Revenue (DKKm)	EBIT before special items (DKKm)	EBIT margin	ROIC	Order backlog (DKKm)
237.4	21.2	8.9%	11.7%	202.6
(-4.3%)	(-13.9%)	(-1.0pp)	(-79.8pp)	(+227.0%)
Down from 248.2	Down from 24.6	Down from 9.9%	Down from 91.5% (impacted by divestment of Concrete activities)	Up from 61.9

SKAKO A/S
CVR: 36440414
Bygmestervej 2
5600 Faaborg
Denmark

Annual report 2024

SKAKO

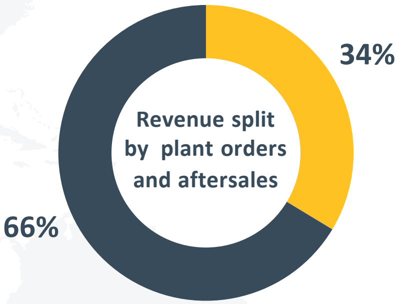
CONTENTS

Important notice about this document

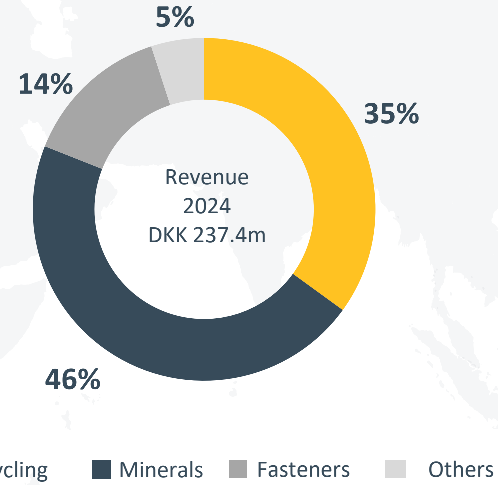
This document contains forward-looking statements. Words such as believe, expect, may, will, plan, strategy, prospect, foresee, estimate, project, anticipate, can, intend, outlook, guidance, target and other words and terms of similar meaning in connection with any discussion of future operation of financial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

SKAKO 2024 IN BRIEF

PLANT ORDERS
(DKK) 157,540



AFTERSALES
(DKK) 79,898



Order intake (DKKm)	Order backlog (DKKm)	Revenue (DKKm)	EBIT before special items (DKKm)	EBIT margin before special items	Earnings per share (DKKm)	Employees	ROIC
378.1	202.6	237.4	21.2	8.9%	3.11	132	11.7%
Up from 237.6	Up from 61.9	Down from 248.2	Down from 24.6	Down from 9.9%	Down from 26.34 (impacted by divestment of Concrete activities)	Up from 129	Down from 91.5% (impacted by divestment of Concrete activities)

1. HIGHLIGHTS

1.1 LETTER TO OUR SHAREHOLDERS

Solid profitability despite a tough European business climate in 2024 and strong growth ahead!

2024 was characterized by a tough business climate but with a strong focus on building up our order books for future growth. Despite decreasing revenue and a tough business climate in Europe, we delivered a 9% EBIT margin due to our asset light business model.

2024 was the first year for the new SKAKO, focused on the Vibration businesses. The first part of the year involved several activities to separate the two businesses and returning dividends to shareholders, an extraordinary payment of DKK 122m and the ordinary dividend of DKK 15m. The share price has reacted very positively to the focused SKAKO business and the expectations for the future. The share is trading at levels above the average share price before the sale of SKAKO Concrete.

2024 turned out to be a challenging year proving the value of strategically being exposed in different markets and different segments. The fastener segment, which is very exposed in the German market, started the year being hit by the slow demand from the car manufacturing- and the building industries. We expected the market to turn more positive in the second half of 2024, but this did not happen. Especially the fastener business saw an unexpected large decline in the last two months of the year.

Minerals
The mineral business in Europe is developing slowly due to the higher interest rates in this capital-intensive industry. Despite this we grew revenue in Minerals with 10% since our customers made significant investments in Africa and in Europe many mineral processing plants decided to replace outdated machinery. SKAKO was fortunate to win two large orders with OCP in Morocco. We shall build parts of two new phosphate plants, identical to previous deliveries. The total order value is DKK 150m and the project will be delivered primarily in 2025 and 2026. This order will deliver strong revenue and EBIT growth in the coming 24 months.

Recycling
SKAKO earlier identified the recycling business as a strong supplement to the existing portfolio. The acquisition of DARTEK at the end of 2019 gave access to new technologies for SKAKO. In combination with the experiences from the fastener and the mining segment, SKAKO is today capable of supplying multiple tailormade solutions to the recycling industry. This has proven to be very valuable in the growth efforts on new European markets in 2024, where projects have been delivered to new important reference customers. Recycling was unexpectedly impacted negatively by the hesitant market in the last two months of the year where some orders were pushed in to the new year and therefor ended with a decline in revenue of 3.5%. However, we still expect recycling to show strong growth in the coming years given our strong product portfolio and the strong macro societal trends.

2024 overall did not deliver the expected revenue growth and profitability. This was below our original guidance for 2024. However, we expect 2025 to show strong revenue growth of 30% -40% and EBIT to grow between 20% and 40%.

Thank you to all our shareholders and customers who believe in SKAKO and to all our dedicated employees around the world who worked hard in 2024 in a difficult European business climate. We look forward to deliver a strong growing business in 2025 and the years to come.

Lionel Girieud
CEO

Jens Wittrup Willumsen
Chairman of the Board

Our purpose

We help our customers use and reuse the planet's resources in the best possible way

Our values

We are dedicated

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

We are reliable

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

We are accessible

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

Our brand promises

We develop sustainable, technology-based and visionary solutions

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

We provide profitable business

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

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

We match customers' needs and deliver scalable solutions

We commit ourselves in close partnerships

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

1.2 KEY EVENTS 2024

Extraordinary dividend to shareholder DKK 122m
The first part of the year involved several activities to separate the two businesses and returning dividends to shareholders, an extraordinary payment of DKK 122m

Q1

IFAT, Munich
In May, SKAKO participated in one of the biggest recycling exhibitions worldwide.

Q2

Pilot Plant in Denmark
The old storage room in Faaborg was completely renovated and became the new test center in our DK-plant, different SKAKO-machines are already in preparation to fill up the Pilot Plant to be able to show the customer all possibilities with SKAKO-solutions

Q2

1.2 KEY EVENTS 2024

SOLIDS & RECYCLING Dortmund
In October 2024, an important exhibition for the solids handling and recycling industry.

Q3

Q4

Q4

Biggest order ever to SKAKO for more than DKK 150m
SKAKO was fortunate to win two large orders with OCP in Morocco. The total order value is DKK 150m and the project will be delivered primarily in 2025 and 2026.

New and bigger Pilot Plant in Spain
The new and bigger test center in our plant in Spain was finished and is already in frequent use for the different tests with customer products on all available SKAKO-machines.

1.3 FINANCIAL KEY FIGURES

Key figures and financial ratios – DKK

DKK Thousands	2024	2023	2022	2021	2020
INCOME STATEMENT					
Revenue	237,438	248,159	237,535	203,200	167,600
Gross profit	72,885	74,734	68,486	57,000	47,000
Operating profit (EBIT) before special items	21,183	24,599	19,659	14,139	9,576
Special items	-	(1,934)	(1,958)	-	-
Operating profit (EBIT) after special items	21,183	22,662	17,701	14,139	9,576
Net financial items	(2,990)	(3,330)	(2,226)	(4,004)	(2,458)
Profit before tax	18,193	19,332	15,474	10,135	7,118
Profit after tax	13,600	13,774	12,385	8,676	6,300
Profit for the year discontinued activities	(2,591)	67,463	12,689	2,183	7,946
Profit for the year	11,009	81,237	25,074	10,859	14,246
BALANCE SHEET					
Non-current assets	62,833	55,001	88,599	84,216	84,265
Current assets	168,731	287,192	295,458	254,804	237,793
Assets	231,563	342,193	384,057	339,020	322,058
Equity	87,281	215,064	146,167	132,237	127,252
Non-current liabilities	15,647	14,454	26,473	29,122	38,455
Current liabilities	127,272	112,675	211,417	177,661	156,351
Net debt	37,297	(137,478)	20,997	26,987	40,187
Net working capital	79,259	54,684	110,681	105,703	111,295
OTHER KEY FIGURES					
Investment in intangible assets	210	561	4,153	3,962	7,236
Investment in tangible assets	13,759	10,600	6,174	3,504	5,860
Cash flow from operating activities (CFFO)	(24,135)	16,783	35,665	30,276	4,806
Free cash flow*	(34,810)	12,159	28,850	22,810	(8,293)
Average number of employees	132	129	126	125	125

* Free cash flow in 2023 exclusive proceeds from sales of Concrete activities

Key figures and financial ratios – DKK CONTINUED

DKK Thousands	2024	2023	2022	2021	2020
FINANCIAL RATIOS					
Gross profit margin	30.7%	30.1%	28.8%	25.4%	23.2%
Profit margin (EBIT margin) before special items	8.9%	9.9%	8.3%	5.6%	4.5%
Liquidity ratio	132.6%	254.9%	126.2%	143.4%	152.1%
Equity ratio	37.7%	62.8%	37.5%	39.0%	39.5%
Return on equity	7.3%	42.5%	16.3%	10.2%	8.6%
ROIC	11.7%	91.5%	16.9%	10,3%	8,3%
Financial leverage	42.1%	-69.9%	17.8%	20.4%	31.6%
Net debt to EBITDA	1.3	-4.7	0.6	1.0	1.8
Net debt to EBITDA after extraordinary dividends	1.3	-0.5	-	-	-
NWC/Revenue	33.4%	22.0%	25.5%	29.1%	33.1%
Earnings per share (EPS)	3.51	26.34	5.73	2.8	2.0
Equity value per share	28.32	69.74	27.38	42.9	41.3
Share price	81.2	103.0	62.6	55.2	49.8
Price-book ratio	2.9	1.4	1.3	1.3	1.2
Market cap	255,983	319,960	194,461	171,474	154,700
Order backlog	202,563	61,942	70,700	54,300	58,600

Figures for 2020 and 2021 contains the "old" SKAKO Group including SKAKO Vibration and the discontinued business SKAKO Concrete.

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

Key figures and financial ratios – EUR*

EUR Thousands	2024	2023	2022	2021	2020
INCOME STATEMENT					
Revenue	31,836	33,305	31,866	27,275	22,497
Gross profit	9,773	10,030	9,188	7,651	6,309
Operating profit (EBIT)	2,840	3,301	2,637	1,898	1,285
Special items	-	(260)	(263)	-	-
Operating profit (EBIT) after special items	2,840	3,041	2,375	1,898	1,285
Net financial items	(401)	(447)	(299)	(537)	(330)
Profit before tax	2,439	2,595	2,076	1,360	955
Profit after tax	1,823	1,849	1,662	1,165	846
Profit for the year discontinued activities	(347)	9,055	1,702	293	1,066
Profit for the year	1,476	10,903	3,364	1,457	1,911
BALANCE SHEET					
Non-current assets	8,423	7,380	11,913	11,325	11,327
Current assets	22,618	38,532	39,728	34,264	31,964
Assets	31,041	45,912	51,640	45,589	43,291
Equity	11,700	28,855	19,654	17,782	17,105
Non-current liabilities	2,097	1,939	3,560	3,916	5,169
Current liabilities	17,061	15,118	28,430	23,890	21,017
Net debt	5,000	(18,446)	2,824	3,629	5,402
Net working capital	10,625	7,337	14,884	14,214	14,960
OTHER KEY FIGURES					
Investment in intangible assets	28	75	558	533	973
Investment in tangible assets	1,845	1,421	828	471	788
Cash flow from operating activities (CFFO)	(3,240)	2,250	4,785	4,071	644
Free cash flow *	(4,672)	1,630	3,871	3,067	(1,113)
Average number of employees	132	129	129	129	129

* Free cash flow exclusive proceeds from sales of Concrete activities

Key figures and financial ratios – EUR* CONTINUED

EUR Thousands	2024	2023	2022	2021	2020
FINANCIAL RATIOS					
Gross profit margin	30.7%	30.1%	28.8%	25.4%	23.2%
Profit margin (EBIT margin)	8.9%	9.9%	8.3%	5.6%	4.5%
Liquidity ratio	132.6%	254.9%	126.2%	143.4%	152.1%
Equity ratio	37.7%	62.8%	37.5%	39.0%	39.5%
Return on equity	7.3%	42.5%	16.3%	10.2%	8.6%
ROIC	11.7%	91.5%	16.9%	10,3%	8,3%
Financial leverage	42.1%	-69.9%	17.8%	20.4%	31.6%
Net debt to EBITDA	1.3	-4.7	0.6	1.0	1.8
Net debt to EBITDA after extraordinary dividends	1.3	-0.5	-	-	-
NWC/Revenue	33.4%	22.0%	25.5%	29.1%	33.1%
Earnings per share (EPS)	0.47	3.53	0.77	0.38	0.27
Equity value per share	3.80	9.36	3.67	5.77	5.55
Share price	10.88	13.82	8.39	7.42	6.69
Price-book ratio	3.3	1.4	1.3	1.3	1.2
Market cap	34,314	42,929	26,067	23,058	20,795
Order backlog	27,153	8,311	9,477	7,289	7,866

Figures for 2020 and 2021 contains the “old” SKAKO Group including SKAKO Vibration and the discontinued business SKAKO Concrete.

