506	4,664
of which, issue of convertible bonds	0	0	1,528	0	0
<b>TOTAL CASH FLOW</b>	<b>-1,284</b>	<b>1,923</b>	<b>2,091</b>	<b>8,669</b>	<b>-2,832</b>
Cash at bank and in hand, closing balance	-382	782	-735	-3,012	-6,703
<b>AVERAGE NUMBER OF EMPLOYEES</b>	<b>188</b>	<b>192</b>	<b>191</b>	<b>281</b>	<b>352</b>
KPI	2013	2012	2011	2010	2009
Growth in turnover	-2.1%	6.0%	5.3%	-23.7%	-43.6%
Net profit ratio	-0.2%	3.4%	5.2%	-13.1%	-15.1%
Liquidity ratio	115.8%	109.6%	121.0%	125.3%	148.3%
Solvency ratio	32.6%	29.2%	24.7%	31.0%	39.0%
Return on equity	-11.2%	11.1%	-39.4%	-47.1%	-34.6%
NWC/Turnover	10.8%	9.3%	15.0%	18.5%	28.6%
Earnings per share (EPS), EUR	-0.45	0.43	-1.88	-3.49	-3.83
Book value per share, year end, EUR	3.3	4.3	3.9	5.6	9.0
Market price, year end, EUR	3.7	4.1	2.3	3.5	5.9
Dividend per share, EUR	0.00	0.00	0.00	0.00	0.00
Price/Book value (P/BV)	1.1	0.9	0.6	0.6	0.7

Comparison figures for discontinuing operations have been adjusted in the income statement and cash flows for 2010; comparison figures for 2009 have not been adjusted. For the formulae applied, see Note 1 to the consolidated financial statements "Accounting principles" on page 57.

# MAIN POINTS IN 2013 AND 2014

## **PROFITS IN LINE WITH EXPECTATIONS**

As predicted in company announcement no. 13 dated 30 October 2013, the Group generated approximately a zero result with a loss on primary operations (EBIT) of EUR 0.1 million, compared to a profit of EUR 1.6 million in 2012.

Profits were negatively affected by low turnover in SKAKO Concrete and losses on a project in the same business segment.

Turnover totalled EUR 46.3 million, compared to EUR 47.3 million in 2012.

Growth in SKAKO Vibration resulted in profits on primary operations (EBIT) of EUR 2.6 million against EUR 2.0 million in 2012.

Activities in SKAKO Concrete rose in the fourth quarter of 2013, following a weak flow of orders during the first three quarters of the year. The reinforced efforts in the Middle East and Russia in particular have generated results.

The Group's free cash flow amounts to EUR -0.8 million, compared to EUR 2.5 million in 2012.

The Group's solvency ratio rose to 32.6% at year end 2013 compared to 29.2% at year end 2012.

## **EXPANSION OF COMPANY CAPITAL FOLLOWING CONVERSION OF BONDS**

Significant confidence in SKAKO's future profits was demonstrated by Lind Invest ApS (controlled by Board member Henrik Lind), Maj Invest Holding A/S and Strandøre Invest A/S (controlled by Chairman of the Board Kaare Vagner) when they converted their holdings of subordinated convertible bonds issued by SKAKO A/S into shares in November 2013.

The conversion increased share capital in the Group by the nominal value of EUR 898,448 through the issue of 670,269 new shares with the nominal value of EUR 1.34, corresponding to EUR 2.48 per share at the nominal value of EUR 1.34.

## **EXPECTATIONS FOR 2014**

It is expected that the market and product development programmes launched for SKAKO Concrete and SKAKO Vibration will generate an increasing level of activity for the Group in 2014. As such, positive profits are expected in 2014.

## MANAGEMENT REPORT, CONTINUED



### FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that reflect the management's current perception of future events and financial results. Statements about 2014 and the immediate future are inherently subject to uncertainty, and the Group's actual results may therefore deviate from those forecast.

The present annual report should in no way be taken as encouragement to buy or sell shares in SKAKO A/S.



## MANAGEMENT REPORT, CONTINUED

# STRATEGY, BUSINESS AREAS AND TARGETS

## THE GROUP'S STRATEGY AND BUSINESS AREAS

SKAKO A/S is active in two business segments:

- Vibration equipment for industrial use – SKAKO Vibration
- Machinery and complete plants for the production of concrete – SKAKO Concrete.

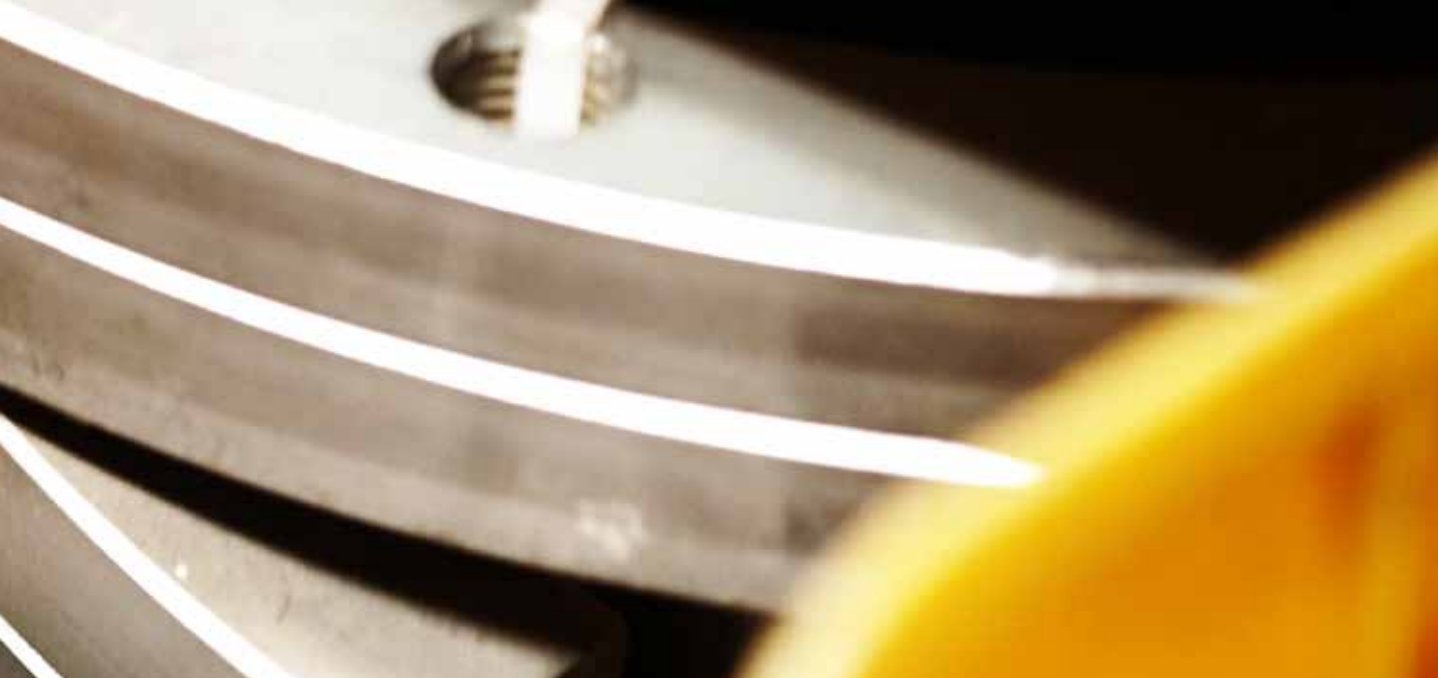
The Group has prepared separate strategies for each segment.

The segment for **Vibration equipment for industrial use** has production facilities in Faaborg, Denmark, and Strasbourg, France, and is based on application know-how and technology developed in-house.

The segment develops, designs and sells vibration equipment for industrial uses. The market is cultivated on the basis of a niche strategy, where the target group comprises businesses in selected segments that use vibration equipment for industrial purposes. Traditionally, geographical coverage has comprised the principal markets of the EU and North Africa.

The expansion into new markets over and above the segment's main markets which was initiated in 2012 continued in 2013, and the sales organisation was also expanded. The initiative involves expansion of the external sales organisation, expansion of the network of dealers and agents, and strengthening the internal functions in both Strasbourg and Faaborg to support the increased level of activity. The plan is to continue expansion in the period 2014–2016.





## MANAGEMENT REPORT, CONTINUED

**Machinery and complete plants for the production of concrete** account for the majority of the SKAKO Group's operations. The company is largely a project sales and engineering business, where significant portions of the production processes for steel constructions are outsourced to an international network of approved subcontractors. Production of key components is concentrated at the Group's main factory in Lille, France. In 2013, the company prepared a new strategy for the period 2014–2016. This will be implemented in 2014.

The company expects an increase in demand on the strategically selected markets of the United States, Russia and the Middle East. It is expected that demand in Europe will continue to develop only weakly. Over and above its initiatives for the sale and delivery of concrete mixing plants, the company will also focus on selling components and turnkey solutions, as well as on after-sales, which is expected to generate an inflow of orders in line with the budget.

As regards suppliers, the company will select qualified partners in the chosen geographical areas so as to maintain a high level of knowledge about the projects and to avoid first-time costs for every project. Supplier evaluations will be carried out, and the company will perform design reviews to ensure that these match the latest production methods and market needs. The company will focus on improving production efficiency even further, and on making full use of the capacity at the Lille facility. This is expected to make a positive contribution to the company's competitiveness and earnings.

The organisation will be adjusted on an ongoing basis such that the necessary competencies are in place to execute the strategy.

## MANAGEMENT REPORT, CONTINUED

# FINANCIAL REPORTING FOR THE SEGMENTS



### VIBRATION EQUIPMENT

SKAKO Vibration develops, designs and sells vibration machinery and installations for industrial use.

The segment operates production facilities in Faaborg, Denmark, and Strasbourg, France.

The segment experienced a high level of activity in 2013. Turnover totalled EUR 20.4 million, compared to EUR 18.9 million in 2012. Of this, trade with companies linked to the Group accounted for 4.2%, compared to 6.0% in 2012.

Profit on primary operations (EBIT) amounted to EUR 2.6 million compared to EUR 2.0 million in 2012. Profits for 2013 are considered satisfactory.

Profit for the year amounted to EUR 1.9 million compared to EUR 1.4 million in 2012.

The average number of employees in the segment totalled 76 in 2013, up from 74 in 2012.

The market is cultivated on the basis of a niche strategy, where the target group comprises businesses in selected segments that use vibration equipment for industrial purposes.

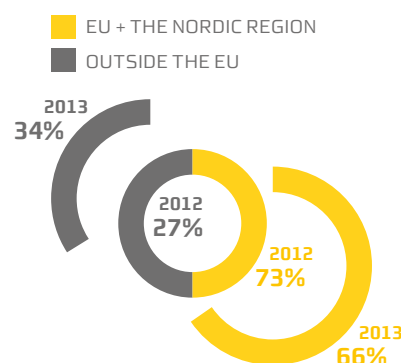
Market development initiatives have been launched on selected markets including those of Africa, Russia, North America and selected countries in Asia and South America. It is expected that these initiatives will have a positive effect on profits in SKAKO Vibration over the coming years.

A programme has been launched to update a number of the segment's products in order to match market requirements.

For a more detailed description of the company's business areas, products, etc. visit the SKAKO website at: [www.skako.com](http://www.skako.com)

SKAKO VIBRATION mEUR	2013	2012
Turnover	20.4	18.9
Profit on primary operations (EBIT)	2.6	2.0
Equity, year end	8.9	10.3
Total assets	15.9	16.3
Free cash flow	2.2	1.2
Total full-time employees	76	74

### SKAKO VIBRATION TURNOVER BY MARKETS





### CONCRETE PLANTS

The concrete segment comprises the development, marketing and delivery of machinery and complete plants for the production of concrete – both ready-mix concrete and concrete for the production of construction elements, pipes, paving tiles, roof tiles, and so on.

Production of key components and strategic equipment is located in Lille, France. Manufacture of the other steel constructions has been outsourced to a network of regional sub-contractors in Eastern Europe, North America and the Far East.

Turnover totalled EUR 26.9 million, compared to EUR 29.7 million in 2012.

Profits on primary operations (EBIT) showed a loss of EUR 2.5 million compared to a loss of EUR 0.3 million in 2012, which is clearly unsatisfactory. This disappointing result is primarily attributable to low turnover in 2013 as well as a loss on a project.

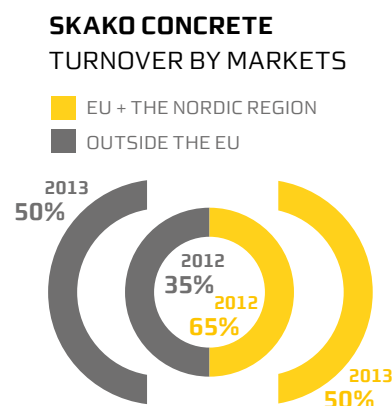
The result for the year was a loss of EUR 2.9 million compared to a loss of EUR 0.5 million in 2012.

After a low level of activity during the first three quarters of the year, the activity level rose in the fourth quarter. The reinforced efforts in the Middle East and Russia in particular have generated results.

Work has been carried out in 2013 to optimise the production of mixers and other equipment at the factory in Lille, France. This optimisation work will continue in 2014.

For a more detailed description of the company's history, business areas, products, etc. visit the SKAKO website at: [www.skako.com](http://www.skako.com)

SKAKO CONCRETE mEUR	2013	2012
Turnover	26.9	29.7
Profit on primary operations (EBIT)	-2.5	-0.3
Equity, year end	2.3	1.9
Total assets	16.9	18.7
Free cash flow	-1.8	0.8
Total full-time employees	109	113



# FINANCIAL REPORTING FOR THE GROUP

## FINANCIAL DEVELOPMENT OF THE GROUP

The consolidated result for the Group after tax was a loss of EUR 1.1 million, compared to a profit of EUR 1.0 million in 2012. Profits for the year were negatively affected by low turnover in SKAKO Concrete and losses on a project in the same business segment.

Moreover, in the context of discontinuing operations, the company suffered a loss of EUR 0.4 million from the realisation of the Lift stocks.

The Board of Directors considers the consolidated result to be unsatisfactory.

The Group's free cash flow amounts to EUR -0.8 million, compared to EUR 2.5 million in 2012.

Group equity at 31 December 2013 totals EUR 10.4 million, compared to EUR 9.9 million at year end 2012. In 2013, convertible bonds were converted into share capital in the amount of EUR 1.7 million.

At 31 December 2013, the Group's total assets amounted to EUR 31.9 million, compared to EUR 33.7 million at year end 2012, while interest-bearing net obligations fell by EUR 2.1 million over the year to EUR 3.3 million at 31 December 2013.

The Group's solvency ratio rose to 32.6% at year end 2013 compared to 29.2% at year end 2012.

Tax for the year has been affected by write-down on deferred tax assets in the amount of EUR 0.4 million, of which EUR 0.2 million is attributable to the reduction in the Danish corporate tax rate.

Profits for the SKAKO Group in 2013 have been negatively affected by low turnover in SKAKO Concrete. Turnover totalled EUR 46.3 million, compared to EUR 47.3 million in 2012. A total of 93% of this turnover was generated outside Denmark.

Turnover was distributed as follows: EUR 26.9 million from Concrete plants and EUR 20.4 million from Vibration equipment. These figures represent changes of -9.3% and +7.8% respectively.

The Group generated a loss on primary operations (EBIT) of EUR 0.1 million, compared to a profit of EUR 1.6 million in 2012. The contributions from the individual segments were: EUR 2.6 million from Vibration equipment and EUR -2.5 million from Concrete plants. The corresponding figures for 2012 were EUR 2.0 million and EUR -0.3 million, respectively. The profits from Concrete plants were negatively affected by poor turnover and losses on a project.

Profits on primary operations (EBIT) are in line with the stated expectations of a zero result on primary operations (EBIT).

## **MANAGEMENT REPORT, CONTINUED**

### **DISCONTINUING OPERATIONS**

Production and sales activities in the company SKAKO Lift were discontinued in 2012. In 2013, the Group made a loss of EUR 0.4 million in connection with the realisation of Lift stocks.

