

SKAKO VIBRATION A/S

Bygmestervej 2
5600 Faaborg

Annual report
1 January 2016 - 31 December 2016

**The annual report has been presented and
approved on the company's general meeting the**

22/03/2017

Kaare Vagner Jensen
Chairman of general meeting

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Company information

Reporting company SKAKO VIBRATION A/S
Bygmestervej 2
5600 Faaborg

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CVR-nr: 20666072
Reporting period: 01/01/2016 - 31/12/2016

Main financial institution Danske Bank

Albani Torv 21
5000 Odense
DK Danmark

Auditor PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Rytterkasernen 21
5000 Odense C
DK Danmark

CVR-nr: 33771231
P-number: 1016976276

Statement by Management

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SKAKO Vibration A/S for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations and cash flows for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Faaborg, the 22/03/2017

Management

Lionel Robert Girieud
Managing Director

Board of directors

Kaare Vagner Jensen
Chairman

Christian Herskind Jørgensen
Vice Chairman

Henrik Lind
Board Member

Jens Wittrup Willumsen
Board Member

Michael Kilden Nielsen
Board Member

Jens Otto Jørgensen
Board Member

The independent auditor's report on financial statements

To the Shareholders of SKAKO Vibration A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SKAKO Vibration A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with 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 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents 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.

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.

Statement on the 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 during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the 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.

Odense, 22/03/2017

Line Hedam
State Authorised Public Accountant
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
CVR: 33771231

Management's Review

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

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

The global market is penetrated using a niche strategy with a sector-driven focus. We are strong within the automotive sector. The main markets are EU.

The Company's total revenue amounted to DKK 92,3m in 2016 (2015: DKK 71,4m) and the EBIT result amounted to DKK 2,2m (2015: DKK 5,3m).

Profit for the year amounts to DKK 9,9m and is in line with the expectations for 2016. The Company expect a similar result for 2017.

Key figures, DKK	2016	2015	2014	2013	2012
Revenue	92.299.632	71.440.844	79.499.413	72.008.210	67.008.000
Gross profit	25.910.418	22.331.705	25.267.269	24.353.383	20.543.000
Operating profit (EBIT)	2.203.534	5.263.824	7.481.228	8.763.033	5.329.000
Net financial items	-635.213	-1.244.289	-1.114.146	303.401	12.000
Profit for the year	9.893.798	1.009.263	1.307.621	11.735.967	8.801.000
Investment in tangible assets	0	0	40.677	32.993	36.000
Total assets	86.551.232	80.435.991	82.686.505	66.345.449	75.758.000
Equity	58.820.891	49.556.700	48.266.041	47.223.762	60.452.000
Financial ratios					
Gross profit margin	28,1%	31,3%	31,8%	33,8%	30,7%
Profit margin (EBIT margin)	2,4%	7,4%	9,4%	12,2%	8,0%

Gross profit margin $\text{Gross profit} \cdot 100 / \text{Revenue}$

Profit margin (EBIT margin) $\text{Operating profit} \cdot 100 / \text{Revenue}$

Events after the balance sheet date

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

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class C, medium-size enterprise.

Financial Statements for 2016 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Cash Flow Statement

With reference to section 86 (4) of the Danish Financial Statements Act, no cash flow statement is prepared.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

Leasing contracts are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Hedge accounting

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognized in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognized in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognized in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognized. The amount is recognized in the same item as the hedged transaction.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods is recognized when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognized at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage of completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labor costs and indirect production costs such as maintenance and depreciation, etc., as well as operation, administration and management of factories.

Research and development costs and government grants is included in cost of sales.

Research costs are always recognised in the Income Statement in step with the incurrence of such costs. Development costs include all costs not satisfying 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. Grants are offset against research and development costs. Government grants are recognised when there is reasonable certainty that the conditions for such grants are satisfied and that they will be awarded.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and

marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administration expenses

Administration expenses comprise costs in form of salaries to administration staff and management, office expenses, operation of motor vehicles, depreciations etc.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

The Danish subsidiaries of the Group are liable for tax of the jointly taxed income, etc. of the Group. The total amount appears from the annual report of SKAKO A/S which is the administrative company of the joint taxation. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortization. Goodwill is amortized on a straight-line basis over its useful life, which is assessed at 20 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognized in cost over the period of construction. All indirectly attributable borrowing expenses are recognized in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 50,000 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method.

The item in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealized intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements.

Subsidiaries with a negative net asset value are recognized at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognized in provisions.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value.

The net realizable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realizable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

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

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognized as an expense in the income statement.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative. Expenses relating to sales work and the winning of contracts are recognized in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognized when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognized based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognized in the income statement in financial income and expenses.

Financial debts

Credit lines to financial institutions and other debts are measured at amortized cost, substantially corresponding to nominal value.