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

*On the translation of key figures and financial ratios from Danish kroner to euro, Danmarks Nationalbank’s rate of exchange at 31 December 2024 of 746.00 has been used for balance sheet items, and the average rate of exchange of 745.82 has been used for income statement and cash flow items.

1.4 A LANDMARK YEAR

Morocco: A Key Market for SKAKO Vibration

SKAKO Vibration has been actively operating in the Moroccan market since the early 2000s and has strengthened its presence by establishing a local subsidiary over a decade ago. This long-term commitment underscores the strategic importance of Morocco to SKAKO Vibration's business and its ambition to expand its footprint in North Africa.

Morocco is one of the most economically developed nations on the African continent, boasting an impressive average annual GDP growth rate of 5.1% over the last decade. A major factor contributing to this growth is its vast natural resources, particularly phosphate rock. The country holds an estimated 70% of the world's phosphate rock reserves, making it a dominant player in the global phosphate industry. These reserves are managed and exploited by the OCP Group (formerly known as "Office Chérifien des Phosphates"), a state-owned enterprise that plays a crucial role in the national economy. Recognizing the importance of modernizing and expanding its operations, OCP launched an ambitious five-year investment plan worth $13 billion in 2023. This substantial investment aims to enhance production capacities, optimize transport logistics, and integrate sustainable practices into the phosphate extraction and processing chain.

Challenges in Raw Material Transportation for the Mining Industry

One of the most significant challenges faced by mining companies worldwide is the transportation of large quantities of raw materials from extraction sites to processing facilities and export terminals. This challenge is particularly pronounced in Morocco, where phosphate mines are located inland, far from industrial processing centers and export hubs.

To address this issue, OCP has implemented an innovative and efficient transportation solution: a phosphate slurry pipeline system. In this process, raw phosphate is mixed with water to form a slurry, which is then transported through a network of pipelines that stretch across Moroccan territory. Upon reaching its destination—often hundreds of kilometers away—the phosphate slurry undergoes a dehydration process to revert it to a solid state, making it ready for further processing and export

SKAKO Vibration's Contribution to Phosphate Processing

SKAKO Vibration plays a critical role in the initial stage of this innovative transport system. The company provides specialized equipment designed to facilitate the dilution of phosphate before it is pumped into the pipeline system. SKAKO's high-performance technology ensures a smooth and efficient process, optimizing the consistency of the phosphate slurry and enhancing the overall effectiveness of the transportation system.

Example of SKAKO scrubbing equipment,
currently operating in Morocco

A LANDMARK YEAR

Extensive Experience in Phosphate Scrubbing

Thanks to its extensive experience in phosphate processing, SKAKO Vibration has earned the trust of key industry players and secured significant contracts. In 2024, the company received two major orders to supply equipment for two additional scrubbing lines, representing a total contract value exceeding DKK 150 million.

Each scrubbing line is composed of two essential pieces of equipment:

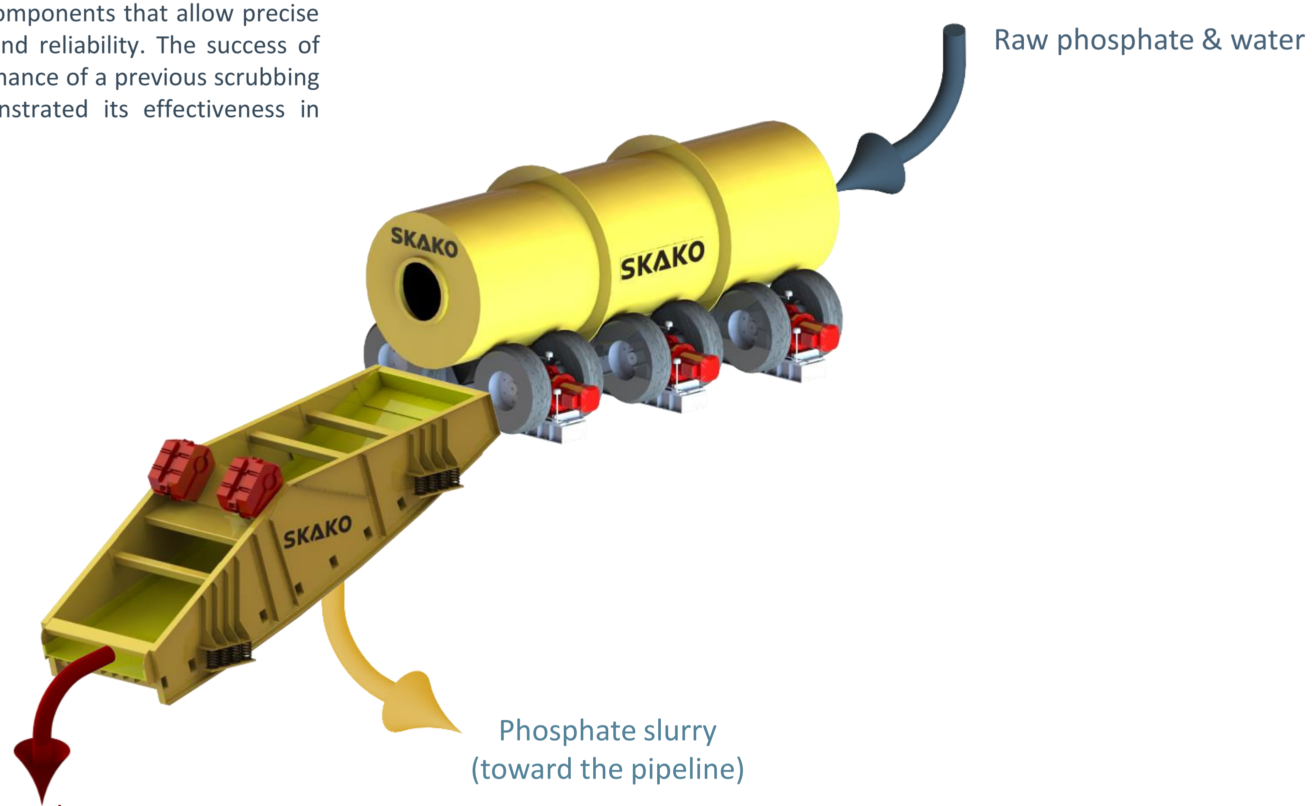
- A "large washing drum", which ensures thorough dilution of phosphate into water to create a homogeneous slurry.
- A "high-capacity vibrating screen", which plays a crucial role in separating unwanted stones and impurities from the phosphate mixture.

This set of machines is integrated with advanced electronic components that allow precise control over their operation, ensuring maximum efficiency and reliability. The success of these new scrubbing lines will be based on the proven performance of a previous scrubbing line supplied by SKAKO in earlier years, which has demonstrated its effectiveness in phosphate processing.

Future Project Timeline and Impact

The execution of this large-scale project is planned over the next two years. While initial development and preparation activities took place end of 2024, the most substantial impact on SKAKO Vibration's operations and revenue is expected to be realized in the following years as the scrubbing lines become fully operational.

With its advanced technological solutions, extensive experience, and strong local presence, SKAKO Vibration continues to be a key contributor to Morocco's phosphate industry. As the demand for high-quality phosphate processing solutions grows, SKAKO remains committed to delivering innovative and efficient systems to support OCP and other mining enterprises in achieving their long-term objectives.



1.5 STRATEGY & BUSINESS MODEL

Business areas

SKAKO Vibration develops, designs, and sells equipment for the Recycling, Minerals, and Fasteners industries. Our engineering, assembly, and testing facilities are located in Faaborg (Denmark), Strasbourg (France), and San Sebastian (Spain). Our products are built on deep application expertise and proprietary technology.

With a flexible production model, SKAKO Vibration sources components both internally and from external suppliers. Our primary markets are the EU and North Africa, where we have branch offices, while we maintain a presence in the USA, South America, and Asia through partnerships with local companies.

We drive our success through a strong portfolio of high-quality products and a dynamic organization with extensive design and application know-how.

Strategy

As a leading supplier of vibratory equipment, SKAKO Vibration provides cutting-edge solutions centered around vibration technology, which are integral to our customers' industrial processes.

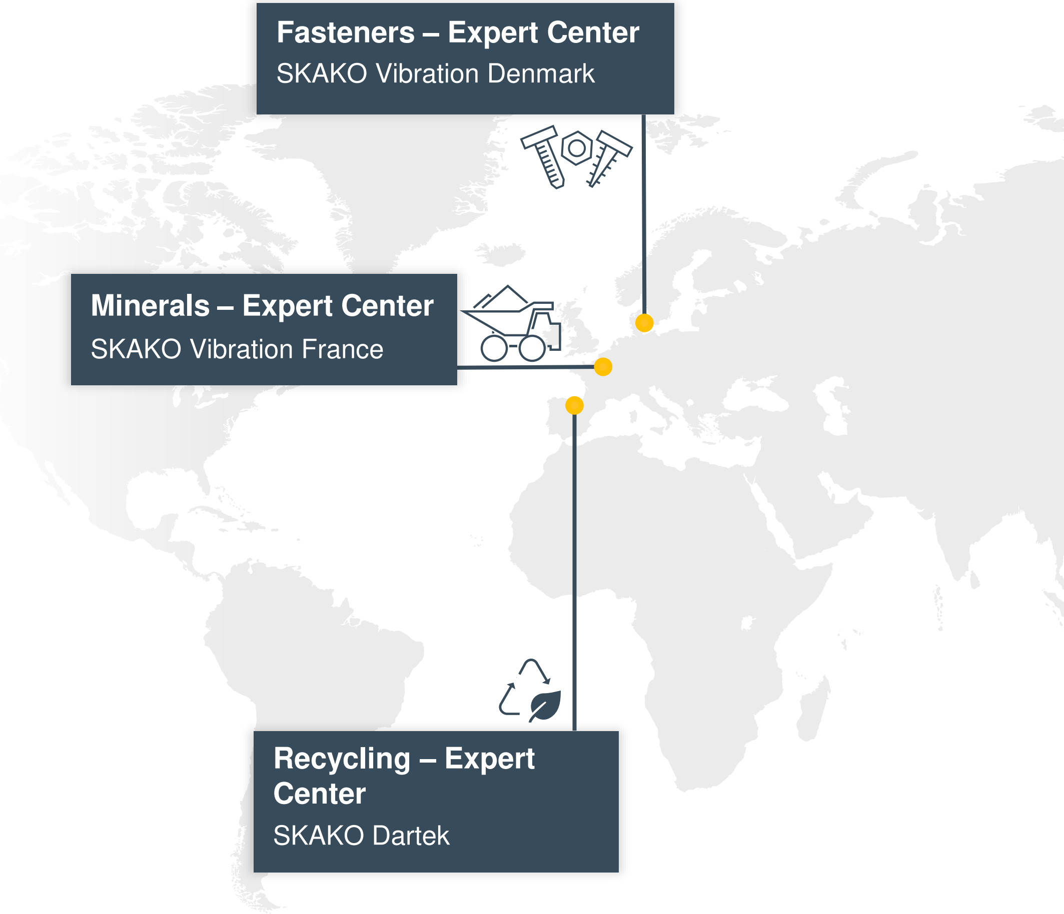
In the Fasteners industry, we are the preferred partner in targeted markets, particularly among key players in Europe, Asia, and the US.

In the Minerals sector, we have a strong presence, notably in phosphate mining in North Africa and the construction industry in Europe.

Our recent focus has been on expanding in the Recycling sector, supported by our comprehensive product range dedicated to this industry. The acquisition of SKAKO Dartek at the end of 2019 has further strengthened our position.
Since the end of the COVID-19 pandemic, demand from the recycling industry has surged, driving sustained growth.

As waste recycling becomes increasingly crucial, we anticipate an accelerated growth trend in this market over the coming decades.

Consequently, we are developing a strategy based on our three core business segments, with Recycling and Minerals as the primary growth drivers. Our objective is to achieve at least 50% growth by the end of 2028 while maintaining an EBIT ratio of around 10%.



STRATEGY & BUSINESS MODEL

Our approach is to collaborate with key players in the Fasteners, Minerals, and Recycling industries, providing industrial solutions that address major global transformations.

The Minerals Industry: A Sector in Transformation

The Minerals industry is undergoing significant change, largely driven by the shift toward green growth.

On one hand, a global race for mineral resources is underway, as countries seek to secure essential materials like lithium, nickel, copper, and rare earth elements for the green transition. Recent crises have further highlighted the importance of securing supply chains for raw materials. These trends will drive increased investment in the sector in the coming years.

On the other hand, the construction and demolition material recycling sector is rapidly emerging as a key growth area, fueled by private investments and public incentives. Our highly reliable and efficient sorting and washing equipment plays a critical role in industrial processes within this sector.

The Fasteners Industry: Impact of Automotive Sector Turbulence

The European automotive industry is currently facing economic challenges due to multiple factors:

- Reduced vehicle renewal rates due to high prices and an uncertain economic climate.
- Slowing electric vehicle sales.
- Intensified competition from Chinese manufacturers.

These conditions have led to lower investment levels in the Fasteners industry, negatively impacting our sales in 2024. We anticipate stable revenue in this segment for 2025, followed by a rebound once market uncertainties subside. The demand for stronger, lighter, and more advanced fasteners remains high, necessitating future investments that will benefit SKAKO Vibration, given our strong reputation as a leading supplier in this industry.