### **ACCOUNTING PRINCIPLES**

The annual report is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and Danish disclosure requirements on annual reports for listed companies.

### **EVENTS AFTER BALANCE SHEET DATE**

Subsequent to the date of the balance sheet, no events occurred that significantly influence evaluation of the present annual report.

### **OUTLOOK FOR 2014**

It is expected that the market development programmes launched for the Concrete and Vibration segments will result in an increasing level of activity for the Group in 2014.

As such, positive profits are expected in 2014.







## MANAGEMENT REPORT, CONTINUED

### HIGHLIGHTS AND KEY FIGURES FOR THE GROUP PER QUARTER

kEUR

HIGHLIGHTS	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full year 2012
Net turnover	9,230	11,326	11,684	14,067	46,306	12,596	12,686	11,987	10,053	47,322
Gross profit	2,212	2,004	2,843	2,686	9,744	4,252	0	2,850	2,921	10,023
Profit on primary operations (EBIT)	-207	-745	438	404	-74	251	625	745	-30	1,592
Profit on financial items	-129	-91	-171	-181	-573	-158	-185	-140	-175	-658
Profit before tax	-337	-836	267	259	-647	93	440	605	-204	933
Tax on profit/loss for the year	-64	-186	-218	-220	-688	-32	-166	-184	97	-285
Profit/loss on continuing operations	-400	-1,022	48	39	-1,335	61	274	421	-107	648
Profit/loss on discontinuing operations	0	0	-313	509	196	-202	0	0	590	388
<b>PROFIT FOR THE PERIOD</b>	-400	-1,022	-264	548	-1,139	-141	274	421	483	1,036
Comprehensive income for the period	-422	-1,030	-249	563	-1,137	-87	288	443	498	1,142
Non-current assets	11,429	11,268	11,305	9,595	9,595	10,120	10,805	10,641	11,559	11,559
Current assets	21,375	19,454	20,424	21,883	21,883	26,252	25,787	23,996	21,603	21,603
Assets intended for sale	579	579	127	400	400	1,671	1,684	899	579	579
<b>TOTAL ASSETS</b>	33,383	31,301	31,855	31,878	31,878	38,044	38,277	35,535	33,740	33,740
Share capital	3,266	3,266	3,266	4,164	4,164	3,266	3,266	3,266	3,266	3,266
<b>EQUITY</b>	9,449	8,419	8,170	10,391	10,391	8,696	8,984	9,426	9,859	9,859
Non-current liabilities	4,768	4,556	3,433	2,527	2,527	9,113	7,051	5,775	3,916	3,916
Current liabilities	18,916	18,080	20,146	18,896	18,896	18,451	20,438	19,254	19,717	19,717
Obligations concerning assets intended for sale	251	246	106	65	65	1,785	1,804	1,080	248	248
Net interest-bearing debt	5,668	7,359	6,757	3,298	3,298	4,478	5,537	6,042	5,426	5,426
Net working capital (NWC)	4,612	5,337	4,808	5,020	5,020	4,244	5,149	6,200	4,378	4,378
Investment in property, plant and equipment	-3	70	110	147	323	60	51	22	177	1,569
Depreciation on property, plant and equipment	211	168	112	169	660	225	223	225	491	823
Cash flow from operations	-416	-1,465	1,120	2,321	-1,637	2,941	-118	-502	-762	2,690
Cash flow from investment	-19	-36	-157	-134	855	-60	-39	-36	-212	-193
<b>FREE CASH FLOW</b>	-435	-1,502	963	2,187	-782	2,882	-157	-538	-974	2,496
Cash flow from financing	-108	-343	-158	-743	-502	2,494	-2,988	-250	-609	-573
<b>TOTAL CASH FLOW</b>	-543	-1,845	805	1,443	-1,284	5,376	-3,145	-788	-1,583	1,923
Cash at bank and in hand, closing balance for the period	158	-1,704	-1,223	-382	-382	3,987	870	-1,223	694	694
<b>AVERAGE NUMBER OF EMPLOYEES</b>	190	189	187	191	188	192	192	189	189	192
KPI	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full year 2012
Net profit ratio	-2.2%	-6.6%	3.7%	3.1%	-0.2%	2.0%	4.9%	6.2%	-0.3%	3.4%
Liquidity ratio	113.0%	107.6%	101.4%	115.8%	115.8%	142.3%	126.2%	131.6%	109.6%	109.6%
Solvency ratio	28.3%	26.9%	25.6%	32.6%	32.6%	22.9%	23.5%	26.5%	29.2%	29.2%
Return on equity (p.a.)	-16.6%	-44.7%	-11.7%	21.6%	-11.2%	-6.5%	12.3%	18.5%	5.1%	11.1%
Earnings per share (EPS), current, EUR	-0.17	-0.42	-0.11	0.22	-0.45	-0.06	0.11	0.17	0.20	0.43
Book value per share, year end, EUR	3.88	3.46	3.35	3.34	3.34	3.57	3.69	3.87	4.05	4.05

# RISKS

## **MANAGEMENT OF RISKS**

Active assessment of risk plays a key role in the Group's strategy for assuring stable earnings. The Board of Directors and the Executive Board of the company continuously assess the risks to which the company is exposed and evaluate whether precautions should be taken in relation to this exposure.

## **FINANCIAL RISKS**

The Group's operations result in financial risks in connection with trade receivables and liabilities, deposits and work in progress, as well as credit and loans at credit institutions in both Danish kroner (DKK) and foreign currency.

On the basis of ongoing dialogue with sources of financing, the assessment is that the Group will continue to be able to achieve the necessary financing on standard market terms.

The Group is affected to a minor extent by fluctuations in interest levels, and fluctuations in currency exchange rates have an effect on the Group's cash flows. The Group's receivables are distributed in such a way that the Group's credit risks are not considered to be unusual.

The Group does not perform speculative currency transactions, and acts solely on the basis of commercial requirements.





## MANAGEMENT REPORT, CONTINUED

Currency risks in individual subsidiaries are covered by continuously entering into foreign exchange futures contracts, and through bank financing in currency that matches currency receivables and liabilities, as well as concluded and expected sales and purchase orders in foreign currency.

### STAFF RISKS

Both the Group's segments are founded on the knowledge and expertise of the staff. Constantly developing the competencies of all staff helps reduce vulnerability linked to employees leaving the company.

### TRADE RECEIVABLES

The Group's risk in this regard is limited through tight debtor management and by ensuring prepayment – primarily in EUR – for major orders.

### POLITICAL STABILITY

SKAKO runs significant operations at global level.

As a result of the political conditions in some regions, it can be difficult to transfer capital – either fully or in part – and the transactions may be associated with a significant degree of uncertainty and long-time horizons for receipt of payment.

Any shifts in power or changes in the political stability, financial framework conditions for foreign investment or transfer of capital in those countries where SKAKO runs operations may have an appreciable negative impact on the Group's future development, operating results, cash flows and financial position.



# CORPORATE GOVERNANCE IN SKAKO

## COMPOSITION AND DUTIES OF THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

The Board of Directors and the Executive Board have overriding responsibility for the Group's risk management and internal control in connection with the accounts presentation process, including responsibility for compliance with relevant legislation and other regulations pertaining to this area.

The overriding risk assessment and establishment of internal controls is deployed within SKAKO A/S, while the practical implementation is performed in collaboration with the Group's operating companies.

## PROCESS FOR THE PRESENTATION OF ACCOUNTS

With a view to ensuring a high level of quality in the Group's financial reporting, the management has adopted a range of procedures and guidelines for the presentation of accounts and internal controls, which are to be followed by the Group's subsidiaries in their reporting processes. These include

Monthly follow-up on goals and results achieved in relation to approved budgets and quarterly estimates of profits, balance sheets, cash flows and key figures

- Ongoing follow-up on projects, including risk management and the accounts-related processing of same
- Reporting instructions
- Instructions for closing accounts

## GOVERNANCE

### REGULATIONS FOR CHANGES TO THE ARTICLES OF ASSOCIATION

In the absence of any statement to the contrary in legislation or pursuant to the company's articles of association, all matters dealt with at the General Meeting are decided through a simple majority of votes.

### AUDIT COMMITTEE

The audit committee comprises Per Egebæk Have (chairman) and Kaare Vagner Jensen (member). The audit committee continuously monitors the accounts presentation process and the sufficiency and efficiency of the internal controls established, including new accounting standards, accounting principles and accounting estimates.



## MANAGEMENT REPORT, CONTINUED

### AUDIT

The independence and competence of the auditors are constantly assessed as the background for the Board's recommendation to the General Meeting. Agreements for audit services – including consolidated audits – are concluded between the company's audit committee and the auditors and then presented to the Board of Directors for approval.

### CORPORATE GOVERNANCE

The Board continuously evaluates the recommendations for good corporate governance, and assesses the extent to which the recommendations should be implemented within the company. According to the recommendations, it is acceptable to exercise corporate governance in a manner other than in accordance with the recommended guidelines, as long as the company explains the background for the deviation ("comply or explain" principle).

The company has chosen to publish a single, consolidated report on corporate governance on the company's website at the direct address [http://www.skako.com/fileadmin/SKAKO/PDF/Stamdata\\_SKAKO/ARL107b.pdf](http://www.skako.com/fileadmin/SKAKO/PDF/Stamdata_SKAKO/ARL107b.pdf) under the designation of "Statutory report on corporate governance 2013, cf. § 107 b of the Danish Financial Statements Act". This statutory report constitutes a part of the present management report.

### RISK ASSESSMENT

The Group's risk management and internal control systems in connection with the accounts presentation process can only provide reasonable – but not absolute – certainty that the inappropriate use of assets, losses and/or significant faults and defects in connection with the presentation of the accounts has been avoided.

The Board of Directors and the Executive Board continuously assess significant risks and internal controls in connection with the Group's operations, along with the potential influence of same on the accounts presentation process.

### DIVERSITY

We at SKAKO A/S believe that a diverse and accommodating organisation makes the business stronger, improves competitiveness and generates a good, innovative working environment.

We wish to develop and utilise the full measure of potential in all employees, and we want all employees to achieve their full potential with a good balance between work and private life. Equal opportunities in management and focus on diversity constitute an integral part of SKAKO A/S's HR policy.

There are currently no women on the Board of Directors of SKAKO A/S. However, the Board is well aware of this lack of representation and wishes to support and contribute to increasing the number of women Board members. Taking into account the business of SKAKO A/S and the sector in which the company operates, the Board of Directors has set itself the specific target of ensuring that the proportion of women elected by the General Meeting amounts to at least 20 per cent by the time of the company's Annual General Meeting in 2017.

In the opinion of the Board of Directors, the stated figure is an ambitious yet realistic goal for the company within the sectors in which SKAKO operates, where there is no tradition for high representation of women on boards of directors or at other management levels. Nevertheless, the Board of Director wishes and hopes to be able to boost this proportion even further once the stated objective has been achieved.

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## MANAGEMENT REPORT, CONTINUED

### CORPORATE GOVERNANCE IN SKAKO: DIVERSITY, CONTINUED

It is ultimately the shareholders present or represented at the General Meetings in SKAKO A/S who elect the members of the Board of Directors and thus establish the gender composition. To the extent that the Board of Directors nominates new candidates for election, however, the Board will include gender as a separate parameter with a view to achieving the stated objective. Nevertheless, when putting forward candidates for election to the Board of Directors of SKAKO A/S, it is important to ensure that the Board members represent professional competencies that are relevant to SKAKO A/S.

The proportion of women in the SKAKO A/S management group is currently 22.2 per cent. SKAKO's goal is for the proportion of women in the management group to total at least 25 per cent before the Annual General Meeting in the company in 2017. SKAKO A/S aims to achieve this objective through measures that include requiring candidates of both genders to be included in the recruiting phase, and taking into account the under-represented gender in the context of succession planning.

SKAKO works very consciously to demonstrate diversity in its marketing so as to indicate that the company wishes to reflect society in the composition of its workforce.

### CORPORATE SOCIAL RESPONSIBILITY

The Group has not formulated specific corporate social responsibility policies for areas other than occupational health and safety.

SKAKO does not have a policy for corporate social responsibility pursuant to § 99 a of the Danish Financial Statements Act.

The SKAKO Group is working to formulate and clarify the principles for corporate social responsibility that the Group applies to its everyday operations.

This has provisionally resulted in the formulation of a Code of Conduct, whose purpose is to promote responsible production principles. The intention is to ensure that suppliers – and their suppliers – produce and deliver services to the Group in a manner that shows consideration for the environment and for employee rights.

### ENVIRONMENT

- **PRODUCTION:** Generally speaking, the Group is a knowledge and engineering enterprise involved in the production of key components. Production primarily comprises installation and testing and does not, therefore, include energy-intensive or polluting processes. Apart from the work done in a single wet painting cabin at the factory in Lille, France, all surface treatment processes have been outsourced to subcontractors.
- **HEATING:** Energy-saving measures are introduced on an ongoing basis with a view to reducing heating expenses.

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## MANAGEMENT REPORT, CONTINUED

- **TRANSPORT:** The company generates significant indirect environmental impact from incoming and outgoing traffic in the form of goods vehicles, ships and, to a lesser extent, aircraft. As the markets in Western Europe have been in recession in recent years, orders have increasingly originated from more distant markets in Africa, the Far East and the United States. This has naturally entailed sending shipments over longer distances with the associated rise in support expenses and environmental impact. With a view to counteracting this tendency – and the attendant competitive considerations – SKAKO Concrete in particular built up a network of subcontractors to supply steel constructions, especially in South-East Asia and the United States, as a supplement to the network of subcontractors in Eastern Europe.
- **AIR TRAVEL:** In order to boost interdepartmental collaboration and to reduce air travel for the Group's employees, the Group has invested in modern, advanced video conferencing equipment for its three main locations in Faaborg, Strasbourg and Lille.

In the opinion of the Group, we all have a responsibility to contribute to improving the environment. The companies within the Group are therefore maintaining constant focus on the environment.

### PRODUCT DEVELOPMENT

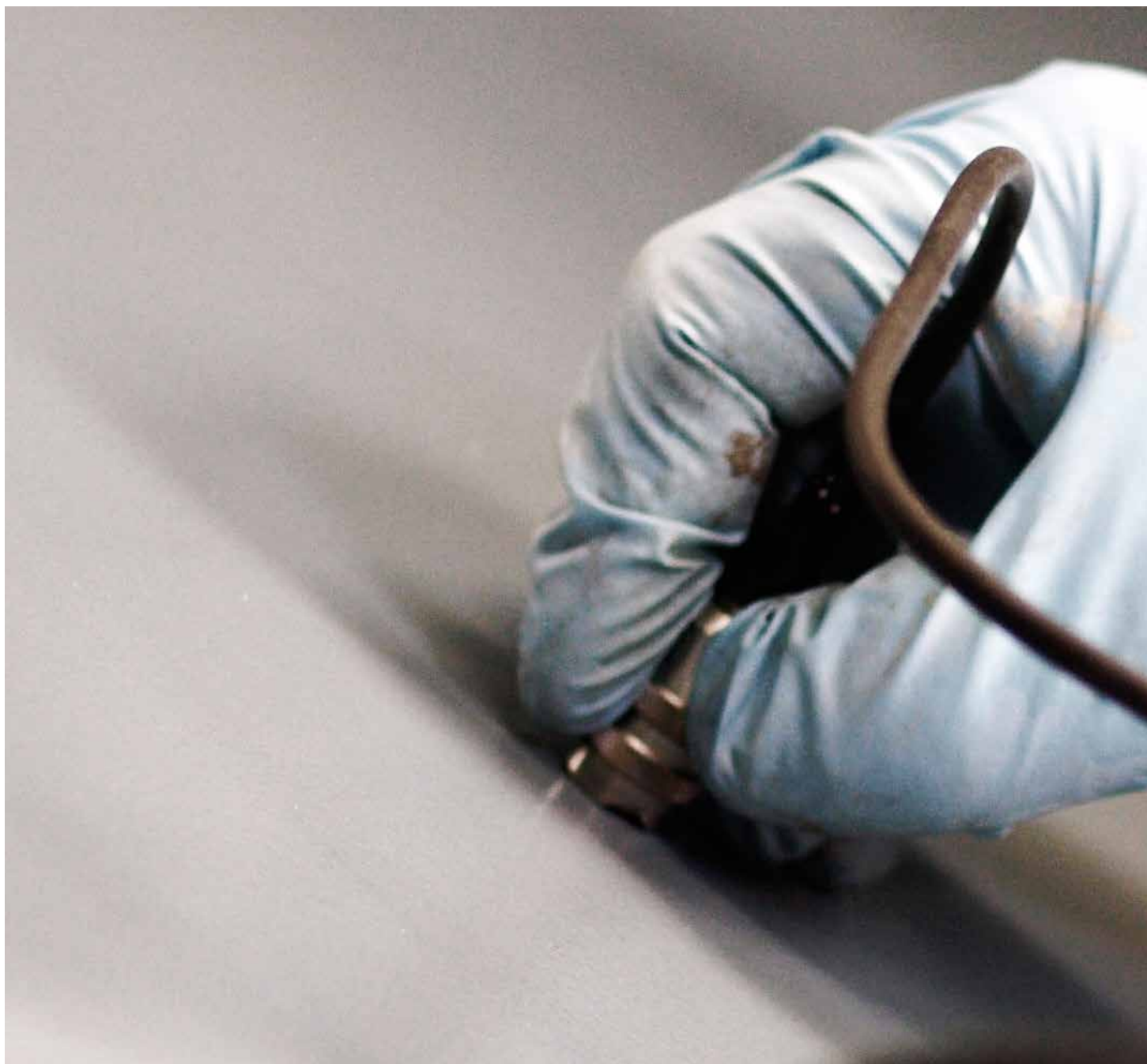
The Group works constantly to improve the functionality and quality of its products, by paying attention to the needs of the market and through product development.