Income statement 1 Jan 2016 - 31 Dec 2016

	Disclosure	2016 kr.	2015 kr.
Revenue		92,299,632	71,440,844
Cost of sales	1	-66,389,215	-49,109,139
Gross Result		25,910,417	22,331,705
Distribution costs		-16,628,895	-10,497,449
Administrative expenses		-7,077,989	-6,600,432
Other operating income		0	30,000
Profit (loss) from ordinary operating activities		2,203,533	5,263,824
Income from investments in group enterprises		11,161,316	-2,024,541
Other finance income from group enterprises		46,156	53,438
Other finance income		1,371	16,025
Finance expenses arising from group enterprises		-77,608	-730,466
Sundry finance expenses		-605,132	-583,286
Profit (loss) from ordinary activities before tax		12,729,636	1,994,994
Tax expense	2	-2,835,838	-985,731
Profit (loss)		9,893,798	1,009,263

Balance sheet 31 December 2016

Assets

	Disclosure	2016 kr.	2015 kr.
Goodwill		3,600,000	6,000,000
Intangible assets	3	3,600,000	6,000,000
Plant and machinery		31,012	135,901
Property, plant and equipment	4	31,012	135,901
Investments in group enterprises		57,243,773	47,197,590
Receivables from group enterprises		2,105,998	0
Current deferred tax assets		3,187,000	6,023,336
Deposits		521,693	265,000
Investments	5	63,058,464	53,485,926
Total non-current assets		66,689,476	59,621,827
Raw materials and consumables		0	0
Work in progress		2,065,660	1,786,488
Manufactured goods and goods for resale		3,941,845	2,868,423
Inventories		6,007,505	4,654,911
Trade receivables		7,270,987	8,556,458
Contract work in progress	6	2,217,664	2,560,120
Receivables from group enterprises		3,938,384	2,401,052
Other receivables		135,759	332,818
Deferred income assets		156,056	1,950,716
Receivables		13,718,850	15,801,164
Cash and cash equivalents		135,401	358,089
Current assets		19,861,756	20,814,164
Total assets		86,551,232	80,435,991

Balance sheet 31 December 2016

Liabilities and equity

	Disclosure	2016 kr.	2015 kr.
Contributed capital	7	2,000,000	2,000,000
Reserve for net revaluation according to equity method		13,380,210	3,334,027
Retained earnings		43,440,681	44,222,673
Total equity		58,820,891	49,556,700
Other provisions		1,069,337	714,408
Provisions, gross		1,069,337	714,408
Debt to banks		8,351,195	9,733,313
Prepayments received for work in progress		1,287,309	6,020,528
Trade payables		7,098,720	5,296,676
Payables to group enterprises		5,706,871	4,421,935
Tax payables		0	1,320,464
Other payables, including tax payables, liabilities other than provisions		4,216,909	3,371,967
Short-term liabilities other than provisions, gross		26,661,004	30,164,883
Liabilities other than provisions, gross		26,661,004	30,164,883
Liabilities and equity, gross		86,551,232	80,435,991

Statement of changes in equity 1 Jan 2016 - 31 Dec 2016

	Contributed capital	Reserve for net revaluation according to equity method	Retained earnings	Total
	kr.	kr.	kr.	kr.
Equity, beginning balance	2,000,000	3,334,027	44,222,673	49,556,700
Dividend paid		-436,574	436,574	0
Increase (decrease) of investments through net exchange differences [Equity]		-678,559		-678,559
Net adjustments of hedging instruments			48,952	48,952
Profit (Loss)		11,161,316	-1,267,518	9,893,798
Equity, ending balance	2,000,000	13,380,210	43,440,681	58,820,891

Disclosures

1. Cost of sales

Personnel expenses

	2016 DKK	2015 DKK
Wages and salaries	23.788.201	19.444.367
Contributions related to contribution plans	1.643.228	1.640.842
Other personnel expenses	631.397	388.204
Total	26.062.827	21.473.413

Personnel expenses are recognised in profit or loss as follows:

	2016 DKK	2015 DKK
Cost of sales	16.141.659	14.081.535
Distribution expenses	6.913.192	5.226.643
Administrative expenses	3.007.975	2.165.235
Total	26.062.827	21.473.413

Average number of full time employees	41	38
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Employee elected Board members have received a fee of total 50.000 kr.

Government grant

The measurement and classification of government grants related to research and development is based on Management's assessment. The incentive schemes applied does not require positive taxable income and hence grants are offset against research and development costs.

Government grants amounts to 305.000 kr. (2015: 0 kr).

2. Tax expense

	2016 DKK	2015 DKK
Tax on profit for the year	-2.835.838	985.731
Tax on profit for the year	-2.835.838	985.731

To be specified as follows:

Current tax on profit for the year	735.691	962.908
Adjustment of current tax, prior years	0	0
Change in deferred tax	-3.571.529	0
Adjustment of deferred tax, prior years	0	0
Impact of changes in corporate tax rates	0	22.823
Tax on profit for the year	-2.835.838	985.731