Recycling: The Primary Growth Driver

Private sector investments in the Recycling industry has grown by more than 15% p.a. over the past five years, and this trend is expected to continue, especially in Europe, where ambitious circular economy policies are in place.

Given that our core sales network is based in Europe, where unified recycling regulations and initiatives exist, we are focusing our resources on expanding our presence in this market.

Leveraging the expertise of SKAKO Dartek and the broader group’s knowledge in the Minerals and Fasteners industries, we are continuously developing a specialized product range tailored to the needs of Recycling companies:

- Size-based sorting: Our equipment classifies recycled materials by size 1.
- Density-based sorting: Our solutions separate materials based on density. 1
- Washing: Our systems effectively clean recycled materials. 2
- Controlled distribution: Our equipment ensures a smooth, uniform, and regulated material flow. 3

By capitalizing on these capabilities, SKAKO Vibration is well-positioned to drive innovation and growth in the Recycling sector while strengthening its leadership in Fasteners and Minerals.

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

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

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

1.6 WHY INVEST IN SKAKO

+ 50 years of knowhow with a successful asset light production model

SKAKO runs a focused business based on vibration technology and advanced conveyer solutions. We operate with an asset light model based on substantial outsourcing to trusted partners, build up over years, increasing profitability.

At SKAKO we aim to make our customers' production flow; hassle-free, reliable, and sustainable. We use our know-how to define the industry and develop visionary sustainable and technology-based solutions.

Based on this model, we have established a comprehensive installed fleet of SKAKO machinery all over the world and we provide our customers with support, spares and retrofit, whenever needed. Providing continued value to our customers, partners, and shareholders.

The SKAKO asset light business model has proven to be sustainable, even under challenging conditions. Despite also being impacted by Covid-19, SKAKO succeeded in remaining profitable during the pandemic, and has since continued to grow, also despite tougher market conditions after the war in Ukraine.

Solid presence in global growing markets

The markets in which SKAKO operates, are solid to strong growth markets. The demand for building materials as well as industrial machinery has seen growth for decades, and there are currently no signs of long-term reduction of this growth.

- **Recycling** – This segment's growth is driven by a global need to reuse our planets resources and are seeing large investments in key European markets. Recycling segment is expected to double by end of 2028.
- **Minerals/Mining** – This segment's growth is driven by the green transition and is expecting to grow with 5% p.a., but with massive investments, most recently demonstrated by the order SKAKO received of DKK 150m from OCP in Morocco.
- **Fasteners –** this segment is driven by the automotive and building industry, which in 2024 has seen negative growth particularly due to the German market. However, this segment is still expected to have an average growth of 5% p.a.

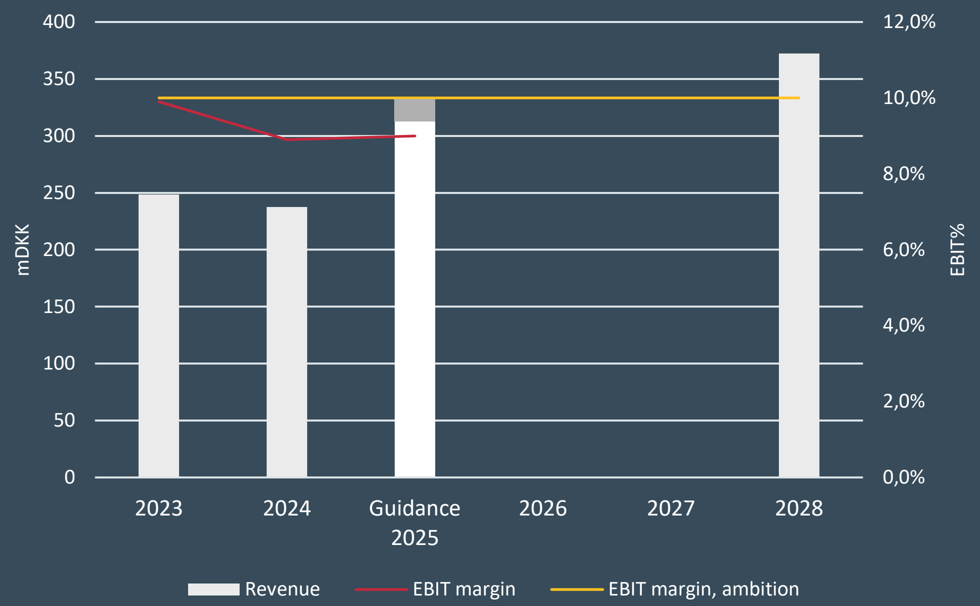
In all segments, SKAKO has a large installed base of equipment which creates a constant sale of spare parts giving an attractive aftersales-share of 34%. And with a strong potential to expand the business into new market segments, we are convinced that the potential for future profitable growth is strong

Dividend stock with solid capital structure

It is our ambition to continuously deliver a strong dividend to our shareholders, while keeping a capital structure target of net debt to EBITDA of up to 2.5.

1.7 FINANCIAL AMBITIONS

Financial ambitions for the Vibration activities



* Guidance 2025: Grey area shows the guidance interval 30-40% revenue growth

- Our ambition is to grow revenue with 50% over the period 2023 to 2028 with an operating margin (EBIT) of around 10%.
- After the decline in 2024 revenue is expected to grow with 30-40% in 2025 driven by the two large orders for OCP in Morocco.
- Despite the decline in revenue in 2024 revenue in Recycling is expected to double by end of 2028 with a backend loaded profile given SKAKO’s strong order portfolio and macro societal trends.

1.8 FINANCIAL REVIEW

DKK Thousands	2024	2023	Change
Plant order revenue	157,540	170,302	-7.5%
Aftersales revenue	79,898	77,857	2.6%
Total revenue	**237,438**	**248,159**	-4.3%
Production costs	(164,553)	(173,425)	-5.1%
Gross profit	**72,885**	**74,734**	**-2.5%**
Gross profit margin	30.7%	30.1%	0.6pp
Distribution costs	(28,384)	(26,010)	9.1%
Administrative expenses	(23,317)	(24,126)	-3.4%
Operating profit before special items (EBIT)	**21,183**	**24,599**	**-13.9%**
Operating profit margin before special items (EBIT margin)	8.9%	9.9%	-1.0pp
Special items	-	(1,934)	NA
Operating profit after special items (EBIT)	**21,183**	**22,662**	**-6.5%**
Profit for the year before discontinued activities	13,600	13,774	-1.3%
Profit for discontinued activities	(2,591)	67,463	-103.8%
Profit for the period	**11,009**	**81,237**	**-86.4%**
Order backlog beginning of period	61,942	72,550	-14.6%
Order intake	378,059	237,551	59.1%
Revenue	(237,438)	(248,159)	-4.3%
Order backlog end of period	**202,563**	**61,942**	**227.0%**

Market development

The market for Vibration in 2024 was impacted negatively by increasing uncertainty and slow macro-economic growth in Europe. Especially Fasteners was negatively impacted by a decline in activities in the automotive industry in Germany as well as the subdued European construction and building industry.

Despite the uncertain European market Minerals showed a strong growth of 10% in 2024 and is expected to accelerate this growth in 2025 due to the two contracts with OCP amounting of DKK 150m. Many resources were committed to bidding for these contracts and preparing for delivery of the projects in 2025 and 2026.

Previous years strong growth in Recycling turned into a slight decline in 2024 due to a more uncertain and hesitant market with some orders pushed into 2025 resulting in a large decline in Q4.

Despite decreasing revenue and a tough business climate in Europe SKAKO delivered an EBIT of DKK 21.2m and EBIT margin of around 9%. This shows the robustness of SKAKO's assets light business model.
The very strong order inflow in 2024 from the two OCP contracts will ensure strong growth in both revenue and EBIT in 2025 despite the uncertain European marked.

1.8 FINANCIAL REVIEW

REVENUE	FY2024	FY2023	Change	Q4 2024	Q4 2023	Change
Fasteners	32,326	38,077	-15.1%	8,113	10,516	-22.9%
Minerals	109,549	99,187	10.4%	27,769	34,296	-19.0%
Recycling	82,804	86,619	-4.4%	21,639	23,814	-9.1%
Other	12,759	24,277	-47.4%	2,985	2,271	31.4%
Total	**237,438**	**248,159**	**-4.3%**	**60,506**	**70,897**	**-14.7%**

Revenue
Activity in the European automotive and construction industries developed more negatively than expected in the second half of the fourth quarter, which particularly affected the Fasteners customer segment. As a result, revenue for 2024 decreased by 4.3% driven by a 15% decline in Q4 2024. This was driven by a large decline in Fasteners of 15%, a decline of 4.4% in Recycling and decline in other of 47%. Minerals showed growth of 10% to some extent impacted by the OCP contract but also growth in other African countries due to significant investments from customers. In Europe, many mineral processing plants decided to replace outdated machinery, and our expertise in custom-made equipment was key to securing new orders.

The decrease in revenue was driven by a decline in plant sales of 7.5% while the more stable and more profitable aftersales increased by 2.6%.

Revenue for 2024 declined with 4.3% which was below our guidance of 8 November 2024 (expected revenue development in the range of -2% to 1%)

Order intake and backlog
Order intake was DKK 378m, an increase of 59% compared to 2023 driven by the largest order ever of DKK 150m with OCP in Morocco.
Order backlog was DKK 203m compared to DKK 62m in 2023 equal to an increase of 227%.

Gross profit and margin
Gross profit decreased by 2.5% to DKK 73m in 2024, compared to DKK 75m in 2023. The decrease was driven by lower revenue and an increase in gross profit margin of 0.6pp to 30.7% due to a higher share of aftersales with higher margins than plant sales.

Capacity costs
Distribution costs increased with 9.1% mainly due to investments in the salesforce to enable future growth especially in Recycling. Administrative expenses declined with 3.4% despite salary increases of around 4%. This was due to employees participating in training courses with reimbursement due to low activity level, decrease in employees in administration and decrease in marketing expenses.

Operating profit
Operating profit before special items decreased by 14% to DKK 21.2m. This was driven by the decrease in revenue of 4.3%, and a decrease in margin of 1.0pp due to the investment in the salesforce to enable future growth.

The realized operating profit of DKK 21.2m is equal to the preliminary non-audited numbers communicated on 21 February 2025 but below the latest guidance of DKK 24-28m communicated on 8 November 2024.

Net financial items
Net financial items amounted to a cost of DKK 3.0m compared to DKK 3.3m in 2023 and consist mainly of interest income, interest expenses along with realized and unrealized foreign exchange losses.

Tax
The income tax expense for the year amounted to DKK 4.6m (2023: DKK 5.6m), corresponding to an effective tax rate of 25% since the tax rate in France and Spain is higher than in Denmark (2022: 29%).

1.8 FINANCIAL REVIEW

Profit for the year for continuing operations
Profit for the year before tax decreased by 5.9% to DKK 18.2m while profit for the year decreased by 1.3% to DKK 13.6m.

Result of the discontinued operations
The finalization of the transaction for the divestment of the Concrete activities amounted to DKK 2.6m and was related to final re-payments and related transaction costs.

Result including discontinued operations
The result including discontinued operations amounted to DKK 11m compared to DKK 81m in 2023 where DKK 67.5m relates to discontinued activities.

Earnings per share
SKAKO Group delivered a result before discontinued activities of DKK 13.6 compared to DKK 13.7 in 2023 and earnings per share decreased to DKK 3.5 in 2024 compared to DKK 26.3 in 2023 which was positively impacted by the divestment.

Balance sheet
As of 31 December 2024, the Group's assets totalled DKK 232m compared to DKK 342m last year. The decrease in assets is primarily due to the proceeds in 2023 from the divestment of the Concrete activities which had not yet been distributed to shareholders.
Non-current assets increased by DKK 8m to DKK 63m, while current assets decreased with DKK 119m to DKK 169m due to the proceeds in 2023 from the divestment of the Concrete activities.

Net debt was DKK 37m compared to a positive net debt of DKK 137m in 2023. The large decrease in net debt is mainly due to the proceeds in 2023 from the divestment of the Concrete activities which was distributed to shareholders end of February 2024.

Return on invested capital
In 2024, return on invested capital amounted to 11.7% compared to 91.5% in 2023 which was impacted by the divestment of the Concrete activities.

Net working capital
Net working capital increased by DKK 25m compared to the year before. The increase is primarily due to a higher level of inventories to mitigate supply chain challenges and invoicing of the first payments from the OCP projects at the end of Q4 2024 giving higher trade receivables.

Cash flow development
Cash flow from operating activities amounted to DKK (24)m compared to DKK 96m for 2023 which included proceeds from divestment of the Concrete activities. The negative cash flow in 2024 was driven by the increase in net working capital by DKK 24m.

Capital structure
Net interest bearing debt / EBITDA was 1.3 compared to negative 4.7 in 2023 which was impacted by the proceeds from the divestment of the Concrete activities since these had not yet been distributed to shareholders at the end of 2023.
The gearing level is well below our gearing target of up to 2.5 and shows that SKAKO has financial capacity to pay out dividends in the future and to pursue acquisitions according to our strategy.

1.8 FINANCIAL REVIEW

Equity
The Group's equity was DKK 87m on 31 December 2024 (DKK 215m on 31 December 2022) matching an equity ratio of 37.7% (62.8% on 31 December 2023). The change in equity is mainly due to profit for the year of DKK 11.0m deducted by ordinary and extraordinary dividends in 2024 where more than DKK 137m was distributed to shareholders.