Since the middle of 2011, the Group has been ramping up input within the development of new products and processes. This product development work resulted in SKAKO Concrete introducing a range of new products in 2013, which were well received by the market.

### HEALTH AND SAFETY

The Group's policies in the field of occupational health and safety and in relation to the Group's employees involve strong focus on the establishment and maintenance of a healthy working environment, where measures are applied to prevent accidents and injuries, and where efforts are made to generate positive relations to the workplace in general.

In 2011, the Group set up a working environment committee to organise the working relationship between management and employees so as to improve health and safety at the Group. Defibrillators were installed throughout the Group's facilities in 2012, and a number of employees have taken part in first aid courses to boost safety conditions for staff. It has not yet been possible to measure the impact these measures have had. At the factory in Lille, France, where most production activities are carried out, the Group has implemented a safety system and a safety culture that has significantly reduced the number of industrial accidents and injuries, as has been confirmed by an external audit performed in January 2013.







## MANAGEMENT REPORT, CONTINUED

# SHAREHOLDER INFORMATION

SKAKO is listed on NASDAQ OMX Copenhagen A/S under ID code DK0010231877. The share capital in the company amounts to EUR 4,163,932, divided between 3,106,418 shares @ EUR 1.34. There is only one share class.

At the end of 2013, the company had 1133 shareholders registered by name. Together, these shareholders held 90.36% of the capital.

The Board of Directors has been authorised by the General Meeting to acquire up to 10% of the company's own shares at market price +/- 10%. This authorisation is valid until the Ordinary General Meeting in 2015.

In January 2013, the company gave employees gifts of shares to a nominal value of kEUR 3.5.

In November 2013, Lind Invest ApS (controlled by Board member Henrik Lind), Maj Invest Holding A/S, Strandøre Invest A/S (controlled by Chairman of the Board Kaare Vagner) and Olanko ApS converted subordinated convertible bonds issued by SKAKO A/S in the total amount of EUR 1,662,132 into shares. The company's share capital was thus increased by the nominal value of EUR 898,448 through the issue of 670,269 new shares with the nominal value of EUR 1.34, corresponding to EUR 2.48 per share at the nominal value of EUR 1.34. The new shares correspond to 27.51% of the company's registered share capital prior to the capital increase.

## SHAREHOLDERS WITH MORE THAN 5% OF THE SHARES

Lind Invest ApS, Aarhus:	17.40%
The Employees' Capital Pension Fund (The professional association), Copenhagen K, Denmark:	15.68%
The Danske Bank Group (Danica Pension, life insurance), Copenhagen K, Denmark:	12.34%
Maj Invest Holding A/S:	10.14%

## DIVIDEND

The Board of Directors proposes that no dividend be paid for 2013.



## MANAGEMENT REPORT, CONTINUED

### COMPANY ANNOUNCEMENTS ISSUED:

2013

- 01 – Annual Report 2012
- 02 – Insider deals involving SKAKO shares
- 03 – Notice of Annual General Meeting
- 04 – Change of CEO of SKAKO A/S on 1 July 2013
- 05 – Report on the Annual General Meeting
- 06 – Interim report, first quarter 2013
- 07 – Major order for SKAKO in the United States
- 08 – New major order for SKAKO in the United States
- 09 – Insider deals involving SKAKO shares
- 10 – Interim report for the period 1 January–30 June 2013
- 11 – Insider deals involving SKAKO shares
- 12 – Major shareholder announcement, Christian Herskind
- 13 – Interim report, first nine months of 2013
- 14 – Execution and registration of capital increase
- 15 – Insider deals involving SKAKO shares
- 16 – Major shareholder announcements
- 17 – Voting rights and share capital
- 18 – Major order for SKAKO Vibration
- 19 – Major order for SKAKO Concrete
- 20 – Financial calendar for 2014

The company announcements are published on the company website: **[www.skako.com](http://www.skako.com)**

### FINANCIAL CALENDAR 2014

- |   |                 |
|---|-----------------|
| • Annual report, 2013                                       | 27 March 2014   |
| • Annual General Meeting 2014                               | 28 April 2014   |
| • Interim report for the period 1 January–30 March 2014     | 22 May 2014     |
| • Interim report for the period 1 January–30 June 2014      | 29 August 2014  |
| • Interim report for the period 1 January–30 September 2014 | 29 October 2014 |

### INVESTOR CONTACTS

Kaare Vagner Jensen, Chairman of the Board of Directors, and Finn Buus Nielsen, CEO  
Tel. +45 63 11 38 60  
E-mail: [skako.dk@skako.com](mailto:skako.dk@skako.com)

The company's register of owners is kept by VP Investor Services.



# BOARD OF DIRECTORS AND EXECUTIVE BOARD

## MANAGERIAL POSITIONS

### THE BOARD OF DIRECTORS:

**KAARE VAGNER JENSEN  
(CHAIRMAN)**  
BORN IN 1946



### MEMBER OF THE BOARD OF THE COMPANY SINCE 2010

#### MANAGERIAL POSITIONS IN OTHER COMPANIES:

##### CHAIRMAN OF THE BOARD:

ERRIA A/S  
Strandøre Invest A/S  
Nordatlantisk Venture A/S  
Copenhagen Engineering A/S  
LS Stålmontage ApS

##### DEPUTY CHAIRMAN:

Mols-Linien A/S

##### BOARD MEMBER:

ERRIA Container Service J/S  
Riegens A/S  
Riegens Invest A/S  
LD Invest Vietnam K/S (member of the investment committee)  
General Partner Equity Vietnam ApS

**CHRISTIAN HERSKIND  
JØRGENSEN  
(DEPUTY CHAIRMAN)**  
BORN IN 1961



### MEMBER OF THE BOARD OF THE COMPANY SINCE 2009

#### MANAGERIAL POSITIONS IN OTHER COMPANIES:

##### CHAIRMAN OF THE BOARD:

Mannaz A/S

##### DEPUTY CHAIRMAN:

Fonden Soldaterlegatet

##### BOARD MEMBER:

Danske Ingeniørers Efteruddannelses Fond  
Sumisura A/S

##### OTHER POSITIONS:

Refshaleøen Holding A/S, Managing Director  
Refshaleøens Ejendomsselskab A/S, Managing Director  
Britannia Invest A/S, CEO  
Mars & Merkur, President  
Herskind Venture Capital ApS, Director

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## MANAGEMENT REPORT, CONTINUED

### MANAGERIAL POSITIONS, CONTINUED

#### THE BOARD OF DIRECTORS:

**PER EGEBAEK HAVE**  
BORN IN 1957



**MEMBER OF THE BOARD OF THE COMPANY SINCE 2009**

#### MANAGERIAL POSITIONS IN OTHER COMPANIES:

##### **CHAIRMAN OF THE BOARD:**

Forskerparken Syd A/S  
Borgen Sønderborg A/S  
BMC AE A/S

##### **BOARD MEMBER:**

BMC Holding, Nordborg A/S  
BMC Invest A/S  
BMC Ventures A/S  
Sønderborg Havneseelskab A/S  
Universe Fonden  
Eltronic A/S  
PFA Invest A/S

##### **OTHER POSITIONS:**

Bitten og Mads Clausen's Fond, CEO

**JENS WITTRUP WILLUMSEN**  
BORN IN 1960



**MEMBER OF THE BOARD OF THE COMPANY SINCE 2010**

#### MANAGERIAL POSITIONS IN OTHER COMPANIES:

##### **CHAIRMAN OF THE BOARD:**

Air Greenland A/S  
Mediehuset Ingeniøren A/S  
Visit Denmark  
Comparo A/S  
Dansk Selskab for Virksomhedsledelse (VL)  
Realtime Targetting A/S  
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##### **DEPUTY CHAIRMAN:**

Billund Airport

##### **BOARD MEMBER:**

Charlotte Sparre A/S  
FDM Travel  
Aqualife A/S  
Copenhagen Wine A/S  
Marketsoft A/S



## MANAGEMENT REPORT, CONTINUED

### THE BOARD OF DIRECTORS:

**HENRIK ØSTENKJÆR LIND**  
BORN IN 1975



**MEMBER OF THE BOARD OF THE COMPANY SINCE 2011**

#### MANAGERIAL POSITIONS IN OTHER COMPANIES:

##### **CHAIRMAN OF THE BOARD:**

Danske Commodities A/S  
Lind Capital A/S  
Cornerstone Properties Germany Holding A/S  
Kristensen Partners III A/S  
Lam Holding A/S

##### **BOARD MEMBER:**

Dbh Technology A/S  
Hemonto A/S  
Aros Capital Partners Holding ApS  
4U Development  
Lind Value ApS  
SE Blue Equity  
Scandinavian Private Equity A/S

##### **OTHER POSITIONS:**

Lind Invest A/S, Director  
Aros Investment Partners ApS, Director

### EXECUTIVE BOARD:

**FINN BUUS NIELSEN**  
BORN IN 1949



**CEO SINCE 1 JULY 2013**

#### MANAGERIAL POSITIONS IN OTHER COMPANIES:

##### **DEPUTY CHAIRMAN:**

ERRIA A/S

##### **BOARD MEMBER:**

Marius Pedersen Fonden A/S  
SLC Holding A/S  
BUKH Asia

##### **OTHER POSITIONS:**

Fyns Erhverv, President

**CARL CHRISTIAN GRAVERSEN**  
BORN IN 1955



**CFO SINCE 1 JUNE 2010**



## STATEMENTS

# MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the annual report of SKAKO A/S for the period 1 January–31 December 2013.

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

It is our opinion that the consolidated financial statement and the parent company financial statement give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2013, 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 2013.

In our opinion, the management report includes a true and fair account of the development in the operations and financial circumstances of the Group and the parent company, of the results for the year and cash flows, and of the financial position as a whole, as well as a description of the most significant risks and elements of uncertainty facing the company and the Group.

We recommend that the annual report be approved by the Annual General Meeting.

Faaborg, 27 March 2014

### EXECUTIVE BOARD:

**Finn Buus Nielsen**  
CEO

**Carl Christian Graversen**  
CFO

### THE BOARD OF DIRECTORS:

**Kaare Vagner**  
Chairman

**Christian Herskind**  
Deputy Chairman

**Per Have**

**Jens Wittrup Willumsen**

**Henrik Lind**

## STATEMENTS, CONTINUED

# THE INDEPENDENT AUDITOR'S REPORT

To the shareholders in SKAKO A/S

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS**

We have audited the consolidated financial statements and the parent company financial statements for SKAKO A/S for the financial year 1 January–31 December 2013, which comprise income statement, comprehensive income statement, balance sheet, equity statement, cash flow statement and notes, including accounting principles, for both the Group and the company. The consolidated financial statements and parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and Danish disclosure requirements for listed companies.

### **MANAGEMENT RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS**

The 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 Danish disclosure requirements for listed companies. The management is also responsible for the internal controls that the management considers necessary to enable the preparation of consolidated financial statements and parent company financial statements free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the consolidated financial statements and parent company financial statements based on our audit. We have conducted the audit in accordance with international standards on auditing and additional requirements under Danish audit legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the consolidated financial statements and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

## STATEMENTS, CONTINUED

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

The audit has not resulted in any qualification.

### 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 assets, liabilities and financial position at 31 December 2013, and of the results from the Group's and the parent company's operations and cash flows for the financial year 1 January–31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

## STATEMENT ON THE MANAGEMENT REPORT

We have read the management report in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the consolidated financial statements and parent company financial statements. On this basis, it is our opinion that the information provided in the management report is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 27 March 2014  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab

Gert Fisker Tomczyk  
State-authorised public accountant

Line Hedam  
State-authorised public accountant









## INCOME STATEMENT FOR THE PERIOD 1 JANUARY–31 DECEMBER

PARENT COMPANY		NOTE	KEUR	GROUP	
2012	2013			2013	2012
0	0	3;4	<b>NET TURNOVER</b>	46,306	47,322
0	0	5	Production expenses	-36,562	-37,299
0	0		<b>GROSS PROFIT</b>	9,744	10,023
1,267	798	7	Other operating income	10	194
0	0	5	Distribution expenses	-5,804	-4,643
-1,426	-1,036	5;6	Administration expenses	-4,024	-3,982
-159	-238		<b>PROFIT ON PRIMARY OPERATIONS (EBIT)</b>	-74	1,592
1,520	184	8	Financial income	34	84
-370	-290	9	Financial expenditure	-607	-742
991	-345		<b>PROFIT BEFORE TAX</b>	-647	933
68	64	10	Tax on profit/loss for the year	-688	-285
1,059	-281		<b>PROFIT FOR THE YEAR ON CONTINUING OPERATIONS</b>	-1,335	648
			<b>DISCONTINUING OPERATIONS</b>		
0	0	11	Profit for the year on discontinuing operations	196	388
1,059	-281		<b>NET PROFIT FOR THE YEAR</b>	-1,139	1,036
		12	<b>EARNINGS PER SHARE (current and diluted) from continuing operations</b>		
			Earnings per share, current	-0.53	0.27
			Earnings per share, diluted	-0.53	0.21
			<b>PROPOSED DISBURSEMENT OF PROFITS</b>		
0	0		Proposed dividend: EUR 0 per share		
1,059	-281		Retained earnings		
1,059	-281				



## COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD 1 JANUARY–31 DECEMBER

PARENT COMPANY		NOTE	KEUR	GROUP	
2012	2013			2013	2012
1,059	-281		<b>NET PROFIT FOR THE YEAR</b>	-1,139	1,036
			<b>OTHER COMPREHENSIVE INCOME</b>		
			Items that can be reclassified to the income statement:		
0	0		Exchange rate regulations from conversion of foreign entities	0	35
			Value regulation of hedging instruments:		
0	0		Value regulation for the year	2	95
0	0		Tax on other comprehensive income	-1	-24
0	0		<b>OTHER COMPREHENSIVE INCOME AFTER TAX</b>	2	106
1,059	-281		<b>TOTAL COMPREHENSIVE INCOME</b>	-1,137	1,142

