

SKAKO

INTERIM REPORT Q3

2022

SKAKO A/S
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Accounting period:
1 January – 30 September 2022

Revenue

(DKKm)

Q1-Q3: 313.7 (+21.8%)

Q3: 111.1 (+37.1%)

EBIT

(DKKm)

Q1-Q3: 20.0* (+66.5%)

Q3: 9.1* (+106.5%)

*Before special items

EBIT margin

Q1-Q3: 6.4%* (+1.7pp)

Q3: 8.2%* (+2.7pp)

*Before special items

ROIC

Q1-Q3: 13.6%

(+7.4pp)

Order backlog

(DKKm)

Q1-Q3: 212.2 (+102%)

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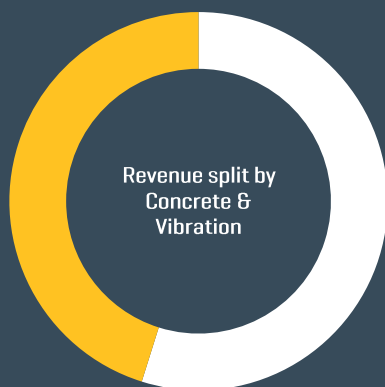
Important notice about this document

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.

1 Q1-Q3 2022 IN BRIEF

Order intake [DKKm]	Order backlog [DKKm]	Revenue [DKKm]	EBIT [DKKm]	EBIT margin	Earnings per share [DKK]	Employees	ROIC
403.6	212.2	313.7	20.0	6.4%	4.53	199	13.6%
+49% from Q1-Q3 2021	+102% from Q1-Q3 2021	+22% from Q1-Q3 2021	+67% from Q1-Q3 2021	+1,7pp from Q1-Q3 2021	+66% from Q1-Q3 2021	Up from 196 in Q1- Q3 2021	+7.4pp from Q1-Q3 2021

SKAKO Concrete **SKAKO Vibration**
141.6 [DKK] **172.1** [DKK]
 EBIT margin 5.1% EBIT margin 8.9%



Plant sales **Aftersales**
184.3 [DKK] **129.3** [DKK]



2 KEY FIGURES AND FINANCIAL RATIOS

DKK thousands	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
INCOMESTATEMENT					
Revenue	111,065	81,034	313,666	257,428	363,706
Gross profit	26,292	20,052	77,955	62,730	92,408
Operating profit (EBIT) before special items	9,136	4,425	19,961	11,988	20,323
Special items	0	0	-1,650	0	0
Operating profit (EBIT)	9,136	4,425	18,311	11,988	20,323
Net financial items	246	-583	-1,492	-2,002	-4,906
Profit before tax	9,382	3,842	16,819	9,986	15,417
Profit for the year	8,119	2,715	13,957	8,414	13,189
BALANCE SHEET					
Non-current assets	80,776	82,562	80,776	82,562	84,216
Current assets	253,727	226,283	253,727	226,283	254,804
Assets	334,503	308,845	334,503	308,845	339,020
Equity	133,454	127,339	133,454	127,339	132,237
Non-current liabilities	29,640	36,038	29,640	36,038	29,122
Current liabilities	171,409	145,467	171,409	145,468	177,661
Net debt	28,444	49,638	28,444	49,638	26,987
Net working capital	113,387	119,507	113,387	119,507	105,703
OTHER KEY FIGURES					
Investment in intangible assets	0	785	1,474	2,050	3,962
Investment in tangible assets	297	521	1,301	1,285	3,504
Cash flow from operating activities (CFFO)	4,687	2,552	15,266	3,530	30,276
Free cash flow	4,390	1,246	12,491	195	22,810
Average number of employees	199	196	199	196	199

Key figures and financial ratios CONTINUED

DKK thousands	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
FINANCIAL RATIOS					
Gross profit margin	23.7%	24.7%	24.9%	24.4%	25.4%
Profit margin (EBIT margin) before special items	8.2%	5.5%	6.4%	4.7%	5.6%
Profit margin (EBIT margin)	8.2%	5.5%	5.8%	4.7%	5.6%
Liquidity ratio	148.0%	155.6%	148.0%	155.6%	143.4%
Equity ratio	39.9%	41.2%	39.9%	41.2%	39.0%
Return on equity	14.4%	5.9%	14.4%	5.9%	10.2%
ROIC	13.6%	6.2%	13.6%	6.2%	10.3%
Financial leverage	21.3%	39.0%	21.3%	39.0%	20.4%
Net debt to EBITDA	0.8	2.5	0.8	2.5	1.0
NWC/Revenue	27.0%	35.1%	27.0%	35.1%	29.1%
Earnings per share	2.63	0.88	4.53	2.73	4.28
Equity value per share	43.3	41.3	43.3	41.3	42.9
Share price	50.0	56.4	50.0	56.4	55.2
Price-book ratio	1.2	1.4	1.2	1.4	1.3
Market capitalization	155,321	175,202	155,321	175,202	171,474
Order backlog	212,217	105,225	212,217	105,225	122,382