Dividends
Based on the results in 2024 and capital structure of SKAKO A/S as of 31 December 2024, the Board of Directors recommends a dividend distribution of DKK 2.5 per share (2023: DKK 5 per share) corresponding to 72% of profit for the year before discontinued activities and a total dividend distribution of DKK 7.9m. With a share price of DKK 81.2 as of 31 December 2023, this corresponds to a dividend yield of 3.1%.

Ex-dividend date:	25 April 2025
Record date:	28 April 2025
Payment date:	29 April 2025

Interim dividends
In February 2024, an extraordinary dividend of DKK 39.3 per share was paid to shareholders following the divestment of the Concrete activities.

The Parent company
The result before interest and tax in the Parent company amounts to a profit of DKK 10.9m. The profit comes from merger of subsidiaries whereas the costs primarily come from remuneration of the Board of Directors and costs for warrants.

Events after the balance sheet date
There have been no events that materially affect the assessment of this Annual Report 2024 after the balance sheet date and up to today.

Consolidated Q4 – 2024 result for continued activities

DKK Thousands	Q4 2024*	Q4 2023*	Change
Plant order revenue	36,617	39,721	-7.8%
Aftersales revenue	23,889	31,176	-23.4%
Total revenue	**60,506**	**70,897**	**-14.7%**
Production costs	(38,888)	(50,024)	-22.3%
Gross profit	**21,618**	**20,873**	**3.6%**
Gross profit margin	35.7%	29.4%	6.3pp
Distribution costs	(6,658)	(6,813)	-2.3%
Administrative expenses	(7,808)	(6,434)	21.4%
Operating profit (EBIT)	**7,151**	**7,548**	**-5.3%**
Profit margin (EBIT margin)	**11.8%**	**10.6%**	1.2pp
Profit for the period before discontinued activities	**4,157**	**4,558**	-8.8%
Profit/(loss) for discontinued activities	**(1,006)**	**59,572**	-101.7%
Profit for the period	**3,151**	**71,903**	**-95.6%**
Order backlog beginning of period	212,680	72,107	195.0%
Order intake	50,389	60,732	-17.0%
Revenue	60,506	70,897	-14.7%
Order backlog end of period	**202,563**	**61,942**	**227.0%**

*Quarterly figures are unaudited

1.9 GUIDANCE 2025

Guidance 2025

Despite the uncertain marked conditions in Europe, strong growth in both revenue and operating profit (EBIT) is expected due to the two major contracts with OCP in Morocco. The development in the order backlog has been positive with an increase of 227% compared to the previous year.

Guidance for 2025 is:

- **Revenue is expected to grow by 30-40%**
- **Operating profit (EBIT) before special items is expected to be DKK 27-31m**

As a result of the geopolitical turmoil and uncertain marked conditions in Europe, expectations are subject to a higher than usual degree of uncertainty.

2. CORPORATE GOVERNANCE

2.1 COMPANY ANNOUNCEMENTS 2024

Main company announcements in 2024 and 2025

26 February	01 – SKAKO pays an extraordinary dividend higher than expected of DKK 122m due to the sales of activities in SKAKO Concrete and expects to pay an ordinary dividend of DKK 15m.
14 March	02 – Annual report 2023
26 March	03 – Notice about ordinary general meeting
17 April	04 – Course of general meeting on 17 April 2024
22 May	05 – Interim report for the first quarter of 2024
30 May	06 – SKAKO increases share capital after use of warrants
31 May	07 – Total number of shares and voting rights on 31 May 2024
4 August	08 – SKAKO Vibration wins biggest order ever of more than DKK 150m on cleaning equipment for phosphate mining plants in Morocco
21 August	09 – Interim report for the first two quarters of 2024
8 November	10 – Update on expectations for 2024
13 November	11 – Interim report for the first three quarters of 2024
19 December	12 – Financial calendar 2025

21 February 2025	1 – Preliminary non-audited figures for 2024 and guidance for 2025
28 February 2025	2 – Change in Executive Management

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

2.2 CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

For a description of SKAKOs strategy and business model please see section 1.5.

Environment

Policy

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

Furthermore, SKAKO has taken measures to reduce its energy consumption by, for example, installing LED lighting in its facilities and installing solar roof panels.

Actions

SKAKO will reduce consumption of kWh year by year in its production sites.

KPI

Consumed kWh in production sites.

Result for 2024 compared to goal for 2024

SKAKO realized 2.2% higher consumption of kWh in 2024 compared to the goal of 506,000 kWh. In 2024 we had the full year effect of solar collectors in France. In France, the production of electricity based on the solar collectors was much higher than the use of electricity.

Results & goals

Goal for 2024	Result 2024	Result 2023	Result 2022	Result 2021
506,000	516,886	790,316	804,777	848,268

Goal for 2025 is 500,000 kWh.

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

Risks

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

Working environment

Policy

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

Actions

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

KPIs

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

Results for 2024 compared to goals for 2024

1. SKAKO reduced sick days to 4.0 days well below our goal of 5.0 and below 5.0 days for the SKAKO Group including Concrete activities.
2. In 2024 the employee survey resulted in an employee satisfaction of 3.8 which was above our goal of at least 3.5.
3. In 2024, SKAKO had 6 on-the-job accidents. Management does not find this satisfactory although it has been minor on-the-job accidents. Management will continue to work on eliminating on-the-job accidents.
4. In 2024, the score on appraisal interviews was 85% which was slightly below our goal of 90%. As this is a vital part of the employee well-being, we will keep pushing for this.

Results & goals

	Goal for 2024	Result 2024	Result 2023	Result 2022	Result 2021
1*	5.0	4.0	5.0	5.5	8.4
2**	>3.5	3.8	3.8	4.1	N/A
3	0	6	8	10	5
4	90%	85%	85%	85%	85%

	Goal for 2025
1*	4.5
2**	>3.5
3	0
4	90%

Risks

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

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

Anti-corruption and bribery

Policy

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

Actions

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

KPIs

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

Results for 2024 compared to goals for 2024

1. SKAKO A/S has maintained its gift policy throughout 2024.
2. SKAKO A/S has received no reported violations of anti-corruption laws and regulations, and SKAKO Employee Code of Conduct in 2024.
3. 85% of SKAKO employees have passed the SKAKO Employee Code of Conduct e-learning. The main reason for the result not being 100% is new hires in late 2024 who did not complete the Code of Conduct session yet.
4. The whistle blower scheme was not as planned made available to external parties this will be implemented in 2025. Furthermore, the whistle blower scheme is part of the SKAKO Employee Code of Conduct e-learning.

Results & goals

	Goal for 2024	Result for 2024	Result for 2023	Result 2022
2	0	0	0	0
3	100%	85%	75%	80%

Risks

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

Human rights

Policy

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

Actions

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

KPI

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

Result for 2024 compared to goal for 2024

SKAKO has not reached the goal of having all suppliers sign our code of conduct. This will be another target in 2025 and forward. Code of Conduct for SKAKO Group is currently being revised and will be launched in summer 2025.

Results & goals

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

Risks

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

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

Policy

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

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

Actions

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

KPIs

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

Results for 2024 compared to goals for 2024

1. 85% of SKAKO employees have passed the SKAKO Employee Code of Conduct e-learning.

The goal for 2025: 100% of SKAKO employees have to pass the SKAKO Employee Code of Conduct e-learning.

Results & goals

	Goal for 2024	Result 2024	Result 2023	Result 2022	Result 2021
1	100%	85%	75%	80%	95%

Risks

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

Data ethics (§99d ÅRL)

Policy

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

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

Actions

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

2.3 RISK MANAGEMENT

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

Financial risks

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

Exchange rate risks

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

Credit risks

The Group's credit risks relate primarily to trade receivables. For large projects we have a signed Letter of Credit from the customer's bank before we undertake any work. Our remaining customer base is fragmented so credit risks in general only lead to minor losses on individual customers. Overall, we therefore estimate that we have no major credit exposure on Group level. With the two large orders with OCP in Morocco of DKK 150m the credit risk exposure on one single customer is higher than previously seen. This risk is mitigated through letter of credit for more than 80% of the payments and customary downpayments. Historically SKAKO has not had any credit losses with this customer. However late payment of invoices from countries in North Africa is often seen.

Liquidity risk

The Group aims at having sufficient cash resources to be able to take appropriate steps in case of unforeseen fluctuations in cash outflows. With higher uncertainty regarding the timing of payments from OCP there is a risk that we see higher fluctuations in our liquidity. These fluctuations will be mitigated through suitable undrawn credit facilities.

Financial reporting process and internal controls

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

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

Safeguarding corporate assets

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

Declining market conditions

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

Cyber security

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

Project execution

The Company continuously executes projects across the world, and in some cases faces challenges in the execution. Management continuously monitors project execution to identify possible risks as early as possible. Furthermore, projects are actively distributed among project managers to ensure that the most experienced managers execute the most complex projects. Due to execution of the two large orders with OCP in Morocco this risk is higher than normal. However, the risk should be manageable since SKAKO has executed similar projects in Morocco before.

2.4 CORPORATE GOVERNANCE AND REMUNERATION REPORT

Recommendations on corporate governance

As a listed company on 31 December 2024, SKAKO observes the ´Recommendations on Corporate Governance´ (issued in November 2017 and updated in December 2020) implemented by Nasdaq Copenhagen in its ´Rules for issuers of shares´. The ´Recommendations on Corporate Governance´ contain 40 recommendations and are based on the comply-or-explain principle, which makes it legitimate for a company to explain why it does not comply with them. SKAKO fully complies with 38 of the 40 recommendations, and partially complies with one, and therefore complies with the ´Recommendations on Corporate Governance´ in all material respects.

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

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

Deviations from recommendations

SKAKO has not established a nomination or a remuneration committee. Given the size of SKAKO, the Board of Directors finds it most suitable that the total Board of Directors takes care of the tasks.

Audit committee

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

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

In 2024, the committee reviewed the main accounting principles, tax strategy and compliance and key risks, etc.

In 2024, the Audit Committee held four meetings.

Remuneration

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

The policies are available on our website under Investor Relations.

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

The report is available on our website under Investor Relations.

2.5 EXECUTIVE MANAGEMENT

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

2.6 BOARD OF DIRECTORS

		
Name	Jens Wittrup Willumsen	Carsten Krogsgaard Thomsen
Title	Chairman of the Board of Directors and member of the audit committee Considered as a non-independent Board member	Chairman of the Audit Committee Considered as an independent Board member
Born in	1960	1957
Board member since	2010	2017
SKAKO shares	Jens Wittrup Willumsen owns 50% of the shares in Frederik2 Aps. Frederik2 Aps owns 800,000 shares in SKAKO. Further, Jens Wittrup Willumsen has a direct ownership of 19,876 shares in SKAKO.	19,255
Managerial positions in other companies	**Chairman of the Board:** Licensewatch A/S, COMIT A/S, Begravelse Danmark A/S **Deputy Chairman:** Billund Lufthavn A/S **Board member:** FDM Travel A/S, Charlotte Sparre A/S, Experimentarium A/S, Museum Kolding, SEC Datacom Group A/S, TMC Nordic AS **Others positions:** Frederik2 ApS, Director own investment company	**Board member:** NTG Nordic Transport Group A/S,
Special competences	Jens Wittrup Willumsen is educated Cand. Merc. from Copenhagen Business School and has had managing positions in Denmark and abroad. His competences include strategy, finance, financing, sales and marketing.	Carsten Krogsgaard Thomsen is educated Cand. Polit. and has had a long career with primary focus on economics and finance. Through his career, Carsten Krogsgaard Thomsen has accumulated extensive experience within M&A, and compliance in listed companies. From 2014 to 2020 Carsten Krogsgaard Thomsen was CFO in NNIT and previously also held positions as EVP and CFO in Dong Energy A/S, EVP in DSB (Danish State Railways), finance and planning manager at Rigshospitalet (the Copenhagen University Hospital) and consultant in McKinsey & Company.
Participation in board meetings	Jens Wittrup Willumsen participated in all board and audit committee meetings in 2024.	Carsten Krogsgaard Thomsen participated in all board and audit committee meetings in 2024.

		
Name	Christian Herskind Jørgensen	Sophie Louise Knauer
Title	Considered as a non-independent Board member	Considered as an independent Board member
Born in	1961	1983
Board member since	2009	2020
SKAKO shares	Christian Herskind Jørgensen owns 50% of the shares in Frederik2 Aps. Frederik2 Aps owns 800,000 shares in SKAKO. Further, Christian Herskind Jørgensen has a direct ownership of 109,000 shares in SKAKO.	–
Managerial positions in other companies	**Chairman of the Board:** Fonden Amager Bakke, LABFLEX A/S, Taulov DryPort A/S, Skive Holding ApS, Associated Danish Ports A/S, Skive Holding ApS, Labflex Ltd. **Board member:** Nordsøenheden/Nordsøfonden, LM|Pihl A/S, Den Selvejende Institution Museum Fredericia **Others positions:** Herskind Venture Capital ApS, Director own holding company, Ejendomsselskabet Helsingør/Århus, Director Frederik2 ApS, Director own holding company	**Board member:** NTG Nordic Transport Group A/S, Solar A/S, Rekom Group A/S, Rekom Group Holding ApS, Ferm Living ApS, CC Globe Holding I ApS, CC Globe Holding II ApS, CC Fly Holding I ApS, CC Mist NEW Holding II ApS **Other positions:** Lady invest ApS and It's a club ApS managing director and owner.
Special competences	Christian Herskind Jørgensen is educated lawyer from University of Copenhagen and University of London and is also Brigadier. His competences include significant experience within sales, marketing, strategy, management, HR and legal matters.	Sophie Louise Knauer is educated HA JUR and Cand. Merc. in economy and strategic management from Copenhagen Business School. Her career includes top management in TDC, CEO for People Group A/S and senior consultant at McKinsey & Company. Sophie Louise Knauer has built strong competences within strategic management and digital transformation.
Participation in board meetings	Christian Herskind Jørgensen participated in all board meetings in 2024.	Sophie Louise Knauer participated in all board meetings in 2024.