## BALANCE SHEET AT 31 DECEMBER

PARENT COMPANY		NOTE	kEUR	GROUP	
2012	2013		ASSETS	2013	2012
<b>NON-CURRENT ASSETS</b>					
0	78	<b>13</b>	Intangible assets	244	251
127	160	<b>14</b>	Property, plant and equipment	6,944	8,559
12,226	11,917	<b>15</b>	Participating interests in associated companies	-	-
0	43	<b>20</b>	Deferred tax	2,246	2,598
46	46	<b>16</b>	Other receivables	161	151
12,399	12,243			9,595	11,559
<b>CURRENT ASSETS</b>					
0	0	<b>17</b>	Inventories	6,741	6,530
0	0		Trade receivables	7,985	9,064
0	0	<b>18</b>	Work in progress on behalf of third parties	3,009	1,209
1,114	81		Receivables from associated companies	-	-
0	0		Tax receivable	180	45
51	7		Other receivables	1,208	1,073
136	86		Prepayments and accrued income	398	377
0	0	<b>11</b>	Assets intended for sale	400	579
10	12		Securities	12	10
0	7		Cash at bank and in hand	2,352	3,295
1,312	193			22,283	22,182
13,711	12,436		<b>TOTAL ASSETS</b>	31,878	33,740



## BALANCE SHEET AT 31 DECEMBER

PARENT COMPANY		NOTE	KEUR	GROUP	
2012	2013		LIABILITIES	2013	2012
		<b>19</b>	<b>EQUITY</b>		
3,266	4,164		Share capital	4,164	3,266
0	0		Hedging reserve	-6	-8
0	0		Translation reserve	-178	-178
3,048	3,048		Capital reduction reserve	3,048	3,048
2,810	3,299		Retained earnings	3,363	3,732
9,124	10,511		<b>TOTAL EQUITY</b>	10,391	9,859
			<b>NON-CURRENT LIABILITIES</b>		
0	0	<b>20</b>	Deferred tax	0	67
0	0	<b>22</b>	Pensions and similar obligations	0	0
0	0	<b>23</b>	Other provisions	330	360
0	0	<b>24</b>	Credit institutions	2,147	2,634
75	29	<b>24</b>	Leasing debt	50	855
75	29			2,527	3,916
			<b>CURRENT LIABILITIES</b>		
0	0	<b>23</b>	Other provisions	1,236	623
36	37	<b>24</b>	Short-term section of debts to credit institutions and leasing	682	960
109	79	<b>24</b>	Credit institutions	2,784	2,601
1,681	0	<b>21</b>	Convertible bonds	0	1,681
0	0	<b>18</b>	Prepayments from customers	2,693	2,391
153	47		Trade payables	7,378	7,050
2,420	1,665		Debt to associated companies	-	-
0	0		Corporation tax	72	308
112	69	<b>25</b>	Other payables	3,851	4,058
0	0	<b>11</b>	Obligations concerning assets intended for sale	65	248
0	0		Prepayments and accrued income	201	45
4,512	1,897			18,961	19,965
4,587	1,926		<b>TOTAL OBLIGATIONS</b>	21,488	23,881
13,711	12,436		<b>TOTAL LIABILITIES</b>	31,878	33,740
		<b>26</b>	<b>CONTINGENT ASSETS</b>		
		<b>27</b>	<b>CONTINGENT LIABILITIES AND SECURITIES</b>		
		<b>32-35</b>	<b>NOTES WITHOUT REFERENCE</b>		



## CASH FLOW STATEMENT

PARENT COMPANY		NOTE	KEUR	GROUP	
2012	2013			2013	2012
991	-345		Profit before tax	-647	933
-1,136	118	28	Adjustments	852	446
89	-54	29	Change in operating capital	-528	2,356
-55	-281		Cash flow from operations before financial items	-323	3,735
177	182		Interest received, etc.	34	84
-368	-311		Interest paid, etc.	-573	-520
-246	-410		Cash flow from operations	-861	3,299
68	21		Corporation tax paid	-776	-609
-178	-390		<b>Cash flow from operating activities</b>	-1,637	2,690
0	0		Disposal of property, plant and equipment	1,289	339
0	0		Change in other non-current assets	-10	-2
1	1		Dividend received	1	1
0	-84	30	Purchase of intangible assets	-102	-260
-15	-84	30	Purchase of property, plant and equipment	-323	-270
-14	-166		<b>Cash flow from investing activities</b>	855	-192
0	0		Repayment of long-term loans and bank loans	-508	-510
220	587		Change in intragroup balance	-	-
0	-1,662	21	Conversion of convertible bonds	-1,662	0
0	1,657		New subscription of shares	1,657	0
-65	11		Trade in own shares	11	-65
155	593		<b>Cash flow from financing activities</b>	-502	-575
-37	37		<b>Cash flow from continuing operations</b>	-1,284	1,923
0	0	11	<b>Cash flow from discontinuing operations</b>	154	-410
-37	37		<b>Change in cash at bank and in hand</b>	-1,131	1,513
0	0		Exchange rate adjustments of cash at bank and in hand	-33	4
-72	-109		Cash at bank and in hand, opening balance	782	-735
-109	-72	31	<b>Cash at bank and in hand, closing balance</b>	-382	782

## EQUITY STATEMENT

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### GROUP

	SHARE CAPITAL	HEDGING RESERVE	TRANSLATION RESERVE	CAPITAL REDUCTION RESERVE	RETAINED EARNINGS	TOTAL
EQUITY AT 1 JANUARY 2012	3,266	-79	-213	3,048	2,760	8,782
CHANGES IN EQUITY IN 2012						
Total comprehensive income	0	71	35	0	1,036	1,142
Sale of own shares	0	0	0	0	-65	-65
TOTAL CHANGES IN EQUITY IN 2012	0	71	35	0	972	1,077
<b>EQUITY AT 1 JANUARY 2013</b>	<b>3,266</b>	<b>-8</b>	<b>-178</b>	<b>3,048</b>	<b>3,732</b>	<b>9,860</b>
CHANGES IN EQUITY IN 2013						
Total comprehensive income	0	2	0	0	-1,139	-1,137
New subscription of shares on conversion of convertible bonds	898	0	0	0	758	1,657
Sale of own shares	0	0	0	0	11	11
TOTAL CHANGES IN EQUITY IN 2013	898	2	0	0	-370	531
<b>EQUITY AT 31 DECEMBER 2013</b>	<b>4,164</b>	<b>-6</b>	<b>-178</b>	<b>3,048</b>	<b>3,363</b>	<b>10,391</b>

### PARENT COMPANY

	SHARE CAPITAL	RETAINED EARNINGS	CAPITAL REDUCTION RESERVE	TOTAL
EQUITY AT 1 JANUARY 2012	3,266	1,816	3,048	8,130
CHANGES IN EQUITY IN 2012				
Total comprehensive income	0	1,059	0	1,059
Purchase of own shares	0	-65	0	-65
TOTAL CHANGES IN EQUITY IN 2012	0	994	0	994
<b>EQUITY AT 1 JANUARY 2013</b>	<b>3,266</b>	<b>2,810</b>	<b>3,048</b>	<b>9,124</b>
CHANGES IN EQUITY IN 2013				
Total comprehensive income	0	-281	0	-281
New subscription of shares on conversion of convertible bonds	898	758	0	1,657
Sale of own shares	0	11	0	11
TOTAL CHANGES IN EQUITY IN 2013	898	488	0	1,387
<b>EQUITY AT 31 DECEMBER 2013</b>	<b>4,164</b>	<b>3,299</b>	<b>3,048</b>	<b>10,511</b>

# NOTES

## Note

1

### **ACCOUNTING PRINCIPLES**

The annual report for SKAKO A/S, which comprises both the annual accounts for the parent company and the consolidated accounts, has been prepared in accordance with the International Financial reporting Standards (IFRS) as adopted by the EU, and Danish disclosure requirements for listed companies.

The official Danish annual report is presented in Danish kroner (DKK), which is the functional currency for the parent company and the Danish subsidiaries. This translated English annual report is presented in EUR based on the exchange rate at year end 2013 (746.03).

### **Change in accounting principles, including the presentation and implementation of accounting standards**

The accounting principles for SKAKO A/S, including presentation, are unchanged in relation to last year.

### **Implementation of new and amended standards and interpretations**

SKAKO has thoroughly assessed the effect of the new IFRS standards and interpretations. SKAKO has concluded that all the applicable standards and interpretations that have come into effect for the financial year commencing on 1 January 2013 are either not relevant to the SKAKO Group, or have no significant effect on the financial statements of the SKAKO Group. The following new accounting standards and interpretations were implemented in the financial year 2013, and all are of no significant importance.

- IAS 1 "Presentation of financial statements", IFRS 13 "Fair value measurement", IFRS 7 "Financial instruments: disclosures", IFRS 10 "Consolidated financial statements", as well as IFRS 12 "Disclosure of interests in other entities" and IAS 36 "Impairment of assets".
- Annual improvements 2009–2011. The annual improvements entail a range of minor amendments to IFRS, but for the SKAKO Group the effect is limited to the change in IAS 34: Information about segment assets need only be stated in an interim report if the sum is included in the internal management reporting.

### **Approved accounting standards and interpretations that have not come into effect**

The following amended accounting standards and interpretations, which are considered to be potentially relevant to the SKAKO Group, have been adopted by IASB and approved by the EU. However, they did not come into effect until later and will therefore only be implemented in the financial statements for 2013/14 and 2014/15, respectively.

- IAS 32 "Financial instruments: presentation", changes to IFRS 10, IFRS 12 and IAS 27, as well as alteration of IAS 39 "Financial instruments: recognition and measurement".

IASB has issued the following changes to standards and new interpretation, which may be relevant to the SKAKO Group, but which have not yet been approved by the EU:

- IFRS 9 "Measurement and classification of financial assets and liabilities".
- IFRIC 21 "Levies".
- Annual improvements 2010–2012. Specification of and minor adjustments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 1, IAS 7, IAS 12, IAS 16, IAS 24 and IAS 36.
- Annual improvements 2011–2013. Specification of and minor adjustments to IAS 1, IFRS 1, IFRS 13 and IAS 40.

The SKAKO Group does not expect the implementation of these standards and interpretations to have a significant monetary effect on the SKAKO Group.



## NOTES, CONTINUED

Note

### 1 ACCOUNTING PRINCIPLES, CONTINUED

#### **Consolidated accounts**

The consolidated accounts comprise the parent company (SKAKO A/S) and associated companies in which SKAKO holds controlling influence. Controlling influence is achieved through directly or indirectly owning or controlling more than 50% of the votes, or otherwise exercising control over the company in question.

The consolidated accounts are prepared as a summary of the financial statements of the parent company and the individual associated companies, calculated on the basis of the Group's accounting principles, with the elimination of intragroup income and expenditure, shareholdings, intercompany balances and dividends, as well as realised and unrealised profits on transactions between consolidated enterprises. Unrealised losses are eliminated in the same way as unrealised profits to the extent that there has been no value impairment.

The setting off of participating interests in associated companies is performed using the proportionate share of the subsidiary's fair value of identifiable net assets and included obligations at the time of acquisition.

#### **Translation of foreign currency**

A functional currency is set for each of the reported companies in the Group. The functional currency is the currency used in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currency.

Transactions in foreign currency are initially translated into the functional currency at the exchange rate at the date of transaction. Exchange adjustments arising due to differences between the transaction date rates and the rates at the dates of payment are recognised as financial income or financial expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rate at the balance sheet date. Exchange adjustments arising due to differences between the rates at the balance sheet date and the transaction date rates are recognised as financial income or financial expenses in the income statement.

On recognition in the consolidated accounts of foreign enterprises with a functional currency that differs from SKAKO A/S' presentation currency, the income statements are translated at transaction date rates, and balance sheet items are translated at the exchange rate at the balance sheet date. The transaction date rates are based on the average rates for the individual months to the extent that this does not materially distort the presentation of the underlying transaction. Exchange rate differences arising on the translation of the opening equity of foreign enterprises at exchange rates at the balance sheet date and on the translation of income statements from transaction date rates to exchange rates at the balance sheet date are recognised directly in equity.

## NOTES, CONTINUED

Note

1

### ACCOUNTING PRINCIPLES, CONTINUED

Exchange adjustments of balances with foreign enterprises that are treated as part of the total net investment in the enterprise in question are recognised directly in equity in the consolidated accounts, on condition that the balance is denominated in the functional currency of the parent company or the foreign enterprise. Similarly, exchange gains and losses on the part of loans and derivative financial instruments entered into in order to hedge the net investment in foreign enterprises with a functional currency other than that used by SKAKO A/S, and which effectively hedge against corresponding exchange gains/losses on the net investment in the enterprise, are recognised directly in equity under a separate translation reserve.

#### **Derivative financial instruments**

Derivative financial instruments are initially recognised in the balance sheet at cost, and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively, and positive and negative values are set off only where the enterprise has the right and intention to settle several financial instruments on a net basis (in the case of cash settlement). Fair values for derivative financial instruments are calculated on the basis of market data as well as recognised valuation methods.

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the value of the hedged asset or the hedged liability related to the hedged risk.

Changes in that part of the fair value of derivative financial instruments that are designated and qualify as hedges of expected future cash flows and effectively hedge changes in the value of the hedged item are recognised in equity. Profits or losses on such hedging transactions are transferred from equity on realisation of the hedged transaction, and are recognised in the same entry as the hedged item. However, on hedging proceeds from future borrowing, profits or losses on hedging transactions are transferred from equity over the term of the loan.

Changes in the fair values of derivative financial instruments that do not qualify for hedge accounting are recognised as they arise in financial income and expenses in the income statement.

Changes in fair values of derivative financial instruments that are used for hedging net investments in foreign subsidiaries or associated companies, and which provide effective hedging against exchange rate differences in these companies, are recognised directly in equity under a special translation reserve.







## NOTES, CONTINUED

Note

### 1 ACCOUNTING PRINCIPLES, CONTINUED

#### Income statement

##### Net turnover

Net turnover from the sale of commodities and finished goods is recognised in the income statement provided that risk has been transferred to the buyer prior to year end, and provided that income can be measured reliably and is expected to be received.

Turnover concerning services – comprising service packages and extended warranties on sold products and contracts – is recognised on a linear basis in step with the delivery of the services.

Net turnover is measured excluding VAT and duties collected on behalf of a third party. All forms of discounts granted are recognised in net turnover on an ongoing basis.

Work in progress on behalf of third parties is recognised in net turnover in step with performance of the associated production, such that the net turnover corresponds to the sales value of the work completed during the year (production method). Net turnover is recognised when the total income and expenditure on a construction contract and the degree of completion at balance sheet date can be estimated reliably, and it is likely that the financial benefits, including payment, will accrue to the Group.

##### Production expenses

Production expenses comprise costs paid to achieve the net turnover for the year. These include direct and indirect expenses for raw materials and consumables, wages and salaries, rental and leasing expenses, and depreciation of production facilities. The commercial companies include consumption of goods.

Furthermore, production expenses include research and development costs that do not qualify for capitalisation, as well as amortisation and impairment on capitalised development costs.

Provisions for losses on construction contracts are also included.



## NOTES, CONTINUED

Note

1

### ACCOUNTING PRINCIPLES, CONTINUED

#### Distribution expenses

Distribution expenses comprise expenses incurred for the distribution of goods sold during the year, as well as expenses for sales campaigns, etc. completed during the year. This includes expenses for sales staff, advertising and exhibition costs, and depreciation.

#### Administration expenses

Administration expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises, office expenses and depreciation.

#### Other operating income and expenses

Other operating income and expenses comprise items of secondary nature in relation to the company's operations.

#### Dividends on participating interests in associated companies in the parent company's financial statement

Dividends on participating interests in associated companies are recognised as income in the parent company's income statement for the financial year in which the dividends are declared.

#### Financial income and expenses

Financial income and expenses comprise interest, exchange gains and losses and impairment losses on securities, debt and foreign currency transactions, amortisation of financial assets and liabilities, as well as extra payments and repayments under the on-account taxation scheme. They also include realised and unrealised gains and losses concerning derivative financial instruments that are not designated hedging agreements.