3. Intangible assets

	2016 DKK	2015 DKK
Goodwill		
Cost 01.01.	48.000.000	48.000.000
Additions	0	0
Cost 31.12.	48.000.000	48.000.000
Depreciations 01.01.	42.000.000	39.600.000
Depreciations for the year	2.400.000	2.400.000
Depreciations 31.12.	44.400.000	42.000.000
Carrying amount 31.12.	3.600.000	6.000.000
Software		
Cost 01.01.	1.530.664	1.530.664
Disposals	-1.530.664	0
Cost 31.12.	0	1.530.664
Depreciations 01.01.	1.530.664	1.530.664
Disposals	-1.530.664	0
Depreciations 31.12.	0	1.530.664
Carrying amount 31.12.	0	0
Amortisations are recognised in profit or loss as follows:		
Cost of sales	1.680.000	1.680.000
Distribution expenses	600.000	600.000
Administrative expenses	120.000	120.000
	2.400.000	2.400.000

4. Property, plant and equipment

Tangible assets	2016 DKK	2015 DKK
Cost 01.01.	3.070.059	2.968.881
Additions	0	101.178
Disposals	-69.996	0
Cost 31.12.	3.000.063	3.070.059
Depreciations 01.01.	2.934.158	2.897.140
Depreciations for the year	34.893	37.018
Depreciations 31.12.	2.969.051	2.934.158
Carrying amount 31.12.	31.012	135.901
Amortisations are recognised in profit or loss as follows:		
Cost of sales	24.425	25.913
Distribution expenses	8.723	9.255
Administrative expenses	1.745	1.851
	34.893	37.018

5. Investments

Shares in subsidiaries	2016 DKK	2015 DKK
Cost 01.01.	43.863.563	43.863.563
Additions	0	0
Disposals	0	0
Cost 31.12.	43.863.563	43.863.563
Adjustments 01.01.	3.334.027	5.870.036
Result from shares in subsidiaries	11.161.316	-2.024.541
Dividend distributions	-436.574	-792.864
Effect of movement in exchange rates	-678.559	281.396
Adjustments 31.12.	13.380.210	3.334.027
Carrying amount 31.12.	57.243.773	47.197.590
Shares in subsidiaries includes:		Ownership percentage
SKAKO Vibration S.A., Strasbourg, France		100%
SKAKO Vibration Ltd, Tadcaster, England		100%

Deferred tax

Deferred tax is recognised in the balance sheet as follows:	2016 DKK	2015 DKK
Deferred tax assets	3.187.000	6.023.336
Deferred tax liabilities	0	0
Deferred tax net	3.187.000	6.023.336

Deferred tax assets:

Intangible assets		
Property, plant and equipment	3.187.000	6.446.664
Inventories		
Receivables		-488.862
Provisions		65.534
Tax losses		
Other items		
Total deferred tax assets	3.187.000	6.023.336

Deferred tax not recognised

Intangible assets	1.199.000	
Property, plant and equipment	848.000	
Inventories		
Receivables		
Provisions		
Tax losses		
Other items		
Total deferred tax not recognised	2.047.000	0

6. Contract work in progress

Contract work in progress	2016 DKK	2015 DKK
Total costs incurred	2.496.987	2.233.005
Profit recognised as income, net	2.500.530	2.085.909
Contract work in progress	4.997.517	4.318.914
Invoicing on account to customers	-4.067.162	-858.506
Net contract work in progress	930.355	-3.460.408

Included as follows:

Of which contract work in progress is stated under assets and prepayments received for work in progress	2.217.664	2.560.120
	-1.287.309	-6.020.528
	930.355	-3.460.408

7. Contributed capital

The share capital consist of 4 shares of 500.000 kr. The shares are not divided in share classes. There has not been changes in the share capital within the last five accounting years.

8. Disclosure of contingent liabilities

Contingent liabilities

The company's leasing obligations for operational leasing amount to 0.8 million DKK (2015: 0.8 million DKK).

The company's primary financial institution has provided a guarantee for consignments and prepayments of a total of 1.0 million DKK. (2015: 1.4 million DKK)

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

Towards the company's primary financial institution a company deposit of 50 million DKK has been provided with deposit in unsecured claims, stocks, tangible assets and intangible rights. The company deposit also provides a security for SKAKO Concrete A/S and SKAKO A/S.

The Danish subsidiaries of the Group are liable for tax of the jointly taxed income, etc. of the Group. The total amount appears from the annual report of SKAKO A/S which is the administrative company of the joint taxation.

9. Disclosure of ownership

Related parties

SKAKO Concrete A/S, 100% ownership, and their parent company, SKAKO A/S, are the only related parties with a controlling interest.

Related parties with significant influence are the Company's Executive Board, Board of Directors and their related parties.

Furthermore, related parties are companies in which the above persons have significant interests.

Transactions with related parties are only disclosed if they have not been in accordance with the arm's length principle. All transactions have been on arm's length conditions.

The company's financial statements is included in the ultimate Parent company's consolidated financial statements. The ultimate Parent company is SKAKO A/S, Bygmestervej 2, 5600 Faaborg, Denmark, CVR 36440414.

10. Proposed distribution of results

	2016	2015
	kr.	kr.
Reserve for net revaluation according to equity method	11,161,316	-2,024,541
Retained earnings	-1,267,518	3,033,804
Gross	9,893,798	1,009,263