2.7 SHAREHOLDER INFORMATION

As of 31 December 2024, SKAKO's nominal share capital was 31,524,960 DKK divided into 3,152,496 shares of 10 DKK each. All shares are fully paid, the same class and carry one vote each.

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

SKAKO A/S is listed at NASDAQ OMX Copenhagen A/S under identification code DK0010231877. By the end of 2024 the company had 1,989 registered shareholders compared with 2,003 registered shareholders by the end of 2023. The registered shareholders own a total of 93.5% of the share capital compared to 93.9% by the end of 2023.

Specification of movements in share capital

DKK Thousands	2024	2023	2022	2021	2020
Share capital at 01.01.	31,064	31,064	31,064	31,064	31,064
Capital increase	461	–	–	–	–
Share capital at 31.12.	31,525	31,064	31,064	31,064	31,064

Shareholders with more than 5% of the share

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

Dividends

Based on the results in 2024 and capital structure of SKAKO A/S as of 31 December 2024, the Board of Directors recommends a dividend distribution of DKK 2.5 per share corresponding to 72% of profit for the year exclusive the profit from discontinued activities and a total dividend distribution of DKK 9.3m. With a share price of DKK 81.2 as of 31 December 2024, this corresponds to a dividend yield of 3.1%.

Ex dividend date: 25 April 2025
Record date: 28 April 2025
Payment date: 29 April 2025

Financial calendar 2025

12 March	Annual report for 2024
24 April	Ordinary general meeting 2025
21 May	Trading statement Q1 2025
20 August	Interim report for the first half-year of 2025
12 November	Trading statement Q3 2025

Presentation of the annual report

Together with HC Andersen Capital, SKAKO A/S will do an online presentation of the annual report for 2024 on Thursday 13 March 2025 at 11.00 - 11.30 am.
Registration for event: https://www.inderes.dk/videos/skako-presentation-of-annual-results-for-2024

Annual general meeting 2025

The annual general meeting will be held on Thursday 24 April 2025 at 3 p.m. at the Company's head office at Bygmestervej 2, 5600 Faaborg, Denmark.

Investor Relations

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

3. FINANCIAL STATEMENTS

3.1 STATEMENT BY MANAGEMENT

Today, we have discussed and approved the Annual Report 2024 of SKAKO A/S for the financial year 1 January to 31 December 2024.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position on 31 December 2024 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2024.

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

In our opinion, the annual report of SKAKO A/S for the financial year 1 January to 31 December 2024 with the file name 529900WNR3U8C847AW24-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend the Annual Report for 2024 be approved at the Annual General Meeting.

Faaborg, 12 March 2025

Executive Board

Lionel Girieud
Director

Thomas Pedersen
CFO

Board of Directors

Jens Wittrup Willumsen
Chairman

Carsten Krogsgaard Thomsen
Deputy Chairman

Christian Herskind Jørgensen

Sophie Louise Knauer

3.2 INDEPENDENT AUDITOR'S REPORTS

To the shareholders of SKAKO A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

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

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of SKAKO A/S for the financial year 1 January to 31 December 2024 comprise income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

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

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

Independence

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

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

Appointment

We were first appointed auditors of SKAKO A/S on 26 April 2012 for the financial year 2012. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 13 years including the financial year 2024. We were reappointed following a tendering procedure at the General Meeting on 19 April 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of plant sales from customer contracts Revenue from plant customer contracts is recognised over time. The proportion of revenue to be recognised in a particular period is calculated according to the percentage of completion of the plant project. This is measured by reference to the costs of performing the contract incurred up to the relevant balance sheet date as a percentage of the total estimated costs of performing the contract. Contract assets amounted to DKK 36 million (2023: DKK 38 million) net and contract liabilities amounted to DKK 1 million (2023: DKK 3 million) net. Recognition of the Group's revenue involves a high degree of subjectivity in determining significant assumptions for the total estimated costs of plant projects. We focused on this area, as recognition of revenue involves judgements made by Management originating from percentage of completion and estimated cost to completion of plant projects. Reference is made to note 1 and 17.	We considered the appropriateness of the Group's accounting policies for revenue recognition and assessed compliance with applicable accounting standards. We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, procedures and relevant controls relating to revenue recognition from customer contracts. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement. We performed substantive procedures over input data from contracts and costs charged to plant projects. We assessed Management's estimated cost to completion and contribution margin for customer contracts in order to evaluate the valuation of customer contracts and recognised revenue. We performed a retrospective analysis of Management's ability to assess the cost to completion and expected contribution margin in prior years. We tested Management's estimated percentage of completion by assessing subsequent development in costs allocated to the plant projects and Management's updated estimates for cost to completion and contribution margin.
Deferred tax assets At 31 December 2024, the Group has recognised deferred tax assets of DKK 10 million (2023: DKK 10 million). Management is required to exercise considerable judgement when determining the appropriate amount to capitalise in respect of deferred tax. We focused on this area as the amounts involved are significant and the valuation of tax assets is dependent on highly subjective assumptions on budgeted taxable income for the coming years. Reference is made to note 15.	We evaluated Management's method for estimating the deferred tax assets. In understanding and evaluating Management's method and assumptions we performed a retrospective analysis of Management's ability to budget the taxable income in prior years. Further, we examined the Group's budgets and projections for the coming years including significant assumptions. We evaluated and challenged the adequacy of the significant assumptions determined by Management in developing the accounting estimate.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Auditor’s responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Parent Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Parent Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of SKAKO A/S for the financial year 1 January to 31 December 2024 with the filename 529900WNR3U8C847AW24-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

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

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

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

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

In our opinion, the annual report of SKAKO A/S for the financial year 1 January to 31 December 2024 with the file name 529900WNR3U8C847AW24-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Odense, 12 March 2025

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR no 3377 1231

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

3.3 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

Notes	DKK Thousands	2024	2023
1, 2	Revenue from contracts with customers	237,438	248,159
3, 4	Production costs	(164,553)	(173,425)
	Gross profit	72,885	74,734
4	Distribution costs	(28,384)	(26,010)
4, 5, 6	Administrative expenses	(23,318)	(24,128)
	Operating profit before special items (EBIT)	21,183	24,596
7	Special items	-	(1,934)
	Operating profit (EBIT)	21,183	22,662
8	Financial income	1,623	2,163
8	Financial expenses	(4,613)	(5,493)
	Profit before tax	18,193	19,332
9	Tax on profit for the year	(4,593)	(5,558)
	Profit for the year before discontinued activities	**13,600**	**13,774**
10	Result of discontinued activities after tax	(2,591)	67,463
	Profit for the year	11,009	81,237
	Profit for the year attributable to SKAKO A/S shareholders	11,009	81,237
11	Earnings per share (EPS), DKK	3.51	26.34
11	Diluted earnings per share (EPS), DKK	3.49	25.36
11	Earnings per share continuing activities (EPS), DKK	4.35	4.47
11	Diluted earnings per share continuing activities (EPS), DKK	4.31	4.32

Consolidated statement of comprehensive income

DKK Thousand		2024	2023
Notes			
	Profit for the year	11,009	81,237
	Other comprehensive income:		
	Items that have been or may subsequently be reclassified to the income statement:		
	Foreign currency translation, subsidiaries	(2,893)	2,661
	Value adjustments of hedging instruments	-	49
	Other comprehensive income	(2,893)	2,710
	Comprehensive income	8,116	83,947

Consolidated balance sheet 31 December

DKK Thousands		2024	2023
Notes			
	Intangible assets	25,132	25,189
	Intangible assets under development	672	1,615
12	Intangible assets	25,804	26,804
14	Leased assets	12,715	8,025
13	Land and buildings	4,722	4,173
13	Plant and machinery	1,539	1,168
13	Operating equipment, fixtures and fittings	4,304	1,673
13	Leasehold improvements	2,620	2,427
13	Tangible assets under construction	246	74
	Tangible assets	26,146	17,540
	Other receivables	775	766
15	Deferred tax assets	10,107	9,891
	Other non-current assets	10,882	10,657
	Total non-current assets	62,833	55,001
16	Inventories	30,272	26,182
21	Trade receivables	66,312	58,274
17, 21	Contract assets	36,429	38,203
	Other receivables	9,608	7,706
	Prepaid expenses	1,271	800
	Cash	24,839	156,027
	Current assets	168,731	287,192
	Assets	231,563	342,193

Consolidated balance sheet 31 December CONTINUED

DKK Thousands		2024	2023
Notes			
	Share capital	31,525	31,064
	Foreign currency translation reserve	(150)	2,743
	Hedging reserve	-	-
	Retained earnings	48,025	165,725
	Proposed dividends	7,881	15,532
	Equity	87,281	215,064
	Other liabilities	2,308	2,300
19	Provisions	1,493	2,059
18	Loans and borrowings	2,074	4,106
14	Leasing	9,772	5,989
	Non-current liabilities	15,647	14,454
19	Provisions	1,277	1,027
18	Loans and borrowings	2,290	2,270
18	Bank loans and credit facilities	45,083	3,278
14	Leasing	2,917	2,905
17	Contracts liabilities	1,009	3,310
	Trade payables	52,745	64,665
	Income tax	59	7,070
	Other liabilities	23,255	28,150
	Current liabilities	128,635	112,675
	Liabilities	144,282	127,129
	EQUITY AND LIABILITIES	231,563	342,193

Consolidated cash flow statement

Notes	DKK Thousnads	2024	2023
	Profit before tax including discontinued activities	18,193	104,391
20	Adjustments	(9,119)	(67,073)
	Changes in receivables, etc.	(8,648)	45,207
	Change in inventories	(4,090)	(4,378)
	Change in trade payables and other liabilities, etc.	(17,880)	(61,364)
	Cash flow from operating activities before financial items and tax	(21,544)	16,783
	Interest received	1,623	2,163
	Interest paid	(4,613)	(5,493)
	Taxes paid and received	(7,685)	(1,294)
	Cash flow from operating activities	(32,219)	12,159
12	Investment in intangible assets	(210)	(561)
13	Investment in tangible assets	(5,128)	(10,600)
	Disposals	1,894	24,094
	Proceeds from sale of Concrete activities	(2,591)	148,916
	Cash flow from investing activities	(6,035)	161,849
	Proceeds from leasecontracts	8,630	573
	Repayments	(6,847)	(13,323)
	Paid dividends	(136,522)	(15,532)
	Change in short-term bank facilities	41,805	(34,841)
20	Cash flow from financing activities	(92,934)	(63,123)
	Change in cash and cash equivalents	(131,188)	110,885
	Cash and cash equivalents 1 January	156,027	45,142
	Cash and cash equivalents 31 December	24,839	156,027
	Breakdown of cash and cash equivalents at the end of the year:		
	Cash	24,839	156,027
	Cash and cash equivalents at the end of the year:	24,839	156,027

Consolidated statement of changes in equity

DKK Thousands

	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Proposed dividends	Equity
Equity 1 January 2024	31,064	2,743	-	165,725	15,532	215,064
Extraordinary dividends				(121,989)	121,989	-
Paid dividends				999	(137,521)	(136,522)
Increase of share capital	461					461
Comprehensive income in 2024:						
Profit for the year				3,128	7,881	11,009
Other comprehensive income:						
Recirculated currency translation adjustments, subsidiaries	-	(2,893)	-		-	(2,893)
Other comprehensive income	-	(2,893)	-		-	(2,893)
Comprehensive income, year	-	(2,893)	-	3,128	7,881	8,116
Share-based payment, warrants	-	-	-	163	-	163
Equity 31 December 2024	31,525	(150)	-	48,025	7,881	87,281

Consolidated statement of changes in equity

DKK Thousands

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

3.4 CONSOLIDATED NOTES

Notes to consolidated financial statements

Significant estimates and assessments:

1. Revenue from contracts with customers

Accounting policy

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

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

All intercompany transactions are made on market terms.