#### Tax on profit/loss for the year

SKAKO A/S is taxed jointly with the associated Danish companies. The current corporation tax is divided between the jointly taxed companies in relation to the taxable income of said companies (full distribution with reimbursement in the event of tax losses). The jointly taxed companies participate in the on-account taxation scheme.

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement in the amount that can be attributed to the profit/loss for the year, and directly in "other comprehensive income" in the amount that can be attributed to items directly in "other comprehensive income".

#### Balance sheet

#### Intangible assets

##### Software

Software is recognised at cost less accumulated depreciation, or at utility value when this is lower for reasons that cannot be assumed to be transitory.

Depreciation of software is calculated on a straight-line basis over the expected useful life of the assets, i.e. 3–5 years.

##### Development projects

Development projects that are clearly defined and identifiable – where the technical feasibility, sufficient resources and a potential future market or application option in the Group can be proven, and where the intention is to produce, market or use the product – are recognised as intangible assets if the cost can be measured reliably, and if there is sufficient certainty that the future earnings or net sale price will be able to cover the production, sale, administration and development expenses. Other development expenses are recognised in the income statement progressively as said expenses are incurred. Recognised development expenses are measured at cost less accumulated depreciation and impairment losses. Cost comprises salaries, depreciation and other expenses that can be attributed to the Group's development activities and loan expenses from specific and general loans that directly concern the development of development projects.

## NOTES, CONTINUED

Note                      kEUR

### 1                      **ACCOUNTING PRINCIPLES, CONTINUED**

#### **Development projects, continued**

On completion of the development work, depreciation of development projects is calculated on a straight-line basis over the expected useful financial life as from the time when the asset is ready for use. The depreciation period is usually 5–10 years. The basis of depreciation can be reduced by impairment losses, if any.

#### **Property, plant and equipment**

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for materials, components, subcontractors and labour. Estimated expenses for dismantling and disposing of the asset and for re-establishment are added to cost to the extent that they are recognised as a provision. Where individual components of an item of property, plant and equipment have different useful lives, the cost of the item is broken down into separate components which are depreciated separately.

The cost of assets held under finance leases is calculated at the lower of the fair value of the leased asset and the net present value of the future minimum lease payments computed by applying the interest rate implicit in the lease or an approximated value thereof as the discount rate.

Subsequent expenses, e.g. in connection with the replacement of components of an item of property, plant and equipment, are recognised in the book value of the asset in question when it is probable that the expenses incurred will result in future economic benefits to the Group. The book value of the replaced components is derecognised in the balance sheet and recognised in the income statement. All other expenses incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings:	10–40 years
Plant and machinery:	3–10 years
Tools and equipment:	3–10 years
Lease assets:	3–10 years
Furnishing of leased premises:	3–10 years
Land is not depreciated.	

The basis of depreciation is calculated taking into account the residual value of the asset less any impairment losses. The residual value is determined at the time of acquisition and is reassessed annually. Where the residual value exceeds the book value of the asset, depreciation is discontinued.

If the depreciation period or the residual value has changed, the effect on depreciation is recognised prospectively as a change of accounting estimate.

Depreciation is recognised in the income statement under production, distribution as well as administrative expenses, to the extent that depreciation is not included in the cost of assets of own construction.

## NOTES, CONTINUED

Note

1

### ACCOUNTING PRINCIPLES, CONTINUED

#### **Participating interests in associated companies in the parent company's annual accounts**

Participating interests in associated companies are measured at cost. Where cost exceeds recovery value, this is written down to the lower value.

Cost is similarly written down to the extent that the dividend paid exceeds the accumulated revenue after the date of acquisition.

#### **Inventories**

Inventories are measured at cost, using the FIFO method. If the net realisable value (NRV) is lower than cost, this is written down to the lower value.

The cost of goods for resale, raw materials and consumables comprises direct costs and transportation expenses.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and indirect production expenses. Indirect production expenses comprise indirect materials and labour expenses as well as maintenance and depreciation of machinery, factory buildings and equipment used in the manufacturing process, together with costs of factory administration and management.

The NRV of inventories is measured at sales price less costs of completion and selling costs. NRV is determined taking into account marketability, obsolescence and development in the expected selling price.

#### **Trade receivables**

Trade receivables are measured at amortised cost less losses from value impairment.

#### **Work in progress on behalf of third parties**

Construction contracts in process are measured at the selling price of the work performed, less interim billing and expected losses.

The selling price is measured on the basis of the stage of completion at balance sheet date and the total expected income on the individual work in progress. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses.

Where it is probable that the total contract expenses will exceed total income from a contract, the expected loss is recognised immediately as an expense in the income statement.

Where the selling price of a contract cannot be calculated reliably, the selling price is measured as the expenses incurred to date which it is considered likely that the company will recover.

Work in progress for which the selling price of the work performed exceeds interim billings and expected losses is recognised as assets. Work in progress for which interim billings and expected losses exceed the selling price is recognised as liabilities.

Prepayments from customers are recognised as liabilities.

Expenses related to sales work and the securing of contracts are recognised in the income statement as incurred.

#### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise expenses paid with regard to subsequent financial years.

#### **Securities**

Shares and bonds included in the Group's trading book are recognised under current assets at cost on the date of transaction, and are subsequently measured at fair value corresponding to the market price for listed securities, and at an estimated fair value calculated on the basis of market data and recognised valuation methods for unlisted securities. Changes in the fair value are recognised continuously in the income statement under financial items.

## NOTES, CONTINUED

Note

### 1 ACCOUNTING PRINCIPLES, CONTINUED

#### **Impairment losses on non-current assets**

Intangible assets with undefinable useful lives are tested annually for impairment losses. Development projects in progress, deferred tax assets and financial assets are correspondingly tested annually for impairment losses.

Other non-current assets are tested when there are indications of impairment. When such indications are identified, the recovery value of the asset is calculated. The recovery value is the higher of fair value less the expected selling expenses and capital value.

An impairment loss is recognised when the book value of an asset or a cash-generating unit exceeds the recovery value of the asset or the cash-generating unit in question. Losses from impairment on subsidiaries are recognised in the income statement under financial expenses. Losses from impairment on other assets are recognised under production, distribution and administration expenses.

Impairment losses on non-current assets are reversed to the extent that changes have occurred in the preconditions and estimates that led to the impairment. Impairment losses are only reversed to the extent that the new book value of the asset does not exceed the book value that would have been ascribed to the asset after depreciation if the asset had not incurred impairment losses.

#### **Equity**

##### **Dividend**

A proposed dividend is recognised as a liability at the time of adoption at the Annual General Meeting (declaration date). The dividend distribution proposed for the year is disclosed as a separate item under equity.

##### **Translation reserve**

The translation reserve in the consolidated accounts comprises exchange adjustments arising on the translation of the financial statements of foreign enterprises from their functional currencies into the presentation currency of the SKAKO Group (DKK).

Upon full or part realisation of the net investment, exchange adjustments are recognised in the income statement.

The translation reserve was reset to zero on 1 January 2004 in accordance with IFRS 1.

##### **Capital reduction reserve**

At the Extraordinary General Meeting held on 10 November 2011, it was decided to reduce the share capital in the company by EUR 3,011,943 and to change the nominal value of the shares in the company from EUR 2.68 to EUR 1.34 per share. The special capital reduction reserve can be dissolved and transferred to unrestricted reserves through a decision by the General Meeting.

##### **Own shares**

Purchase and sales sums as well as dividends relating to own shares are recognised directly under retained earnings in equity.

##### **Pension obligations**

Obligations referring to defined contribution plans are recognised in the income statement in the period to which they relate, and any contributions outstanding are recognised in the balance sheet under other payables.

For defined benefit plans, an annual actuarial calculation is performed of the net present value of the future benefits that are to be paid out under the defined benefit plan. Net present value is calculated based on assumptions of the future development in, for example, salary level, interest rates, inflation and mortality. The net present value is calculated only for benefits earned by employees from their employment to date with the Group. The actuarially calculated net present value less the fair value of any plan assets is recognised in the balance sheet under pension obligations.

## NOTES, CONTINUED

Note

1

### ACCOUNTING PRINCIPLES, CONTINUED

In the income statement, the pension expense for the year is recognised based on the actuarial estimates and financial expectations at the beginning of the year. The accumulated actuarial gains or losses are also recognised.

#### Corporation tax and deferred tax

Current tax liabilities and receivables are recognised in the balance sheet at the amounts calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

Deferred tax is measured using the temporary differences between the book value and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes, office premises and other items – apart from business acquisitions – where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax assets, including the tax base of any tax loss carry-forwards, are recognised in other non-current assets at the value at which the asset is expected to be realised, either by elimination of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustments are made to deferred tax to take account of the elimination of unrealised Group-internal profits and losses.

Deferred tax is measured on the basis of the tax rules and the tax rates of the respective countries that will be effective when the deferred tax is expected to crystallise as current tax based on the legislation at the balance sheet date. Changes to deferred tax due to changes to tax rates are recognised in the income statement.

#### Provisions

Provisions primarily comprise warranty provisions.

Provisions are recognised when – in consequence of an event that has occurred before or on the balance sheet date – the Group has a legal or constructive obligation and it is probable that there will be an outflow of the Group's financial resources to settle the obligation.

Provisions are measured at the management's best estimate of the expenses required to settle the obligation.

Warranty provisions are recognised in step with the sale of goods and services based on warranty expenses paid in previous financial years.

#### Financial obligations

Convertible bonds are recognised in the balance sheet at amortised cost, based on the current market interest rate, and recognised in the income statement in step with the bonds' maturity period and time of redemption.

Loans from credit institutions, etc. are recognised at the time of borrowing at the value of the proceeds received net of transaction expenses incurred. Subsequently, the financial obligations are measured at amortised cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised under financial expenses in the income statement over the loan period.

Financial obligations also include the capitalised remaining lease obligations on financial lease contracts.

Financial warranties issued by the parent company to third parties concerning loans to subsidiaries are recognised at fair value at the time of establishment. Subsequently, warranties issued are measured at the higher of the original fair value less amortisation or the expected loss.

Other obligations are measured at net realisable value.

#### Prepayments and accrued income

Prepayments and accrued income recognised under liabilities comprise payments received relating to income in subsequent years.



## NOTES, CONTINUED

Note

1

### ACCOUNTING PRINCIPLES, CONTINUED

#### Assets intended for sale

Assets intended for sale comprise property, plant and equipment and “sale groups” owned intended for sale. A “sale group” is a group of assets that are to be disposed of together through a single sale transaction or similar, and obligations directly linked to these assets that will be transferred as part of the transaction. Assets are classified as “intended for sale” when their book value will primarily be recovered through sale within twelve (12) months in accordance with a formal plan, rather than through continued use.

Assets or “sale groups” that are intended for disposal are measured at the lower of book value or fair value less selling expenses. No depreciation or amortisation is performed on assets from the time when they are classified as “intended for sale”.

Impairment losses that arise on the initial classification as “intended for sale”, and gains or losses from subsequent measurement at the lower of book value or fair value less selling expenses, are recognised in the income statement in the items they concern. Gains and losses are stated in the notes.

Assets and associated obligations are highlighted on separate lines in the balance sheet, and the main items are specified in the notes.

#### Presentation of discontinuing operations

Discontinuing operations constitute a unit whose activities and cash flows, from operational and accounting perspectives, can be clearly separated from those of the rest of the business, and where the unit has either been sold or separated intended for sale, and the sale is expected to be completed within one (1) year according to a formal plan. Discontinuing operations also include companies purchased with a view to sale.

Profits and value adjustments after tax on discontinuing operations are disclosed on a separate line in the income statement with comparison figures. Turnover, expenses and tax for the discontinuing operation are disclosed in the notes. Similarly, assets and the associated obligations are highlighted on separate lines in the balance sheet – cf. the “Assets intended for sale” section – and the main entries are specified in the notes.

Cash flows from operating, investing and financing activities for the discontinuing operations are disclosed in a note.

Comparison figures for discontinuing operations are only adjusted in the income statement and cash flows in the consolidated accounts for the year prior to reclassification of the operation.

#### Cash flow statement

The cash flow statement shows cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents, as well as cash and cash equivalents at the beginning and end of the year.

The effect on liquidity of purchases and sales of enterprises is shown separately under cash flows from investing activities. Cash flows relating to acquired enterprises are recognised from the date of acquisition, while cash flows related to enterprises disposed of are recognised until the date of disposal.

#### Cash flow from operating activities

Cash flows from operating activities are calculated as the profit/loss before tax adjusted for non-cash operating items, changes in operating capital, interest paid and corporation tax paid.

#### Cash flow for investing activities

Cash flows for investing activities comprise payments made in connection with the purchase and sale of enterprises and operations, acquisitions and disposals of intangible assets, property, plant and equipment as well as other non-current assets and purchases and sales of securities that are not included under cash and cash equivalents.

#### Cash flow for financing activities

Cash flows for financing activities comprise changes to the amount or composition of the share capital and related expenses, as well as the raising of loans, repayment of interest-bearing debt, acquisition and disposal of own shares, and distribution of dividends to shareholders.

#### Cash at bank and in hand

Cash at bank and in hand comprises deposits on bank accounts and current overdraft facilities that are included in ongoing cash management.

## NOTES, CONTINUED

Note

1

### ACCOUNTING PRINCIPLES, CONTINUED

#### Segment information

Information about business segments is prepared in accordance with the Group's accounting principles.

Segment income and expense, as well as segment assets and liabilities, comprise the items that can be directly attributed to the individual segment, as well as the items that can be allocated to the individual segment on a reliable basis. Non-allocated items primarily include assets and liabilities as well as income and expense concerning the Group's administrative functions, investing activities, income taxes, etc.

Assets in the segment include the non-current assets that are used directly in the segment's operations, including intangible assets, property, plant and equipment, as well as current assets that are used directly in the segment's operations, including inventories, trade receivables, other receivables, prepayments and cash and cash equivalents.

Segment liabilities comprise the obligations that arise from the segment's operations, including obligations to suppliers of goods and services and other payables.

#### Calculation of key figures

The figures stated in the overview of highlights and key figures are calculated as follows:

Net interest-bearing debt:	Liabilities to credit institutions, leasing debt and convertible bonds, less deposits on bank accounts and interest-bearing receivables.
Growth in turnover:	$\frac{\text{Net turnover current year} \times 100}{\text{Net turnover previous year}} - 100$
Net profit ratio:	$\frac{\text{Profit on primary operation} \times 100}{\text{Net turnover}}$
Liquidity ratio:	$\frac{\text{Current assets, year end} \times 100}{\text{Current liabilities, year end}}$
Solvency ratio :	$\frac{\text{Equity excl. minority interests, year end} \times 100}{\text{Total assets, year end}}$
Return on equity:	$\frac{\text{Group share of profit for the year} \times 100}{\text{Average equity, excl. minority interests}}$
NWC/Turnover:	$\frac{\text{NWC at year end}}{\text{Turnover}}$
Earnings per share (EPS):	$\frac{\text{Group share of profit for the year}}{\text{Average number of outstanding shares}}$
Book value per share, year end	$\frac{\text{Equity excl. minority interests, year end}}{\text{Number of shares, year end}}$
Market price, year end:	Price of listed shares, year end
Dividend per share, EUR:	$\frac{\text{Dividend percentage} \times \text{nominal share value}}{100}$
Price/Book value (P/BV):	$\frac{\text{Market price, year end}}{\text{Internal book value, year end}}$

Earnings per share (EPS) is calculated in accordance with IAS 33.

## NOTES, CONTINUED

Note

### 2 ACCOUNTING ESTIMATES AND ASSESSMENTS

#### **Estimated uncertainties**

The calculation of the book value of certain assets and liabilities requires estimates of how future events will affect these assets and liabilities at balance sheet date. Estimates that are important to the presentation of accounts by the Group are performed, for example, by calculating impairments and depreciation, the sales value of construction contracts, the recognition of deferred tax assets, pensions and similar obligations, provisions and contingent liabilities and contingent assets. Estimates that are important to the presentation of accounts by the parent company are performed, for example, by establishing impairment requirements on participating interests in subsidiaries.