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

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

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

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

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

Plant sales

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

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

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

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

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

1. Revenue from contracts with customers CONTINUED

Accounting policy CONTINUED

Aftersales, spare parts and products

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

Aftersales services

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

Order backlog

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

Significant assessment by Management

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

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

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

Significant estimates by Management

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

1. Revenue from contracts with customers CONTINUED

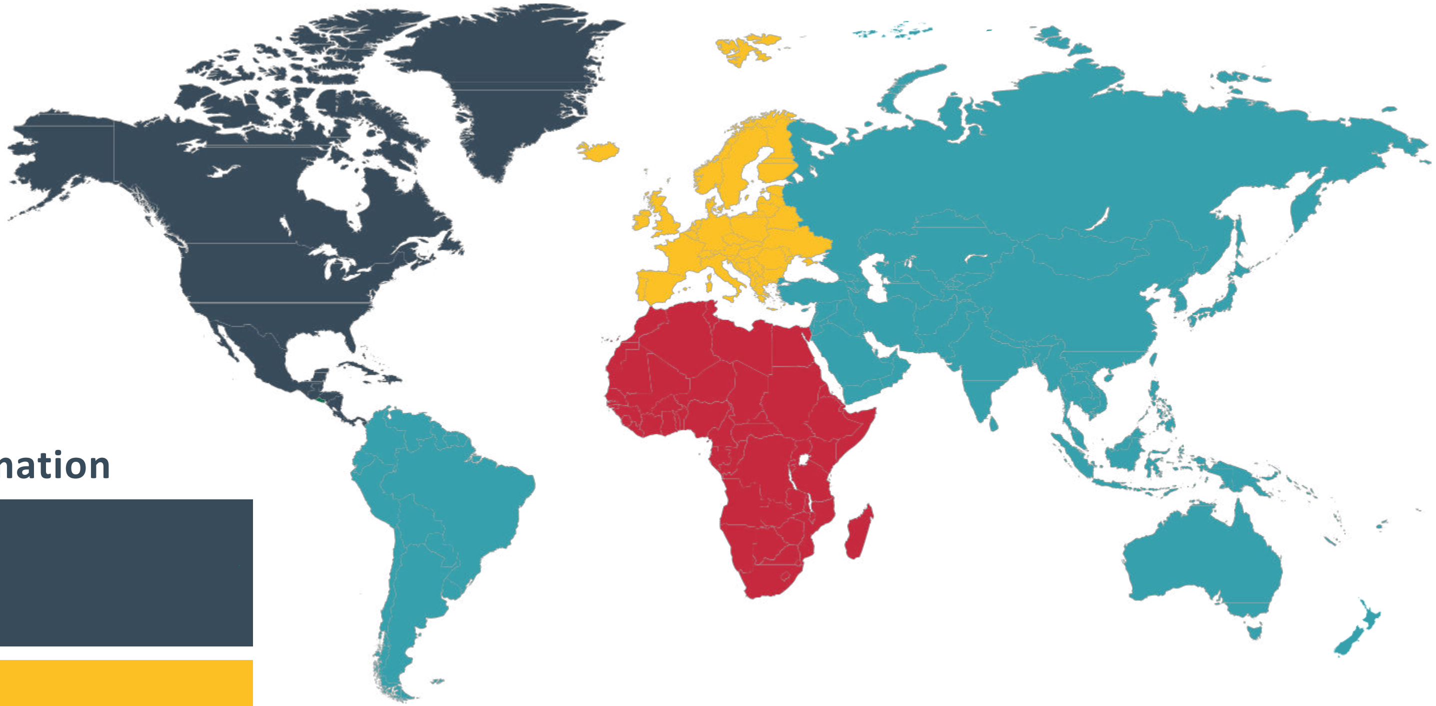
Segregation of revenue

Revenue, DKK Thousands	Group	
	2024	**2023**
Plant	157,540	170,302
- Over time	153,572	165,323
- A point in time	3,968	4,979
Aftersales	**79,898**	**77,857**
- Over time	-	-
- A point in time	79,898	77,857
Total revenue	**237,438**	**248,159**

Segregation of revenue

Revenue, DKK Thousands	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the period:		
- Plant sales	3,310	3,700
- Aftersales	-	-
Total revenue recognized from contract liabilities	**3,310**	**3,700**

1. Revenue from contracts with customers CONTINUED



Geographical revenue information

North America

Revenue: DKK 6,027k (2023: DKK 7,337k)

Europe

Revenue: DKK 194,465k (2023: DKK 207,180k)
Hereof revenue in Denmark: DKK 10,504k (2023: DKK 22,719)
Hereof revenue in France: DKK 63,289k (2023: DKK 55,145k)
Hereof revenue in the UK: DKK 11,919k (2023: DKK 15,617k)
Hereof revenue in Germany: DKK 22,805k (2023: DKK 30,868k)
Hereof revenue in Spain: DKK 43,320k (2023: DKK 42,657k)

Africa

Revenue: DKK 29,005k (2023: DKK 23,271k)
Hereof revenue in Morocco: DKK 11,149k (2023: DKK 1,796k)

Rest of the world

Revenue: DKK 7,941k (2023: DKK 10,371k)

Geographical non-current assets information

North America

DKK 0k (2023: DKK 0k)

Europe

DKK 62,833k (2023: DKK 45,959k)
Hereof in Denmark: DKK 38,312k (2023: DKK 29,710k)
Hereof in France: DKK 14,950k (2023: DKK 13,313k)
Hereof in Spain: DKK 8,900k (2023: DKK 1,452k)
Hereof in Other: DKK 671k (2023: DKK 484k)

2. Segment information

2024

DKK Thousands

2024	Vibration	Not distributed including parent company	Eliminations	Group total
Minerals	109,549	-	-	109,549
Fasteners	32,326	-	-	32,326
Recycling	82,804	-	-	82,804
Other	12,759	-	-	12,759
Total revenue	237,438	-	-	237,438
Depreciations	(5,785)	(660)	-	(6,445)
Operating profit (EBIT) before special items	25,072	(3,889)	-	21,183
Order backlog, beginning	61,942	-	-	61,942
Order intake	378,059	-	-	378,059
Order backlog, ending	202,563	-	-	202,563
Segment non-current assets	52,367	340,280	(329,815)	62,833
Segment assets	266,558	428,897	(463,891)	231,564
Segment liabilities	93,103	186,540	(135,361)	144,282
Investments in intangible and tangible asset	13,440	529	-	13,969
Average number of employees	132	-	-	132

2. Segment information

2023

DKK Thousands

2023	Vibration	Not distributed including parent company	Eliminations	Group total
Minerals	99,187	-	-	99,187
Fasteners	38,077	-	-	38,077
Recycling	86,619	-	-	86,619
Other	24,277	-	-	24,277
Total revenue	248,159	-	-	248,159
Depreciations	(4,511)	-	-	(4,511)
Operating profit (EBIT) before special items	27,157	(2,558)	-	24,599
Order backlog, beginning	72,550	-	-	72,550
Order intake	237,551	-	-	237,551
Order backlog, ending	61,942	-	-	61,942
Segment non-current assets	44,974	10,027	-	55,001
Segment assets	258,248	154,449	(45,237)	367,460
Segment liabilities	102,797	75,211	(45,237)	132,771
Investments in intangible and tangible asset	11,161	-	-	11,161
Average number of employees	129	-	-	129

3. Production costs

Accounting policy

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

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

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

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

DKK Thousands	2024	2023
Cost of goods sold during the year	101,832	106,073
Write-down of inventories for the year, net	542	139
Research and development costs	42	45
Production staff costs and other costs	62,137	67,168
Total production costs	**164,553**	**173, 425**

4. Staff costs

Accounting policy

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

DKK Thousands	2024	2023
Wages, salaries and other remuneration	47,158	53,242
Contribution plans and other social security costs, etc.	12,621	10,912
Share-based payment, warrants	163	482
Other staff costs	2,195	2,929
	62,137	**67,565**
The amounts are included in the items:		
Production costs	20,356	36,352
Distribution costs	25,248	20,706
Administrative costs	16,533	10,507
	62,137	**67,565**

The average number of employees was 132 (2023: 129).

4. Staff costs CONTINUED

Remuneration to Executive Management and Board of Directors

DKK Thousands	2024	2023
Board of Directors and Audit Committee	**1,310**	**1,652**
Executive Management		
Wages, salaries and other remuneration	5,832	7,648
Contribution plans and other social security costs, etc.	301	341
Share-based payment, warrants	163	493
	6,296	**8,482**
Total remuneration for Executive Management and Board of Directors	**7,606**	**10,134**

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

The Executive Management contracts are based on normal conditions.

The board of directors and audit committee fee includes DKK 78k to board member for extraordinary work during the transaction and divestment of SKAKO Concrete activities

5. Share-based payment, warrants

Accounting policy

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

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

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

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

In 2024, the Executive Management and other key employees in the Group have been granted warrants to purchase a total of 30,000 shares in the company at a set price (strike price). The share-based programme has vesting conditions under which Management must stay employed for three years to receive the remuneration. The following exercise period runs for two years.

5. Share-based payment, warrants CONTINUED

	2021 warrants			2024 warrants		
	Granted	Strike price (all)	Exercise period starts	Granted	Strike price (all)	Exercise period starts
Warrants granted	150,000	55,60	April 2024	30,000	67.9	July 2028
Executive management			40,000			30,000
- hereof forfeited			-			
Total executive management			40,000			-
Other employees			10,000			-
- Hereof forfeited			-			
Total other employees			10,000			-
Number of warrant entitlements			**50,000**			**30,000**

The recognized fair value of warrants in the consolidated income statement amounts to DKK 163k (cost) (2023: DKK 482k, cost).
The calculation of the fair value of warrants at the time of allocation is based on the following assumptions:

	Granted 22 March 2021	Granted 12 July 2024
Average price per share	55.6	67.9
Annual hurdle rate	0%	0%
Strike price per share	55.6	67.9
Expected volatility*	33.5%	31.2%
Expected dividends**	4.1%	5.0%
Cost of equity	7.0%	8.5%
Number of shares allocated	150,000	30,000
Fair value per warrant, DKK	16.90	14.18
Total fair value, DKK thousands	2,535	425

* For the 2021 programme, the preceding 48 months have been used
** The expected future dividend at the time of granting

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

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

DKK Thousands	2024	2023
PwC		
Statutory audit	1,011	1,164
Other assurance engagements	160	-
Tax and indirect taxes consultancy	190	150
Other services	176	333
	1,537	**1,647**
Other audit firms		
Statutory audit	298	224
Other assurance engagements	52	0
Tax and indirect taxes consultancy	303	67
Other services	453	347
	1,107	**637**

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

The fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the Group amounts to DKK 0.4m (2023: DKK 0.5m) and consists of tax, VAT and accounting advisory.

7. Special items

Accounting policy

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

Special items include significant non-recurring items.

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

There has been no special items in 2024.

Special items in 2023 consists of transaction costs for the terminated transaction process with Zefyr Invest and amounting to DKK 1.9m

8. Net financial items

Accounting policy

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

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

DKK Thousands	2024	2023
Interest on cash and bank deposits	1,601	2,140
Financial income from financial assets not measured at fair value in the income statement	**1,601**	**2,140**
Foreign exchange gains, net	22	23
Financial income	**1,623**	**2,163**
Interest on bank debt	(1,922)	(2,011)
Interest on lease debt	(325)	(102)
Financial expenses on financial liabilities not measured at fair value in the income statement	**(2,247)**	**(2,113)**
Foreign exchange losses, net	-	(170)
Other financial expenses	(2,366)	(3,210)
Financial expenses	**(4,613)**	**(5,493)**
Net financial items	**(2,990)**	**(3,330)**

9. Tax on profit for the year

Accounting policy

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

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

DKK Thousands	2024	2023
Current tax on the profit for the year	(4,223)	(1,788)
Adjustment of current tax, prior years	-	(1,371)
Change in deferred tax	(370)	(2,399)
Tax for the period, net income	**(4,593)**	**(5,558)**
Tax using the Danish corporate tax rates	(3,823)	(1,036)
Effect of tax rates in foreign jurisdictions	(400)	(675)
Tax assets not previously capitalized	(370)	(2,476)
Permanent and temporary differences and other items	-	(1,371)
	(4,593)	**(5,558)**

10. Discontinued activity

Accounting policy

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

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

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

Analysis of income from the discontinued activities	2024	2023
Revenue	-	268,446
Cost	(1,902)	(253,672)
Other operating income or loss (gains from divestment after tax)	(3,580)	57,330
Financial income	2,891	-
Profit before tax from discontinued activities	**(2,591)**	**72,104**
Income tax	-	(4,641)
Profit after tax from discontinued activities	**(2,591)**	**67,463**

Net cash flow from the discontinued activities	2024	2023
Cash flow from operating activities	(5,482)	14,933
Cash flow from investing activities	-	133,983
Cash flow from financing activities	2,891	-
Net cash flow from discontinued activities	**(2,591)**	**148,916**

11. Earnings per share (EPS)

Accounting policy

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

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

DKK Thousands	2024	2023
Earnings		
Profit for the year	11,009	81,238
Number of shares, average		
Number of shares issued	3,152,496	3,106,418
Adjustment for treasury share	(22,567)	(22,567)
Average number of shares	3,129,929	3,083,851
Earnings per share (EPS)	3.51	26.34
Earnings per share, diluted	3.49	25.36
Earnings per share continuing activities (EPS), DKK	4.35	4.47
Diluted earnings per share continuing activities (EPS), DKK	4.31	4.32

As of 31 December 2024, SKAKO's nominal share capital was 31,524,960 DKK divided into 3,152,496 shares of 10 DKK each. All shares are of the same class and carry one vote each.

Treasury shares represents 0.71% of number of shares issued.