The estimates applied are based on assumptions that the management considers reasonable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the company is subject to risks and uncertainties which may lead to actual results deviating from these estimates. Such estimates comprise, for example, the assessment of the future realisation of deferred tax assets in the amount of EUR 1.8 million (recognised) and EUR 7.9 million (not recognised), depreciation period and realisation of development projects in the amount of EUR 0.1 million, provisions for ongoing cases, and warranties recognised in the total amount of EUR 1.0 million. Special risks for the SKAKO Group are mentioned in the management report (page 18) and in Note 34.

#### **Accounting principles and assessments**

As a part of the application of the Group's accounting principles, the management makes assessments – over and above estimated assessments – which may have a significant influence on the sums recognised in the annual report. Such assessments include, for example, when income and expenditure in relation to contracts with third parties are to be dealt with in accordance with the production method, and the extent to which lease contracts are to be treated as operational or financial leases.



## NOTES, CONTINUED

Note

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### SEGMENT INFORMATION

<b>Operations 2013</b>							
	Concrete plants	Vibration equipment	Not distributed, incl. Parent company	Eliminations	Continuing operations	Discontinuing operations	Group total
Net turnover, external	26,771	19,535	0	0	46,306	79	46,386
Net turnover, internal	159	854	0	-1,013	0	0	0
Depreciation	630	82	57	0	769	0	769
Profit on primary operations (EBIT)	-2,468	2,632	-238	0	-74	-286	-360
Financial income	20	139	184	-308	34	5	39
Financial expenditure	-429	-149	-290	262	-607	-26	-633
Profit before tax	-2,877	2,621	-391	0	-647	-307	-953
Tax on profit/loss for the year	-18	-734	64	0	-688	502	-185
Net profit for the year	-2,894	1,887	-327	0	-1,335	196	-1,139
Segment assets	16,901	15,934	-	-1,357	31,478	400	31,878
Segment obligations	14,624	7,048	-	-250	21,422	65	21,488
Acquisition of intangible assets, property, plant and equipment for the year	187	71	168	0	425	0	425
Average number of employees	109	76	3	0	188	0	188
<b>Operations 2012</b>							
	Concrete plants	Vibration equipment	Not distributed, incl. Parent company	Eliminations	Continuing operations	Discontinuing operations	Group total
Net turnover, external	29,514	17,808	0	0	47,322	2,010	49,332
Net turnover, internal	184	1,126	0	-1,310	0	0	0
Depreciation	763	80	89	0	932	0	932
Profit on primary operations (EBIT)	-271	2,024	-162	0	1,592	-106	1,486
Financial income	58	156	198	-328	84	86	170
Financial expenditure	-509	-191	-370	328	-742	-50	-792
Profit before tax	-722	1,989	-333	0	933	-70	864
Tax on profit/loss for the year	229	-582	68	0	-285	458	173
Net profit for the year	-493	1,407	-266	0	648	388	1,036
Segment assets	18,727	16,280	-	-1,845	33,162	579	33,741
Segment obligations	16,807	6,005	-	821	23,633	248	23,881
Acquisition of intangible assets, property, plant and equipment for the year	1,581	123	126	0	1,830	0	1,830
Average number of employees	113	74	5	0	192	5	197

Transactions between segments are completed on market terms.

## NOTES, CONTINUED

Note **kEUR**

### 3 **SEGMENT INFORMATION, CONTINUED**

Turnover and non-current assets are distributed as follows:

	<b>NET TURNOVER</b>		<b>NON-CURRENT ASSETS</b>	
<b>COUNTRY</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Europe	27,187	32,913	9,419	11,384
United States	4,849	5,037	176	175
Rest of the world	14,270	9,372	0	0
	<b>46,306</b>	<b>47,322</b>	<b>9,595</b>	<b>11,559</b>

### 4 **NET TURNOVER**

<b>Parent company</b>			<b>Group</b>	
<b>2012</b>	<b>2013</b>	<b>Net turnover comprises:</b>	<b>2013</b>	<b>2012</b>
0	0	Sale of goods	31,524	33,769
0	0	Sale of services	5,679	5,577
0	0	Sales value of the year's production of construction contracts	8,831	7,290
0	0	Lease income	272	685
0	0		<b>46,306</b>	<b>47,322</b>

### 5 **EXPENSES**

<b>Parent company</b>			<b>Group</b>	
<b>2012</b>	<b>2013</b>	<b>Production expenses</b>	<b>2013</b>	<b>2012</b>
0	0	Consumption of goods for the year	16,301	19,657
0	0	Write-downs on inventories for the year	581	607
0	0	Reversed write-downs on inventories	269	521
		Reversal of write-downs is attributable to movements on written down item numbers		
		<b>Research and development expenses</b>		
0	0	Research and development expenses paid	92	259
0	0	Development expenses recognised under intangible assets	-68	-206
0	0	Depreciation and impairment losses on recognised development expenses	0	16
0	0	<b>Research and development expenses for the year recognised in the income statement</b>	<b>23</b>	<b>70</b>



## NOTES, CONTINUED

Note

kEUR

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### EXPENSES, CONTINUED

Parent company			Group	
2012	2013	Staff costs	2013	2012
785	511	Wages and salaries	12,752	12,682
57	32	Contribution-based pensions	576	599
0	0	Defined benefit pensions	0	14
6	5	Other staff costs	423	432
848	548		13,752	13,727
Staff costs are recognised as follows:				
0	0	Production expenses	7,457	8,091
0	0	Distribution expenses	3,808	3,156
848	548	Administration expenses	2,487	2,480
848	548		13,752	13,727
5	3	Average number of employees	188	192

#### Remuneration of Board of Directors and Executive Board

Remuneration for the Board of Directors, audit committee, and Executive Board is included in the above list of staff costs, and can be specified as follows:

Parent company			Group	
2012	2013	Board of Directors and audit committee	2013	2012
166	168	Remuneration	168	166
<b>Executive Board</b>				
400	224	Salary	439	400
40	23	Pension and social security costs	43	40
-	-	Share-based payment	-	-
440	247		482	440

There are no special severance programmes for the Executive Board.

Specific agreements have been entered into concerning incentive-based remuneration of the Executive Board.

The Parent company has no programmes for share-based payment.

## NOTES, CONTINUED

Note

kEUR

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### FEE TO AUDITORS SELECTED BY THE GENERAL MEETING

Parent company			Group	
2012	2013		2013	2012
56	85	Total fees, PricewaterhouseCoopers	121	121
0	0	Total fees, other auditors	75	53
56	85		195	174
<b>Distribution of fees:</b>				
20	19	Statutory audit	49	67
0	1	Other reporting assignments with assurance	1	0
5	7	Tax consultancy	7	6
31	59	Other services	64	48
56	85		121	121

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### OTHER OPERATING INCOME

Parent company			Group	
2012	2013		2013	2012
1,267	798	Management fee and IT	0	113
0	0	Profit from sale of property, plant and equipment	10	15
0	0	Public subsidy	0	66
1,267	798		10	194

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### FINANCIAL INCOME

Parent company			Group	
2012	2013		2013	2012
176	133	Interest income from associated companies	0	36
1,340	0	Reversal of write-downs on participating interests	-	-
0	46	Proceeds from winding up of subsidiaries	-	-
1	3	Exchange gains on securities, net (fair value)	3	1
1	2	Other interest income	31	46
1,520	184		34	84

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### FINANCIAL EXPENDITURE

Parent company			Group	
2012	2013		2013	2012
184	138	Interest paid to associated companies	5	38
83	138	Interest, convertible bonds	138	83
0	1	Exchange losses	39	62
71	3	Interest on financial leasing	24	95
32	10	Other interest expenses	401	465
370	290		607	742

## NOTES, CONTINUED

Note

kEUR

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### TAX ON PROFIT/LOSS FOR THE YEAR

Parent company			Group	
2012	2013		2013	2012
-68	-64	Tax on continuing operations	688	285
-68	-64	<b>Tax on profit/loss for the year</b>	688	285
Specified as follows:				
0	0	Tax on taxable income for the year	671	547
0	0	Adjustment of deferred tax	301	-284
0	0	Other adjustments	-284	0
-68	-64	Correction concerning tax for prior years	0	23
-68	-64	<b>Tax on profit/loss for the year</b>	688	285
248	-86	25% tax on profit/loss for the year before tax	-162	233
0	0	Difference between Danish and foreign corporation tax rate	-33	101
-68	-21	Received in joint taxation	0	0
0	0	Correction concerning prior years	0	23
-247	44	Write-down on deferred tax assets	259	-105
0	0	Effect on change in tax rate	206	0
0	0	Non-recognised tax assets	395	0
0	0	Permanent differences	22	33
-68	-64	<b>Tax on profit/loss for the year</b>	688	285



## NOTES, CONTINUED

Note

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### DISCONTINUING OPERATIONS

Parent company			Group	
2012	2013		2013	2012
		Profit/loss from discontinuing operations comprises:		
0	0	Turnover	79	2,010
0	0	Other operating income	0	0
0	0	Production expenses	-387	-1,662
0	0	Distribution expenses	3	-202
0	0	Administration expenses	19	-252
0	0	Financial income	5	86
0	0	Financial expenditure	-26	-50
0	0	Profit before tax	-307	-70
0	0	Tax	502	458
0	0	Profit/loss	196	388
<b>Key figures for discontinuing operations</b>				
0	0	Cash flow from operations	-38	-453
0	0	Cash flow for investment	0	42
0	0	Cash flow for financing	192	0
0	0	Total cash flow	154	-410
0	0	Inventories	0	452
0	0	Deferred tax	350	0
0	0	Trade receivables	0	39
0	0	Cash at bank and in hand	50	88
0	0	Total assets	400	579
0	0	Provisions	41	115
0	0	Other obligations	24	133
0	0	Total obligations	65	248

Discontinuing operations refer to SKAKO Lift.

At year end, the company's operations are limited to the discontinuation of the subsidiary in the United States.

## NOTES, CONTINUED

Note

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### EARNINGS PER SHARE

	Group	
	2013	2012
The calculation of earnings per share for continuing and discontinuing operations is based on the corresponding key figures as for earnings per share:		
Profit/loss on discontinuing operations	196	388
Profit/loss on continuing operations	-1,335	648
<b>Net profit for the year</b>	<b>-1,139</b>	<b>1,036</b>
Average number of shares	2,542,657	2,436,149
Average number of own shares	-26,781	-16,801
<b>Average number of shares outstanding</b>	<b>2,515,876</b>	<b>2,419,348</b>
Dilution effect of convertible bonds	0	670,270
<b>Diluted average number of shares outstanding</b>	<b>2,515,876</b>	<b>3,089,618</b>
<b>Continuing operations:</b>		
Earnings per share	-0.53	0.27
Diluted earnings per share	-0.53	0.21
<b>Discontinuing operations:</b>		
Earnings per share	0.08	0.16
Diluted earnings per share	0.08	0.13
<b>Net profit for the year:</b>		
Earnings per share	-0.45	0.43
Diluted earnings per share	-0.45	0.34



## NOTES, CONTINUED

Note

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### INTANGIBLE ASSETS

	Group		
	Development projects	Software	Total
Cost at 1 January 2012	0	2,879	2,879
Exchange adjustments	0	1	1
Additions	206	54	26
<b>Cost at 31 December 2012</b>	<b>206</b>	<b>2,933</b>	<b>3,139</b>
Depreciation at 1 January 2012	0	2,779	2,779
Exchange adjustments	0	1	1
Depreciation	16	92	109
<b>Depreciation at 31 December 2012</b>	<b>16</b>	<b>2,872</b>	<b>2,888</b>
<b>Net book value at 31 December 2012</b>	<b>190</b>	<b>61</b>	<b>251</b>
Of which, financial lease assets	0	0	0
Cost at 1 January	206	2,933	3,139
Exchange adjustments	0	1	1
Additions	0	102	102
<b>Cost at 31 December 2013</b>	<b>206</b>	<b>3,036</b>	<b>3,242</b>
Depreciation at 1 January 2013	16	2,872	2,888
Exchange adjustments	0	1	1
Depreciation	68	40	109
<b>Depreciation at 31 December 2013</b>	<b>85</b>	<b>2,912</b>	<b>2,997</b>
<b>Net book value at 31 December 2013</b>	<b>121</b>	<b>123</b>	<b>244</b>
Of which, financial lease assets	0	0	0
Depreciated over	5 years	2-10 years	-

## NOTES, CONTINUED

Note

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### INTANGIBLE ASSETS

		Parent company
		Software
Cost at 1 January 2012		0
Additions		0
<b>Cost at 31 December 2012</b>		<b>0</b>
Depreciation at 1 January 2012		0
Depreciation		0
<b>Depreciation at 31 December 2012</b>		<b>0</b>
<b>Net book value at 31 December 2012</b>		<b>0</b>
Of which, financial lease assets		0
Cost at 1 January 2013		0
Additions		84
<b>Cost at 31 December 2013</b>		<b>84</b>
Depreciation at 1 January 2013		0
Depreciation		6
<b>Depreciation at 31 December 2013</b>		<b>6</b>
<b>Net book value at 31 December 2013</b>		<b>78</b>
Of which, financial lease assets		0
Depreciated over		3 years

DEPRECIATION IS RECOGNISED AS FOLLOWS:

Parent company			Group	
2012	2013		2013	2012
0	0	Production expenses	94	86
0	0	Distribution expenses	6	11
0	6	Administration expenses	9	13
<b>0</b>	<b>6</b>		<b>109</b>	<b>109</b>

## NOTES, CONTINUED

Note

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### PROPERTY, PLANT AND EQUIPMENT

	Group						Total
	Land and buildings	Plant and machinery	Lease assets	Tools and equipment	Furnishing of leased premises	Property, plant and equipment in progress	
Cost at 1 January 2012	8,136	3,688	727	2,530	519	176	15,776
Reclassification	0	0	180	0	-3	-177	0
Exchange adjustments	24	4	3	0	0	1	31
Additions	0	213	1,188	164	0	4	1,569
Disposals	0	-492	-447	-375	0	0	-1,314
<b>Cost at 31 December 2012</b>	<b>8,160</b>	<b>3,412</b>	<b>1,650</b>	<b>2,320</b>	<b>516</b>	<b>4</b>	<b>16,063</b>
Depreciation at 1 January 2012	1,917	3,009	92	2,138	511	0	7,667
Reclassification	0	0	3	0	-3	0	0
Exchange adjustments	2	2	0	-1	0	0	4
Disposals	0	-492	-134	-363	0	0	-990
Depreciation	213	138	277	191	3	0	823
<b>Depreciation at 31 December 2012</b>	<b>2,132</b>	<b>2,657</b>	<b>238</b>	<b>1,965</b>	<b>512</b>	<b>0</b>	<b>7,504</b>
<b>Net book value at 31 December 2012</b>	<b>6,027</b>	<b>756</b>	<b>1,413</b>	<b>354</b>	<b>5</b>	<b>4</b>	<b>8,559</b>
Of which, financial lease assets	0	0	1,413	105	0	0	1,518
Cost at 1 January 2013	8,160	3,412	1,650	2,320	516	4	16,063
Reclassification	0	4	0	0	0	-4	0
Exchange adjustments	5	3	-6	-2	3	0	2
Additions	0	175	0	80	0	68	323
Disposals	0	-434	-1,647	-184	-20	0	-2,285
<b>Cost at 31 December 2013</b>	<b>8,165</b>	<b>3,159</b>	<b>-3</b>	<b>2,214</b>	<b>499</b>	<b>68</b>	<b>14,103</b>
Depreciation at 1 January 2013	2,132	2,657	238	1,965	512	0	7,503
Exchange adjustments	5	2	-6	-2	3	0	1
Disposals	0	-434	-368	-184	-20	0	-1,006
Depreciation	212	178	133	135	3	0	660
<b>Depreciation at 31 December 2013</b>	<b>2,349</b>	<b>2,402</b>	<b>-3</b>	<b>1,913</b>	<b>498</b>	<b>0</b>	<b>7,158</b>
<b>Net book value at 31 December 2013</b>	<b>5,816</b>	<b>756</b>	<b>0</b>	<b>301</b>	<b>2</b>	<b>68</b>	<b>6,944</b>
Of which, financial lease assets	0	246	0	68	0	0	313
Depreciated over	10-40 years	3-10 years	3-10 years	3-10 years	3-10 years	-	-

Lease assets consist of concrete mixers on financial leases that are used for hiring out. Irrevocable hire agreements are as follows:

Parent company			Group	
2012	2013		2013	2012
0	0	0-1 year	0	441
0	0	1-5 years	0	168
0	0		0	609

The income statement for the Group recognises kEUR 272 (2012: kEUR 685) in turnover relating to leasing assets.