12. Intangible assets

Accounting policy

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

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

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

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

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

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

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

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

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

12. Intangible assets CONTINUED

Significant estimate by Management

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

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

DKK Thousands

	Goodwill	Other intangible assets	Intangible assets under development	Development projects	Software	Total
Cost at 1 January 2024	22,295	-	1,615	1,472	4,936	30,318
Foreign exchange adjustments			4	3	3	10
Investments				15	195	210
Disposals						-
Transferred between categories			(947)		376	(571)
Cost at 31 December 2024	**22,295**	**-**	**672**	**1,490**	**5,510**	**29,967**
Amortisation and impairment 1 January 2024	-	-	-	574	2,940	3,514
Foreign exchange adjustment				2	3	5
Disposals						-
Amortisation				162	482	644
Amortisation and impairment 31 December 2024	**-**	**-**	**-**	**738**	**3,425**	**4,163**
Carrying amount 31 December 2024	**22,295**	**-**	**672**	**752**	**2,085**	**25,804**

12. Intangible assets CONTINUED

DKK Thousands

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

12. Intangible assets CONTINUED

DKK Thousands	2024	2023
Depreciation is included in the items:		
Production costs	451	504
Distribution costs	161	180
Administrative costs	32	36
	644	**720**

Impairment test of goodwill:

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

Key assumptions

The recoverable amount determined in the impairment test is based on a value-in-use calculation. To determine the value-in-use, management is required to estimate the present value of the future free net cash flow based on budgets and strategy for the coming five years as well as projections for the terminal period. Significant parameters in the estimate of the present value are discount rate, revenue growth, EBIT margin, expected investments and growth expectations for the terminal period.

The discount rate is determined to reflect the risks. The discount rate applied is the weighted average cost of capital (WACC) and reflects the latest market assumptions for the cost of equity and the cost of debt. The discount rate used amounts to 10.0% before tax and estimates for future revenue growth (2023: 10.0% before tax). The uncertainties associated with these expectations are reflected in the cash flow.

The expected annual growth rate and the expected margins in the budget period are based on historical experience and the assumptions about expected market developments. The long-term growth rate for the terminal period is based on the expected growth in the world economy, specifically for the industries. The valuation method is based on annual revenue growth of 2% in 2025 to 2029 as well as in the terminal period (2023: 2%). Investments reflect both maintenance and expectations of organic growth.

Over the next five years, the EBIT margin is expected at stable at the current level around 10% (2023: 10%).

Sensitivity analysis

Based on current assumptions we see no impairment indications, and our key assumptions are not sensitive to reasonable changes to an extent that will result in an impairment loss neither individually or in combination. For example, a lowering of perpetual growth to zero and increasing the discount rate by two percentage points will not lead to impairment. Similarly, a decrease in EBIT by 20% in combination with an increase in investments as a percentage of revenue by 1 percentage points will not lead to impairment.

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

13. Tangible assets

Accounting policy

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

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

Estimated useful life is as follows:

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

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

13. Tangible assets CONTINUED

DKK Thousands

	Land & buildings	Plant & machinery	Operating equipment, fixtures and fittings	Leasehold improvements	Tangible assets in course of construction	Total
Cost 1 January 2024	6,189	5,989	9,712	3,309	74	25,273
Foreign exchange adjustments	18	15	(29)	-	-	3
Investments	903	631	3,422	-	172	5,128
Disposals	-	(147)	(211)	-	-	(358)
Transferred between categories	-	-	-	571	-	571
Cost at 31 December 2024	**7,109**	**6,488**	**12,894**	**3,880**	**246**	**30,617**
Depreciation and impairment 1 January 2024	2,016	4,821	8,039	882	-	15,758
Foreign exchange adjustments	13	11	(91)	-	-	(67)
Disposals	-	(147)	(211)	-	-	(358)
Depreciation	358	264	852	378	-	1,852
Depreciation and impairment 31 December 2024	**2,387**	**4,949**	**8,589**	**1,260**	**-**	**17,185**
Carrying amount 31 December 2024	**4,722**	**1, 539**	**4,304**	**2,620**	**246**	**13,432**

13. Tangible assets CONTINUED

DKK Thousands

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

DKK Thousands	2024	2023
Depreciation is included in the items:		
Production costs	1,296	827
Distribution costs	463	296
Administrative costs	93	59
	1,852	**1,182**

14. Leases – right-of-use assets

Accounting policy

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

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

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

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

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

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

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

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

14. Leases – right-of-use assets CONTINUED

DKK Thousands

Lease assets	Rental of promises	Equipment	Company cars	Total
Costs 1 January 2024	9,312	498	7,499	17,309
Additions	5,326	-	3,305	8,631
Disposals	-	-	(1,536)	(1,536)
Reclassification	-	-	-	-
Exchange rate adjustment	-	2	16	18
Costs 31 December 2024	**14,638**	**500**	**9,284**	**24,422**
Depreciation and impairment loss 1 January 2024	4,379	171	4,734	9,284
Depreciation	2,164	67	1,718	3,949
Depreciation reversed on disposals	-	-	(1,536)	(1,536)
Exchange rate adjustment	-	1	9	10
Depreciation and impairment loss 31 December 2024	**6,543**	**239**	**4,925**	**11,707**
Carrying amount 31 December 2024	**8,095**	**261**	**4,359**	**12,715**

DKK Thousands

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

14. Leases – right-of-use assets CONTINUED

Lease liabilities – DKK Thousands	2024	2023
Lease liabilities are recognized in the balance sheet as follows:		
Non-current liabilities	9,772	5,989
Current liabilities	2,917	2,905
Total lease liabilities	**12,689**	**8,894**
Recognized in the profit and loss statement:		
Interest expenses related to lease liabilities	438	186
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	2,051	1,397
Expense relating to leases of low-value assets that are not shown above as short-term leases	7	7
Expense relation to variable lease payments not included in lease liabilities	-	-

Cash flow from leasing – DKK Thousands	2024	2023
Interests	(438)	(186)
Liabilities payment	(2,051)	(1,397)
Adjustments in total according to leases	**(2,488)**	**(1,583)**

15. Deferred tax

Accounting policy

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

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

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

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

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

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

Significant estimate by Management

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

15. Deferred tax CONTINUED

DKK Thousands	2024	2023
Deferred tax recognized in the balance sheet:		
Deferred tax assets	10,107	9,891
Deferred tax, net 31 December	**10,107**	**9,891**
Deferred tax, net 1 January	9,891	25,575
Foreign currency translation adjustments	-	-
Changes in deferred tax	216	(15,684)
Deferred tax, net 31 December	**10,107**	**9,891**
Deferred tax:		
Intangible assets	(456)	(989)
Property, plants and equipment	(77)	55
Inventories	939	1,055
Provisions	-	-
Tax losses	10,107	10,330
Other items	(406)	(560)
	10,107	**9,891**
Deferred tax assets not recognized:		
Intangible assets	-	-
Property, plants and equipment	205	205
Inventories	-	-
Other items	121	121
Tax losses	16,976	17,384
	17,302	**17,710**

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

Management has performed a sensitivity analysis on expectations for the future. This shows that a 10 % decrease compared to expectations will result in a decrease of DKK 1.3m in the recognized deferred tax assets. Because the deferred tax assets are evaluated in each tax jurisdiction, the sensitivity cannot be applied on a linear basis.

16. Inventory

Accounting policy

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

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

Inventory – DKK Thousands	2024	2023
Raw materials and consumables	5,528	3,854
Work-in-progress	6,042	4,612
Finished goods and goods for resale	18,702	17,717
Inventories net of write-downs at 31 December	30,272	26,182
Included in Income Statement under production costs:		
Write-down of inventories for the year	542	139
Write-down of inventories prior year		
Costs of goods sold during the year	101,832	105,893

Write-downs for the year are shown net as breakdown into reversed write-downs.

17. Contract assets and liabilities

Accounting policy

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

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

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

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

Significant assessment by Management

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

17. Contract assets and liabilities CONTINUED

DKK Thousands	2024	2023
Total costs incurred	63,401	82,276
Valuation after IFRS 9 (note 21)	(139)	(139)
Profit recognized as income, net	18,247	26,633
Contract assets	81,510	108,770
Contract liabilities	(46,090)	(73,877)
Net contract assets and liabilities	35,420	34,893
Of which contract assets are stated under assets	36,429	38,203
and contract liabilities	(1,009)	(3,310)
Net contract assets and liabilities	35,420	34,893

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

18. Bank loans and credit facilities

Accounting policy

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

DKK Thousands

2024	0-1 year	1-5 years	More than 5 years	Total	Carrying amount	Weighted average effective interest rate
Cash and cash equivalents	24,839	-	-	24,839	24,839	0.6%
Assets	**24,839**	**-**	**-**	**24,839**	**24,839**	**0.6%**
Lease debt	(2,917)	(9,772)	-	(12,689)	(12,689)	5.5%
Other debt	(2,290)	-	-	(2,290)	(2,290)	0.0%
Debt to credit institutions	-	(2,074)	-	(2,074)	(2,074)	1.0%
Short term bank facilities	(45,083)	-	-	(45,083)	(45,083)	5.0%
Liabilities	**(50,290)**	**(11,846)**	**-**	**(62,136)**	**(62,136)**	**4.8%**
Net debt	**(25,451)**	**(11,846)**	**-**	**(37,297)**	**(37,297)**	**4.3%**

18. Bank loans and credit facilities CONTINUED

DKK Thousands

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

Based on the Group’s net debt at the end of the 2024 financial year, a rise of 1 percentage point in the general interest rate level will cause a decrease in consolidated annual earnings after tax and equity of approx. DKK 370k (DKK 150k in 2023).

Cash management

SKAKO is committed to maintaining a flexible capital structure. On 31 December 2024, SKAKO had undrawn committed credit facilities in the amount of DKK 44,053k (2023: DKK 168,797k). On 31 December 2024, SKAKO had ‘cash and cash equivalents’ and ‘bank overdraft’, net of DKK (20,244)k (2022: DKK 152,749k).

Capital management

SKAKO monitors capital on the basis of the net debt relative to EBITDA. At the end of the year, the net debt to EBITDA ratio was equity ratio was 1.3 (2023: negative 4.7). SKAKO has a medium-term goal of a net debt to EBITDA ratio below 2.5.

19. Provisions

Accounting policy

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

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

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

Significant assessment by Management

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

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

19. Provisions CONTINUED

DKK Thousands	2024		
	Warranties	Other provisions	Total
Provisions at 1 January	1,427	1,659	3,086
Foreign exchange adjustments	-	5	5
Additions	1,904	1,268	3,172
Used	(1,029)	(1,664)	(2,693)
Reversals	(800)	-	(800)
Provisions at 31 December	1,502	1,268	2,770
The maturity of provisions is specified as follows: Current liabilities	1,277	0	1,277
Non-current liabilities	225	1,268	1,493
	1,502	1,268	2,770

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

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

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

20. Adjustments, consolidated cash flow statement

Adjustments

DKK Thousands	2024	2023
Amortisation and depriciation	6,445	4,511
Change in provisions	(316)	(1,403)
Financial items received and paid	2,990	3,330
Other	-	(73,511)
	9,119	(67,073)

Change in borrowings and short-term credit facilities

DKK Thousands	2024	2023
Borrowings 1 January	18,548	29,757
Repayments	(6,847)	(18,231)
New borrowings	50,435	7,022
Currency adjustments	-	-
Borrowings 31 December	62,136	18,548

21. Exchange rate, liquidity and credit risks

Accounting policy

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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

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

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

Financial risks

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

Exchange rate risks

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

21. Exchange rate, liquidity and credit risks CONTINUED

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

DKK Thousands	Net position	Change in currency	2024: Potential impact on P/L and Equity	2023: Potential impact on P/L and equity
EUR	47,106	0%	0	0
USD	2,604	10%	260	78
GBP	8,894	5%	445	598
SEK	588	5%	29	0
NOK	62	5%	3	0
MAD	18,740	5%	937	712

Liquidity risk

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

Credit risks

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

Trade receivables can be allocated as follows:

DKK Thousands	2024	2023
Europe	41,813	53,193
The USA	903	112
Africa	23,111	4,969
Other	485	-
	66,312	58,274

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

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

21. Exchange rate, liquidity and credit risks CONTINUED

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The loss allowance as at 31 December 2023 and 31 December 2024 was determined as follows for both trade receivables and contract assets:

31 December 2024 – DKK Thousands

	Not Due	Due 0-30 days	Due 31-120 days	Due 121-365 days	Due more than 1 year	Total
Expected loss rate	0.6%	1.0%	1.5%	2.5%	57.0%	
Gross carrying amount – trade receivables	49,190	5,794	4,464	4,306	7,243	70,997
Gross carrying amount – contract assets	36,429	0	0	0	0	36,429
Loss allowance	**462**	**58**	**67**	**108**	**4,129**	**4,824**

31 December 2023 – DKK Thousands

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

The closing loss allowances for trade receivables and contract assets as at 31 December 2023 reconcile to the opening loss allowances as follows:

DKK Thousands	Contract assets		Trade receivables	
	2024	**2023**	**2024**	**2023**
1 January – calculated under IFRS 9	139	138	4,377	2,080
Increase in loan loss allowance recognized in profit or loss during the year	139	139	4,685	4,377
Receivables written off during the year as uncollectible	-	-	-	-
Unused amount reversed	(139)	(138)	(4,377)	(2,080)
At 31 December	**139**	**139**	**4,685**	**4,377**

22. Contractual liabilities, contingent liabilities and securities

The company's financial institutions have provided bank guarantees for consignments and prepayments of a total of DKK 61.3m (2023: DKK 28.3m).

Towards the company's primary financial institution, a deposit of DKK 50m (2023: DKK 50m) has been provided with deposit in unsecured claims, stocks, tangible assets and intangible rights.

There is a 21-month rent commitment related to a building in Denmark. The minimum rent liability amounts to DKK 3.5m (2023: DKK 2.1m).

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

23. Related parties

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

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

24. Events after the balance sheet date

There have been no events that materially affect the assessment of this Annual Report 2024 after the balance sheet date and up to today.