## NOTES, CONTINUED

Note

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### PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	Parent company		
	Tools and equipment	Assets in progress	Total
Cost at 1 January 2012	230	0	230
Additions	126	0	126
Disposals	-171	0	-171
<b>Cost at 31 December 2012</b>	<b>186</b>	<b>0</b>	<b>186</b>
Depreciation at 1 January 2012	140	0	140
Disposals	-171	0	-171
Depreciation	89	0	89
<b>Depreciation at 31 December 2012</b>	<b>59</b>	<b>0</b>	<b>59</b>
<b>Net book value at 31 December 2012</b>	<b>127</b>	<b>0</b>	<b>127</b>
Of which, financial lease assets	105	0	105
Cost at 1 January 2013	186	0	186
Additions	17	66	84
<b>Cost at 31 December 2013</b>	<b>203</b>	<b>66</b>	<b>269</b>
Depreciation at 1 January 2013	59	0	59
Depreciation	51	0	51
<b>Depreciation at 31 December 2013</b>	<b>110</b>	<b>0</b>	<b>110</b>
<b>Net book value at 31 December 2013</b>	<b>93</b>	<b>66</b>	<b>160</b>
Of which, financial lease assets	68	0	68
Depreciated over	3-5 years	3-5 years	3-5 years

DEPRECIATION IS RECOGNISED AS FOLLOWS:

Parent company			Group	
2012	2013		2013	2012
0	0	Production expenses	552	649
0	0	Distribution expenses	43	56
89	51	Administration expenses	66	118
<b>89</b>	<b>51</b>		<b>660</b>	<b>823</b>

## NOTES, CONTINUED

Note

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### PARTICIPATING INTERESTS IN ASSOCIATED COMPANIES

Parent company		
2012	2013	
43,607	48,485	Cost at 1 January
0	-13,563	Disposals on merger with Parent company
4,879	0	Group contributions
48,485	34,923	<b>Cost at 31 December</b>
-32,725	-36,259	Impairments at 1 January
1,340	0	Reversal of impairments
0	13,253	Disposals on merger with Parent company
-4,875	0	Impairments
-36,259	-23,006	<b>Impairments at 31 December</b>
12,226	11,917	<b>Net book value at 31 December</b>

On 1 January 2013, the inactive company Gram Holding Vojens A/S was dissolved through a vertical merger with SKAKO A/S.

Reversal of impairments in 2012 concerns SKAKO Concrete A/S and is attributable to the profit for 2012 and expectations of future profits.

Impairments in 2012 concern participating interests in Aktieselskabet af 01.04.2012. The impairment does not affect the profit/loss in the parent company – SKAKO A/S – as the negative value in previous years has been offset against the receivable in the subsidiary.

The impairments are recognised under financial expenditure – cf. Note 9 – while reversed impairments are recognised under financial income, cf. Note 8.

Ownership share			
2012	2013	Name	Registered office
100%	100%	SKAKO Concrete A/S	Faaborg, Denmark
<b>Inactive company:</b>			
100%	100%	Aktieselskabet af 01.04.2012	Faaborg, Denmark

Some of the foreign subsidiaries are audited by local companies of auditors.



## NOTES, CONTINUED

Note

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### OTHER RECEIVABLES

Parent company			Group	
2012	2013		2013	2012
46	46	Cost at 1 January	151	149
0	0	Exchange adjustments for the year	0	0
0	0	Additions	12	2
0	0	Transferred to assets intended for sale	0	0
0	0	Disposals	-2	0
46	46	<b>Net book value at 31 December</b>	161	151

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### INVENTORIES

Parent company			Group	
2012	2013		2013	2012
0	0	Raw materials and consumables	3,023	3,299
0	0	Work in progress	1,601	1,865
0	0	Finished goods and commodities	2,117	1,365
0	0		6,741	6,530
0	0	Net book value of inventories recognised at net realisable value	1,080	1,352

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### WORK IN PROGRESS ON BEHALF OF THIRD PARTIES

Parent company			Group	
2012	2013		2013	2012
0	0	Customer orders on behalf of third parties	14,935	12,981
0	0	Interim billings	-14,620	-14,162
0	0		316	-1,181
Recognised as follows:				
0	0	Customer orders on behalf of third parties, net	3,009	1,209
0	0	Prepayments from customers	-2,693	-2,391
0	0		316	-1,181
0	0	Expenses related to the projects	12,208	9,638
0	0	Prepayments included	2,031	2,626

## NOTES, CONTINUED

Note

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### EQUITY

#### Financial management

The Group continuously assesses the need to adapt the capital structure to balance the higher demands for return on equity with the increased uncertainty that is linked to external financing. At the end of 2013, the equity share of the total assets amounted to 32.6% (2012: 29.2%).

Return on equity in 2013 totalled -11.2% (2012: 11.1%).

#### Share capital

Specification of movements in share capital:

	2013	2012	2011	2010	2009
Share capital at 1 January	3,266	3,266	6,096	6,096	6,096
New subscription of shares	898	0	217	0	0
Capital reduction	0	0	-3,048	0	0
<b>Share capital at 31 December</b>	<b>4,164</b>	<b>3,266</b>	<b>3,266</b>	<b>6,096</b>	<b>6,096</b>

The share capital consists of 3,106,418 shares @ EUR 1.34

All shares rank equally.

In November 2013, Lind Invest ApS (controlled by Board member Henrik Lind), Maj Invest Holding A/S, Strandøre Invest A/S (controlled by Chairman of the Board Kaare Vagner) and Olanko ApS converted subordinated convertible bonds issued by SKAKO A/S in the total amount of EUR 1,662,132 into shares. The company's share capital was thus increased by the nominal value of EUR 898,448 through the issue of 670,269 new shares with the nominal value of EUR 1.34, corresponding to EUR 2.48 per share at the nominal value of EUR 1.34. The new shares correspond to 27.51% of the company's registered share capital prior to the capital increase. The premium from the share issue amounted to EUR 763,681, which is recognised under unrestricted reserves after deduction of costs covered in connection with the capital expansion.

Own shares	Number		Nominal value (kEUR)		% of share capital	
	2013	2012	2013	2012	2013	2012
1 January	29,167	14,328	39	19	1.2%	0.6%
Change in new subscription of shares	0	0	0	0	-0.3%	0.0%
Purchase	0	14,839	0	20	0.0%	0.6%
Sale	-2,550	0	-3	0	-0.1%	0.0%
<b>31 December</b>	<b>26,617</b>	<b>29,167</b>	<b>36</b>	<b>39</b>	<b>0.9%</b>	<b>1.2%</b>

#### Dividend

It is proposed that a dividend of EUR 0 (2012: EUR 0) be paid, corresponding to a dividend per share of EUR 0 (2012: EUR 0).

The distribution of dividends to SKAKO's shareholders has no tax-related consequences for SKAKO A/S.

#### Hedging reserve

The hedging reserve includes the accumulated net change in the fair value of hedging transactions that qualify as hedges of expected future cash flows, where the hedged transaction has not yet been realised. The sum has been realised including tax.

#### Translation reserve

The translation reserve includes all exchange rate adjustments arising on the translation of the financial statements of foreign enterprises from their functional currencies into the presentation currency of the SKAKO Group (DKK), and exchange adjustments concerning assets and liabilities that constitute a part of the Group's net investment in a foreign entity.

#### Capital reduction reserve

The capital reduction reserve includes proceeds from the capital reduction arising from changing the nominal value of the shares from EUR 2.68 to EUR 1.34 per share.

## NOTES, CONTINUED

Note

kEUR

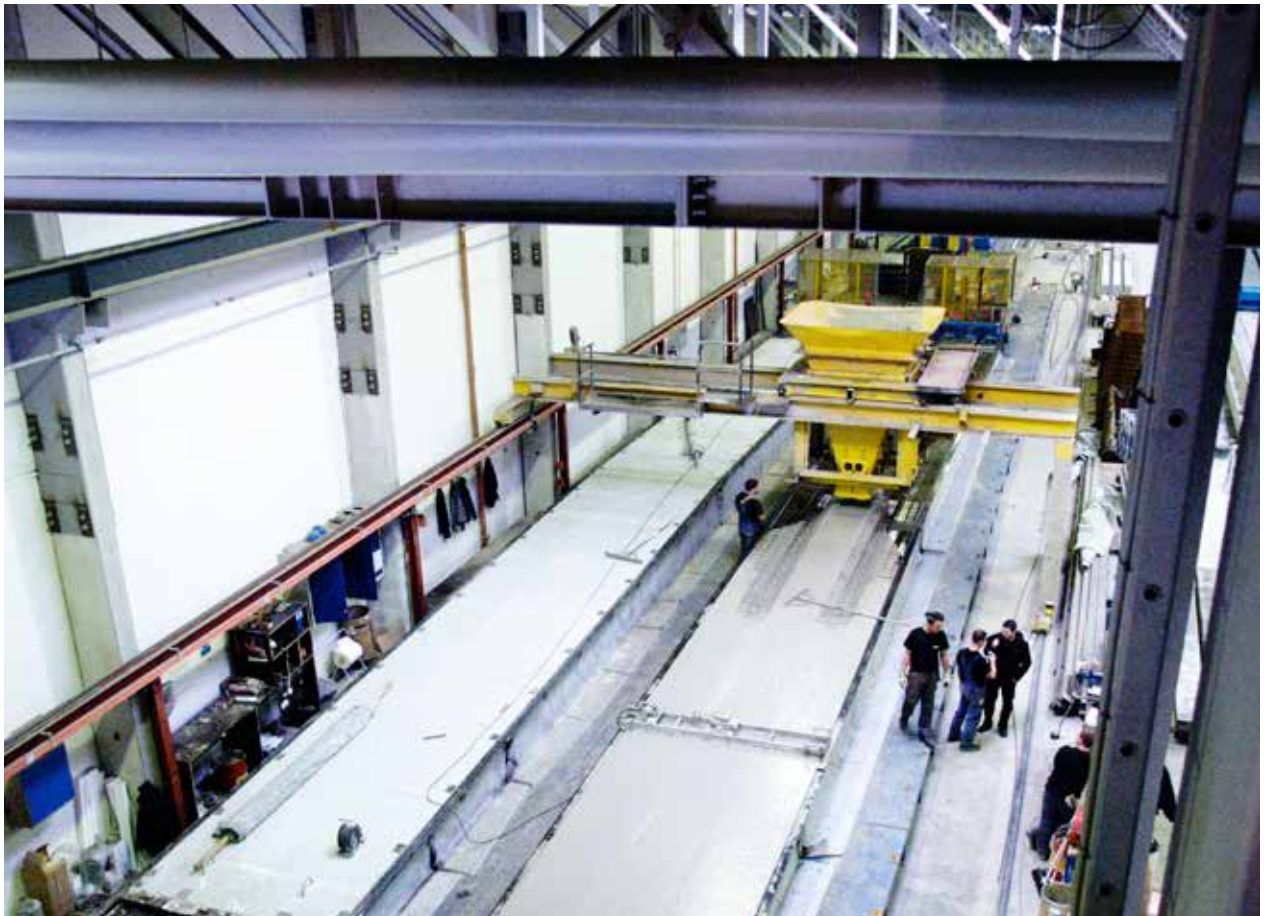
20

### DEFERRED TAX

Parent company			Group	
2012	2013		2013	2012
0	-43	Tax asset	-2,246	-2,598
0	0	Deferred tax, liability	0	67
0	-43	<b>Deferred tax at 31 December</b>	<b>-2,246</b>	<b>-2,531</b>
0	0	Intangible assets	93	108
0	0	Property, plant and equipment	-1,899	-2,120
0	0	Inventories	-5	-156
0	0	Trade receivables	378	459
0	0	Provisions and debt	-394	-786
0	-43	Tax loss carry-forwards	-418	-37
0	-43	<b>Deferred tax at 31 December</b>	<b>-2,246</b>	<b>-2,531</b>
0	-43	Movements in deferred tax	285	-612
0	0	Exchange rate adjustments, etc.	0	-3
0	0	Tax losses for recapture under joint taxation	16	330
0	-43	<b>Allocated</b>	<b>301</b>	<b>-284</b>
		Time horizon for expected allocation of recognised deferred tax assets:		
0	0	0 - 1 year	357	402
0	0	1 - 5 years	1,889	2,196
0	0		2,246	2,598
		Deferred tax assets not recognised in the balance sheet relate to:		
0	0	Intangible assets	777	883
19	21	Property, plant and equipment	101	95
0	0	Inventories	0	0
24	18	Provisions and debt	175	86
729	636	Tax losses (unlimited carry-over)	6,013	6,947
772	675		7,067	8,011









## NOTES, CONTINUED

Note **kEUR**

### 21 **Convertible bonds**

At the end of December 2011, SKAKO A/S issued 2-year convertible bonds.

Before the expiration date, the bond-holders chose to convert the convertible bonds into shares in SKAKO A/S. The conversion was performed at the end of October 2013 through new subscription of shares, which were registered on Nasdaq OMX on 4 November 2013. As a result of the conversion, Lind Invest ApS became a new major shareholder with 17.40% of the votes.

In November 2013, Lind Invest ApS (controlled by Board member Henrik Lind), Maj Invest Holding A/S, Strandøre Invest A/S (controlled by Chairman of the Board Kaare Vagner) and Olanko ApS converted subordinated convertible bonds issued by SKAKO A/S in the total amount of EUR 1,662,132 into shares. The company's share capital was thus increased by the nominal value of EUR 898,448 through the issue of 670,269 new shares with the nominal value of EUR 1.34, corresponding to EUR 2.48 per share at the nominal value of EUR 1.34.

The new shares correspond to 27.51% of the company's registered share capital prior to the capital increase.

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### **PENSIONS AND SIMILAR OBLIGATIONS**

<b>Parent company</b>			<b>Group</b>	
<b>2012</b>	<b>2013</b>	<b>Pension expense recognised in the income statement</b>	<b>2013</b>	<b>2012</b>
57	32	Total recognised for defined contribution plans	576	599
57	32	<b>Total allocated</b>	576	599

The expense is recognised in the accounts as follows:

<b>Parent company</b>			<b>Group</b>	
<b>2012</b>	<b>2013</b>		<b>2013</b>	<b>2012</b>
0	0	Production expenses	365	367
0	0	Distribution expenses	102	105
57	32	Administration expenses	109	127
57	32		576	599

## NOTES, CONTINUED

Note

kEUR

23

### OTHER PROVISIONS

Parent company		Group	
2012	2013	2013	2012
0	0	693	807
0	0	-327	-423
0	0	-262	-159
0	0	587	468
0	0	690	693
<b>Warranty provisions at 31 December</b>			
0	0	290	533
0	0	0	-231
0	0	-26	-51
0	0	611	39
0	0	875	290
<b>Other provisions at 31 December</b>			
0	0	1,566	983
<b>Other provisions at 31 December</b>			

The due dates for other provisions are expected to be:

0	0	1,236	623
0	0	330	360
0	0	1,566	983
0 - 1 year			
1 - 5 years			

Warranty provisions include obligations for the standard 1–3-year warranty on the Group's products.

Other provisions include, *inter alia*, provisions for ongoing disputes.