25. Approval and publication

At the Board meeting on 12 March 2025, our Board of Directors approved this Annual Report 2024 for publication. The report will be presented to the shareholders of SKAKO A/S at the annual general meeting on 24 April 2025.

26. Group accounting policies

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

Generally

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

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

The financial statements for the Parent as well as the Parent's accounting policies are presented from the consolidated financial statements and are shown on the last part of this Annual Report 2024.

The accounting policies remain unchanged for the consolidated financial statements compared to 2023.

Effect of new accounting standards

New standards, amendments, and interpretations adopted but not yet effective The IASB has issued the following new standards, amendments and new interpretations which could be relevant to SKAKO A/S,but which have not yet been adopted by the EU:

- IFRS 18, Presentation and Disclosure in Financial Statements: This new standard replaces IAS 1 and it implements set of new requirements for presentation and disclosures in the financial statements. The new standard requires the income statement to be structured into five categories, while also introducing two new subtotals. Furthermore, the new term "Management Performance Measures (MPM)" is introduced, which must be disclosed in the notes of the financial statements. The new requirements for presentation and disclosures are applicable for all financial statements, including consolidated financial statements, separate financial statements and interim financial statements.

The amendment will be effective for financial years beginning on or after 1 January 2027. Early adoption of the amendment is permitted, when approved by the EU.

Changes in accounting policies and classification for 2024

No new standards are expected to be implemented in 2024.

Effect of new accounting standards not yet in force

Revised and new standards and interpretations issued, but not yet effective or approved by the EU at the time of publication of this Annual Report 2024 have not been incorporated into this report.

Definition of materiality

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

Classification discontinued activities

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

Consolidated financial statements

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

Consolidation principles

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

Income statement

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

Distribution costs

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

26. Group accounting policies CONTINUED

Administrative expenses

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

Prepaid expenses

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

Deferred income

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

Cash and cash equivalents

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

Equity

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

Treasury shares

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

Cash flow statement

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

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

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

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

Estimates and judgements

On the preparation of the consolidated financial statements, Management makes a number of accounting estimates and judgements. These relate to the recognition, measurement and classification of assets and liabilities. Many items can only be estimated rather than accurately measured. Such estimates are based on the most recent information available on preparation of the financial statements. Estimates and assumptions are therefore reassessed on an ongoing basis. Actual figures may, however, deviate from these estimates. Any changes in accounting estimates will be recognized in the reporting period in which such changes are made. See list of significant estimates and assessments in chapter 3.4

Financial ratios

Financial ratios are calculated as follows:

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

3.5 PARENT COMPANY FINANCIAL STATEMENTS

Parent company income statement

DKK Thousands

Notes		2024	2023
	Revenue		
	Other income	16,134	75,000
1,2	Administrative expenses	(5,808)	(3,078)
	Operating profit before special items (EBIT)	**10,326**	**71,922**
3	Special items	-	(1,934)
	Operating profit (EBIT)	**10,326**	**69,988**
4,8	Financial income	1,303	1,915
4	Financial expenses	(2,532)	(4,888)
	Profit before tax	**9,097**	**67,015**
5	Tax on profit for the year	1,293	2,714
	Profit for the year	**10,390**	**69,730**

Parent company statement of comprehensive income

DKK Thousands		**2024**	**2023**
Notes			
	Profit for the year	10,390	69,730
	Other comprehensive income	-	-
	Comprehensive income	10,390	69,730

Parent company balance sheet - 31 December

Notes	DKK Thousands	2024	2023
	Leased assets	397	-
8	**Tangible assets**	**397**	**-**
9	Investments in subsidiaries	180,293	164,159
	Other receivables	-	-
10	Deferred tax assets	1,782	1,928
	Other non-current assets	**182,075**	**166,087**
	Total non-current assets	**182,472**	**166,087**
	Receivables from subsidiaries	-	164
	Trade receivables	1,429	-
	Income tax	10,441	1,806
	Other receivables	61	60
	Prepaid expenses	189	230
	Other investments	-	-
	Cash	963	126,246
	Current assets	**13,083**	**128,506**
	Assets	**195,555**	**294,593**

Parent company balance sheet - 31 December

DKK Thousands		2024	2023
Notes			
	Share capital	31,525	31,064
	Retained earnings	9,696	128,014
	Proposed dividends	7,881	15,532
	Total equity	**49,102**	**174,610**
	Leasing	274	-
	Non-current liabilities	**274**	**-**
	Leasing	129	-
	Debt to subsidiaries	36,965	117,073
	Bank loans and credit facilities	103,944	-
	Trade payables	416	627
	Income tax	-	-
	Other liabilities	4,725	2,283
	Current liabilities	**146,179**	**119,983**
	Liabilities	**146,453**	**119,983**
	EQUITY AND LIABILITIES	**195,555**	**294,593**

Parent company cash flow statement

Notes	DKK Thousands	2024	2023
	Profit before tax	9,097	67,015
11	Adjustments	(15,037)	(74)
	Changes in receivables, etc.	(1,389)	-
	Change in trade payables and other liabilities, etc.	(1,643)	(1,225)
	Cash flow from operating activities before financial items and tax	**(8,972)**	**65,716**
	Interest received	(1,303)	(1,915)
	Interest paid	2,532	4,888
	Taxes paid and received	(4,892)	-
	Cash flow from operating activities	**(12,635)**	**68,689**
	Investment in tangible assets	(529)	-
	Cash flow from investing activities	**(529)**	**-**
	Change in intra-Group balances	(79,944)	79,339
	Proceeds from leasecontracts	529	-
	Repayments	(126)	-
	Change in short-term bank facilities	103,944	(6,738)
	Distributed dividends	(136,522)	(15,532)
	Cash flow from financing activities	**(112,119)**	**57,069**
	Change in cash and cash equivalents	(125,283)	125,758
	Cash and cash equivalents 1 January	126,246	488
	Cash and cash equivalents 31 December	**963**	**126,246**
	Breakdown of cash and cash equivalents at the end of the year:		
	Cash	963	126,246
	Other investments		
	Cash and cash equivalents at the end of the year	**963**	**126,246**

Parent company statement of changes in equity

DKK Thousands	Share capital	Retained Earnings	Proposed Dividends	Equity
Equity 1 January 2024	31,064	128,014	15,532	174,610
Extraordinary dividends		(121,989)	121,989	-
Paid dividends		999	(137.521)	(136,522)
Increase of share capital	461			461
Comprehensive income in 2024:				
Profit for the year		2,509	7,881	10,390
Other comprehensive income				
Comprehensive income, year		**2,509**	**7,881**	**10,390**
Share-based payment, share warrants		163		163
Equity 31 December 2024	**31,525**	**9,696**	**7,881**	**49,102**

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

3.6 PARENT COMPANY NOTES

1. Staff costs

Number of employees in 2024: 0 (2023: 0)

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

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

DKK Thousands	2024	2023
PwC		
Statutory audit	824	376
Other assurance engagements	125	-
Tax and indirect taxes consultancy	190	119
Other services	146	333
	1,285	**828**
Other audit firms		
Statutory audit	-	-
Other assurance engagements	-	-
Tax and indirect taxes consultancy	235	-
Other services	106	-
	341	**-**

The fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the parent company amounts to DKK 0.3m (2023: DKK 0.5m) and consists of accounting and tax advisory.

3. Special items

There has been no special items in 2024.

Special items in 2023 consists of transaction costs for the terminated transaction process with Zefyr Invest and amounting to DKK 1.9m

4. Net financial income

DKK Thousands	2024	2023
Interest from subsidiaries	-	-
Dividends received from subsidiaries	-	-
Reversal of write-down of shares in subsidiaries	-	-
Financial income from financial assets not measured at fair value in the income statement	**-**	**-**
Other financial income	1,303	1,915
Financial income	**1,303**	**1,915**
Interest to subsidiaries	(131)	(2,602)
Interest on bank debt	(1,761)	(1,711)
Interest on lease debt	(26)	-
Financial expenses on financial liabilities not measured at fair value in the income statement	**(1,918)**	**(4,313)**
Other financial expenses	(614)	(574)
Financial expenses	**(2,532)**	**(4,888)**
Net financial items	**(1,229)**	**(2,973)**

5. Tax on profit for the year

DKK Thousands	2024	2023
Current tax on the profit for the year	1,439	1,806
Adjustment of current tax, prior years	-	-
Change in deferred tax	(146)	908
Adjustment of deferred tax, prior years	-	-
Impact on changes in corporate tax rates	-	-
Tax for the period	**1,293**	**2,714**
Danish corporate tax rates	1,439	1,806
Effect of tax rates in foreign jurisdictions	-	-
Impact in changes in corporate tax rates	-	-
Tax assets not capitalized	(146)	908
Permanent differences and other items	-	-
	1,293	**2,714**

6. Intangible assets

DKK Thousands	2024	2023
	Software	Software
Cost 1 January	907	907
Investments	-	-
Disposals	-	-
Transferred between categories	-	-
Cost 31 December	**907**	**907**
Amortization and impairment 1 January	907	907
Disposals	-	-
Amortisation	-	-
Amortization and impairment 31 December	**907**	**907**
Carrying amount 31 December	-	-

7. Tangible assets

DKK Thousands	Leasehold improvements	Operating equipment, fixtures and fittings	Total
Cost 1 January 2024	341	2,168	2,509
Investments	-	-	-
Disposals	-	-	-
Transferred between categories	-	-	-
Cost 31 December 2024	**341**	**2,168**	**2,509**
Depreciation and impairment 1 January 2024	341	2,168	2,509
Transferred between categories	-	-	-
Disposals	-	-	-
Depreciation	-	-	-
Depreciation and impairment 31 December 2024	**341**	**2,168**	**2,509**
Carrying amount 31 December 2024	**-**	**-**	**-**

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

8. Leases – right-of-use assets

DKK Thousands

Lease assets	Company cars	Total
Costs 1 January 2024	-	-
Additions	529	529
Disposals	-	-
Reclassification	-	-
Exchange rate adjustment	-	-
Costs 31 December 2024	**529**	**529**
Depreciation and impairment loss 1 January 2024	-	-
Depreciation	132	132
Depreciation reversed on disposals	-	-
Exchange rate adjustment	-	-
Depreciation and impairment loss 31 December 2024	**132**	**132**
Carrying amount 31 December 2024	**397**	**397**

DKK Thousands

Lease assets	Company cars	Total
Costs 1 January 2023	-	-
Additions	-	-
Transferred between categories	-	-
Disposals	-	-
Exchange rate adjustment	-	-
Costs 31 December 2023	**-**	**-**
Depreciation and impairment loss 1 January 2023	-	-
Depreciation	-	-
Depreciation reversed on disposals	-	-
Exchange rate adjustment	-	-
Depreciation and impairment loss 31 December 2023	**-**	**-**
Carrying amount 31 December 2023	**-**	**-**

9. Investments in subsidiaries

DKK Thousands	2024	2023
Cost 1 January	260,534	260,534
Investments	-	-
Disposals	-	-
Cost 31 December	**260,534**	**260,534**
Write-down 1 January	(96,375)	(96,375)
Reversal of write-down	16,134	-
Write-down 31 December	**(80,241)**	**(96,375)**
Carrying amount 31 December	**180,293**	**164,159**

Group companies are listed on page 113.

10. Deferred tax

DKK Thousands	2024	2023
Deferred tax recognized in the balance sheet:		
Deferred tax assets	1,782	1,928
Deferred tax liabilities	-	-
Deferred tax, net 31 December	**1,782**	**1,928**
Deferred tax, net 1 January	1,928	1,020
Changes in deferred tax	(146)	908
Deferred tax, net 31 December	**1,782**	**1,928**
Deferred tax assets:		
Tax losses	1,782	1,928
	1,782	**1,928**
Deferred tax assets not recognized:		
Property, plants and equipment	205	205
Inventories	-	-
Other items	121	121
Tax losses	2,993	2,847
	3,319	**3,173**

Tax losses carried forward are not subject to time limitation.

11. Adjustments, cash flow statement

Adjustments

DKK Thousands	2024	2023
Depreciations	(132)	-
Financial items received and paid	1,229	2,973
Release of reserves due to merger in subsidiaries	(16,143)	-
Other	-	(3,047)
	(15,037)	(74)

Change in borrowings and short-term credit facilities

DKK Thousands	2024	2023
Borrowings 1. January	-	6,738
Repayments	(126)	(6,738)
New borrowings	104,473	-
Currency adjustments	-	-
Borrowings 31. December	104,347	-

12. Contracts liabilities, contingent liabilities and securities

Please refer to note 21 in the consolidated financial statements.

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

Towards the company's primary financial institution, a company deposit of DKK 50m (2023: DKK 50m) has been provided with deposit in unsecured claims, stocks, tangible assets and intangible rights.

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

13. Related parties

Please refer to note 23 in the consolidated financial statements.

In 2024, the Parent Company has sold services to primarily to SKAKO Vibration A/S for DKK 2,7m (2023: DKK 11.7m) and paid net interest expenses, cf. note 3.

14. Events after the balance sheet date

Please refer to note 24 in the consolidated financial statements.

15. Accounting policies

The financial statements for 2024 of the parent company, SKAKO A/S has been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies under reporting class D. The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value.

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

Supplementary accounting policies for the parent company

Investments in Subsidiaries

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

Intra-group transactions in the Parent Company Financial Statements

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

Intercompany balances

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

Subsidiaries

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

SKAKO

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