## NOTES, CONTINUED

Note

kEUR

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### DEBT TO CREDIT INSTITUTIONS AND OTHER LEASING DEBT

Parent company			Group	
2012	2013		2013	2012
		Debt to credit institutions and other leasing debt is recognised as follows in the balance sheet:		
75	29	Non-current liabilities	2,197	3,489
36	37	Current liabilities	3,465	3,561
111	66		5,662	7,050
111	66	Fair value	5,617	7,032

At 31 December, the Group has the following loans and credits:

				Net book value		Fair value	
Loans and credits	Maturity	Fixed/Variable	Nominal interest rate	2013	2012	2013	2012
				kEUR	kEUR	kEUR	kEUR
<b>Credits:</b>							
DKK		Variable	Danske BOR+5.10%	1,634	868	1,634	868
USD		Variable	Danske BOR+5.10%	724	1,254	724	1,254
EUR		Variable	Danske BOR+5.10%	1	14	1	14
NOK		Variable	Danske BOR+5.10%	95	89	95	89
SEK		Variable	Danske BOR+5.10%	62	90	62	90
GBP		Variable	Danske BOR+5.10%	239	287	239	287
<b>Loans:</b>							
EUR	2019	Fixed	4.11%	2,760	3,263	2,750	3,250
EUR	2015	Fixed	0.00%	19	24	14	19
				5,533	5,888	5,518	5,870

Obligations relating to financial leasing are recognised in the debt obligations as follows:

kEUR	2013			2012		
	Leasing instalment	Interest	Net book value	Leasing instalment	Interest	Net book value
0-1 year	52	3	50	367	60	307
1-5 years	51	1	49	1,024	168	855
	103	4	99	1,390	228	1,162

Parent company			Group	
2012	2013		2013	2012
		The due dates for non-current liabilities:		
75	29	1 - 5 year	2,197	3,239
0	0	> 5 years	0	250
75	29		2,197	3,489

## NOTES, CONTINUED

Note            **kEUR**

**25            Other payables**

Other payables under current liabilities primarily comprise VAT and duties, as well as items related to wages and salaries.

**26            Contingent assets**

As a result of uncertainty concerning future utilisation, deferred tax assets totalling EUR 7.1 million are not recognised, cf. Note 20.

**27            Contingent liabilities and securities**

As security for all accounts outstanding with Danske Bank, SKAKO A/S has posted unlimited joint surety for SKAKO Concrete A/S and SKAKO Vibration A/S.

SKAKO A/S, SKAKO Concrete A/S and SKAKO Vibration A/S have jointly posted a company pledge towards Danske Bank in the amount of EUR 6.7 million, with liens in unsecured claims, inventories, property, plant and equipment, and intellectual property rights.

The Group's repurchase commitments concerning leased assets total EUR 0 million. (2012: EUR 0.2 million).

The Group has posted security for goods deliveries, prepayments, etc. in the total amount of EUR 3.3 million.

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### ADJUSTMENTS

Parent company			Group	
2012	2013		2013	2012
89	57	Depreciation	769	932
0	0	Change in other provisions	584	-338
-1,520	-184	Financial income	-34	-84
370	290	Financial expenditure	607	742
0	0	Accounting gains on sale of operating plant	-10	-15
-75	-45	Instalments, financial leasing	-1,063	-791
0	0	Other adjustments	-1	-1
<b>-1,136</b>	<b>118</b>		<b>852</b>	<b>446</b>

## NOTES, CONTINUED

Note

kEUR

29

### CHANGE IN OPERATING CAPITAL

Parent company			Group	
2012	2013		2013	2012
0	0	Change in inventories	-227	-110
-37	95	Change in receivables	-900	2,522
126	-149	Change in current liabilities, excl. bank debt and tax	599	-56
89	-54		-528	2,356

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### NON-CASH TRANSACTIONS

Parent company			Group	
2012	2013		2013	2012
0	0	Acquisition of intangible assets, cf. Note 13	102	260
126	-168	Acquisition of property, plant and equipment, cf. Note 14	323	1,569
-111	0	Of which, financial lease assets	0	-1,299
15	-168	<b>Paid relating to acquisition of intangible assets, property, plant and equipment</b>	425	530
111	0	Proceeds from raising financial liabilities	0	1,299
-111	0	Of which, leasing debt	0	-1,299
0	0	<b>Proceeds from raising financial liabilities</b>	0	0

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### CASH AT BANK AND IN HAND, CLOSING BALANCE

Parent company			Group	
2012	2013		2013	2012
0	7	Cash at bank and in hand	2,352	3,295
0	0	Cash at bank and in hand classified as asset intended for sale	50	88
-109	-79	Bank debt	-2,784	-2,601
-109	-72		-382	782

## NOTES WITHOUT REFERENCE

32

### Closely related parties

SKAKO A/S has no closely related parties with controlling influence on the company.

The company's closely related parties with significant influence include the Board of Directors and Executive Board of the company and these people's immediate family members.

Closely related parties also include companies in which the persons mentioned above have significant interests.

Over and above salaries and fees in 2013 – as well as interest accumulated on convertible bonds – no agreements have been reached and no deals or transactions have been completed with other closely related parties.

In addition, closely related parties include the associated companies – cf. Note 15 – where SKAKO A/S holds controlling or significant interest.

Trade with associated companies has included the following:

#### Parent company

2012	2013	
1,267	797	Sale of services
-8	-5	Interest on accounts outstanding
1,260	792	

Transactions with associated companies are eliminated in the consolidated accounts.

In 2013, SKAKO A/S received no dividend from associated companies (2012: EUR 0).

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### MANAGEMENT HOLDINGS OF SHARES IN SKAKO A/S

	Movements for the year (number)	Number of shares held	Number of votes	Market price at 31 December 2013, EUR
<b>SHARE HOLDINGS:</b>				
Finn Buus Nielsen, CEO	3,783	3,783	3,783	14,046
Carl Christian Graversen, CFO	200	13,714	13,714	50,920
Kaare Vagner, Chairman of the Board	29,027	34,067	34,067	126,490
Christian Herskind, Deputy Chairman of the Board	3,950	122,607	122,607	455,238
Per Have, Board member	0	19,764	19,764	73,383
Jens Wittrup Willumsen, Board member	0	29,076	29,076	107,959
Henrik Lind, Board member	540,540	546,040	546,040	2,027,440

Henrik Lind and Kaare Vagner converted convertible bonds into shares in SKAKO A/S as of 4 November 2013.



## NOTES WITHOUT REFERENCE, CONTINUED

34

### CURRENCY AND INTEREST RISKS, AND THE APPLICATION OF DERIVATIVE FINANCIAL INSTRUMENTS

#### The Group's risk management policy

As a result of its operations, investments and financing activities, the Group is exposed to the effects of changes in exchange and interest rates. It is Group policy not to enter into active speculation in financial risks. The Group's financial management is thus directed solely towards the management of financial risks relating to operations and financing. Management is performed in the individual associated companies.

When choosing between several types of financial instrument with the capacity to achieve a specific level of coverage, simplicity is considered crucial.

For a description of accounting principles and methods – including the recognition criteria and measurement bases used – see the information presented under "Accounting principles".

#### Liquidity risks

The Group's liquidity reserve consists of deposits and fixed, agreed overdraft facilities at major credit institutions. The Group's liquidity reserve totals EUR 4.7 million.

Securities are recognised at fair value, based on the official market price, corresponding to level one in the IFRS fair value hierarchy.

#### Currency risks

The Group's foreign enterprises are not significantly affected by exchange rate fluctuations, as both income and expenses are calculated in local currency. Operations performed by Danish companies are affected by exchange rate fluctuations, as turnover is primarily generated in foreign currency, while expenses – including payroll expenses – are paid in Danish kroner (DKK).

The Group is also affected by exchange rate changes because the profits of the foreign associated companies are translated into Danish kroner (DKK) at the end of the financial year on the basis of average exchange rates.

The Group's currency risks are primarily covered by recognising income and expenses in the same currency. The coverage is principally applied via currency credits and foreign exchange futures contracts.

#### The Group's currency risks in the balance sheet 31 December 2013

Currency	Nominal position					Sensitivity		
	Securities, cash and cash equivalents	Receivables	Liabilities	Covered via foreign exchange futures contracts and currency swaps (notional principal)	Net position	Change in exchange rate	Hypothetical effect on profit for the year	Hypothetical effect on equity*
	kEUR	kEUR	kEUR	kEUR	kEUR			
USD	231	311	-869	0	-327	10%	-33	51
SEK	1	97	-77	0	22	5%	1	1
NOK	13	121	-118	0	16	5%	1	1
EUR	1,661	6,273	-8,439	0	-506	1%	-5	65
GBP	429	707	-1,025	0	112	10%	11	52
Other	29	0	-214	0	-184	5%	-9	-9
	<u>2,364</u>	<u>7,509</u>	<u>-10,740</u>	<u>0</u>	<u>-868</u>			

\* Includes effect on participating interests.



## NOTES WITHOUT REFERENCE, CONTINUED

34

### CURRENCY AND INTEREST RISKS, AND THE APPLICATION OF DERIVATIVE FINANCIAL INSTRUMENTS, CONTINUED

The Group's currency risks in the balance sheet, continued  
31 December 2012

Nominal position						Sensitivity		
Currency	Securities, cash and cash equivalents	Receivables	Liabilities	Covered via foreign exchange futures contracts and currency swaps (notional principal)	Net position	Change in exchange rate	Hypothetical effect on profit for the year	Hypothetical effect on equity*
	kEUR	kEUR	kEUR	kEUR	kEUR			
USD	1,019	666	-1,361	0	324	10%	32	111
SEK	4	90	-96	0	-2	5%	0	0
NOK	4	138	-95	0	47	5%	2	2
EUR	1,923	7,644	-12,440	0	-2,873	1%	-29	57
GBP	304	419	-848	0	-125	10%	-12	28
Other	3	206	-27	0	182	5%	9	9
	<u>3,256</u>	<u>9,163</u>	<u>-14,867</u>	<u>0</u>	<u>-2,448</u>			

\* Includes effect on participating interests.

With the exception of derivative financial instruments established for the purpose of hedging currency risks in the balance sheet, no changes in the fair value of unlisted financial assets and liabilities have been recognised in the income statement.







## NOTES WITHOUT REFERENCE, CONTINUED

34

### CURRENCY AND INTEREST RISKS, AND THE APPLICATION OF DERIVATIVE FINANCIAL INSTRUMENTS, CONTINUED

#### Interest risk

The Group's interest-bearing financial assets and liabilities have the following term to contractual review or maturity, depending on which date occurs first.

#### 31 DECEMBER 2013

Accounting value in mEUR Category	Term to review or maturity, if earlier				Effective interest rate (%)
	0-1 year	1-5 years	> 5 years	Total	
Trade receivables	9.5	0.0	0.0	9.5	0 - 4
Cash at bank and in hand	2.4	0.0	0.0	2.4	0 - 4
Securities	0.0	0.0	0.0	0.0	0
Financial assets	11.9	0.0	0.0	11.9	
Trade payables	7.4	0.0	0.0	7.4	0 - 4
Convertible bonds	0.0	0.0	0.0	0.0	5 - 6
Bank debt	3.3	2.3	0.0	5.5	3 - 6
Leasing debt	0.1	0.0	0.0	0.1	6 - 8
Financial obligations	10.8	2.3	0.0	13.1	

#### 31 DECEMBER 2012

Accounting value in mEUR Category	Term to review or maturity, if earlier				Effective interest rate (%)
	0-1 year	1-5 years	> 5 years	Total	
Trade receivables	10.3	0.0	0.0	10.3	0 - 4
Cash at bank and in hand	3.3	0.0	0.0	3.3	0 - 4
Securities	0.0	0.0	0.0	0.0	0
Financial assets	13.6	0.0	0.0	13.6	
Trade payables	7.1	0.0	0.0	7.1	0 - 4
Convertible bonds	1.7	0.0	0.0	1.7	5 - 6
Bank debt	3.1	2.5	0.3	5.9	3 - 6
Leasing debt	0.4	0.8	0.0	1.2	6 - 8
Financial obligations	12.2	3.3	0.3	15.7	

#### Credit risks

The Group's credit risk relates in part to primary financial assets, and in part to derivative financial instruments with positive fair value. Credit risks linked to financial assets correspond to the values recognised in the balance sheet.

The Group has no significant risks relating to an individual customer or partner. As a result of the Group's policy for taking on credit risks, the creditworthiness of all major customers and other partners is reviewed continuously, and the Group also takes out credit insurance to a certain extent.

## NOTES WITHOUT REFERENCE, CONTINUED

34

### CURRENCY AND INTEREST RISKS, AND THE APPLICATION OF DERIVATIVE FINANCIAL INSTRUMENTS, CONTINUED

#### Credit risks, continued

Receivables from sales are distributed by credit quality (kEUR) as follows:

Parent company			Group	
2012	2013		2013	2012
0	0	Denmark	461	1,885
0	0	Euro-zone countries	3,086	4,216
0	0	Great Britain	827	429
0	0	Rest of Europe	496	861
0	0	United States	425	382
0	0	Other countries	2,721	2,581
0	0		8,017	10,353

At the end of the financial year, the age distribution of receivables from sales and provisions to cover losses on same was:

	Gross 2013	Provisions 2013	Gross 2012	Provisions 2012
Not due	6,148	0	7,285	0
Fallen due, 0 - 30 days	944	3	1,331	0
Fallen due, 31 - 120 days	649	3	1,480	48
Fallen due, between 121 days and 1 year	123	89	307	86
Fallen due, more than 1 year	569	321	340	257
	8,433	417	10,744	390

The movements for the year in provisions to cover losses on receivables from sales can be specified as follows:

Parent company			Group	
2012	2013		2013	2012
0	0	Balance at 1 January	390	367
0	0	Provisions for the year	93	-63
0	0	Used during the year	-67	87
0	0	Balance at 31 December	417	390

#### Price risks

The Group has a normal price risk on purchases and products sold. The opportunities to pass price increases onto selling prices depend on factors including the market situation. The Group's policy is to ensure that, where possible, long-term contracts with customers and suppliers contain the right to renegotiation in the event of significant changes in raw material prices.



## NOTES WITHOUT REFERENCE, CONTINUED

35

### OPERATIONAL LEASING

Irrevocable operational leasing instalments are as follows:

Parent company			Group	
2012	2013		2013	2012
227	207	0-1 years	553	696
7	0	1-5 years	502	650
0	0	> 5 years	190	190
234	207		1,245	1,537

The Group leases tools and equipment under operational leasing contracts. The leasing period is typically between three and six years, with the option to extend on expiry of the period. None of the leasing contracts contains conditional rent instalments.

The income statement for the parent company recognises kEUR 231 (2012: kEUR 234) relating to operational leasing.

The income statement for the Group recognises kEUR 904 (2012: kEUR 803) relating to operational leasing.

The SKAKO Group's total rent obligations amount to EUR 0.2 million, and all will fall due within one (1) year. The SKAKO Group's total basic rent obligation until the end of 2023 amounts to EUR 0.4 million.

# COMPANY INFORMATION

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REGISTERED OFFICE: FAABORG-MIDTFYN, DENMARK

## GROUP OVERVIEW AT 31 DECEMBER 2013:

Company name and registered office	Company capital		Parent company share in %	Participating interest in %
	Sum (1,000)	currency		
<b>Active companies</b>				
<b>SKAKO Concrete A/S, Faaborg, Denmark</b>	<b>90,920</b>	<b>DKK</b>	<b>100</b>	
SKAKO GmbH, Haltern am See, Germany	51	EUR		100
SKAKO Concrete Inc., San Diego, United States	510	USD		100
SKAKO Concrete S.A., Lille, France	721	EUR		100
SKAKO Vibration A/S, Faaborg, Denmark	2,000	DKK		100
SKAKO Vibration Ltd., Tadcaster, England	15	GBP		100
SKAKO Vibration S.A., Strasbourg, France	299	EUR		100
<b>Inactive companies</b>				
<b>Aktieselskabet af 01.04.2012, Faaborg, Denmark</b>	<b>500</b>	<b>DKK</b>	<b>100</b>	
SKAKO Lift Inc., Kingwood, Texas, USA	1	USD		100



# SKAKO

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