* For calculation of financial ratios please see page 10. 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	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
INCOMESTATEMENT					
Revenue	14,928	10,896	42,159	34,615	48,885
Gross profit	3,534	2,696	10,478	8,435	12,420
Operating profit (EBIT) before special items	1,228	595	2,683	1,612	2,732
Special items	0	0	-201	0	0
Operating profit (EBIT)	1,228	595	2,482	1,612	2,732
Net financial items	33	-78	-201	-269	-659
Profit before tax	1,261	517	2,261	1,343	2,072
Profit for the year	1,091	365	1,876	1,131	1,773
BALANCESHEET					
Non-current assets	10,857	11,103	10,857	11,103	11,319
Current assets	34,103	30,431	34,103	30,431	34,248
Assets	44,960	41,534	44,960	41,534	45,567
Equity	17,937	17,125	17,937	17,125	17,774
Non-current liabilities	3,984	4,846	3,984	4,846	3,914
Current liabilities	23,039	19,563	23,039	19,563	23,879
Net debt	3,082	6,675	3,823	6,675	3,627
Net working capital	15,240	16,071	15,240	16,071	14,207
OTHER KEY FIGURES					
Investment in intangible assets	0	106	198	275	532
Investment in tangible assets	40	70	175	173	471
Cash flow from operating activities (CFF0)	630	343	2,052	475	4,069
Free cash flow	590	168	1,679	26	3,066
Average number of employees	199	196	199	196	199

Key figures and financial ratios – EUR*

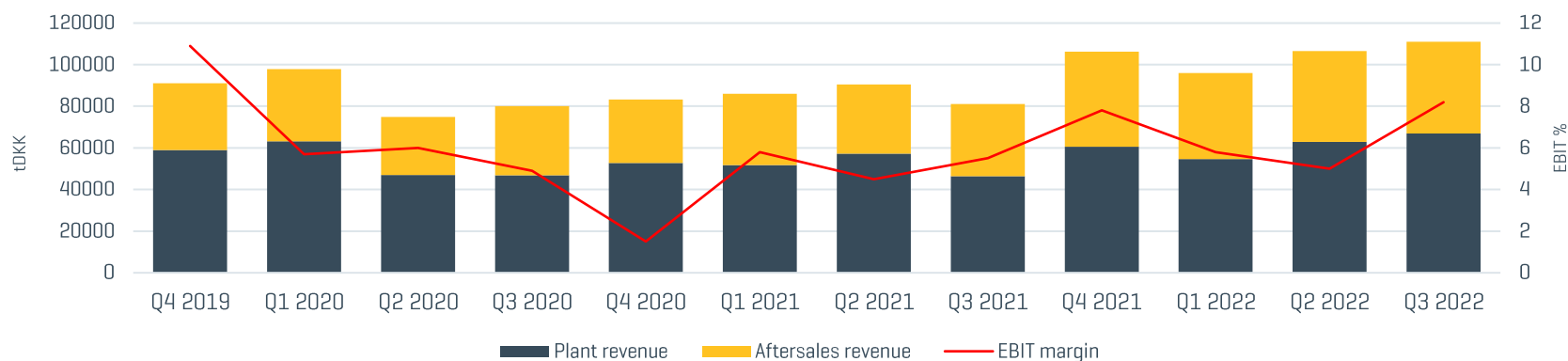
CONTINUED

EUR thousands	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
FINANCIAL RATIOS					
Gross profit margin	23.7%	24.7%	24.9%	24.4%	25.4%
Profit margin (EBIT) before special items	8.2%	5.5%	6.4%	4.7%	5.6%
Profit margin (EBIT margin)	8.2%	5.5%	5.8%	4.7%	5.6%
Liquidity ratio	148.0%	155.6%	148.0%	155.6%	143.4%
Equity ratio	39.9%	41.2%	39.9%	41.2%	39.0%
Return on equity	14.4%	5.9%	14.4%	5.9%	10.2%
ROIC	13.6%	6.2%	13.6%	6.2%	10.3%
Financial leverage	21.3%	39.0%	21.3%	39.0%	20.4%
Net debt to EBITDA	0.8	2.5	0.8	2.5	1.0
NWC/Revenue	27.0%	35.1%	27.0%	35.1%	29.1%
Earnings per share	0.35	0.12	0.61	0.37	0.57
Equity value per share	5.82	5.55	5.82	5.55	5.76
Share price	6.72	7.58	6.72	7.58	7.42
Price-book ratio	1.2	1.4	1.2	1.4	1.29
Market capitalization	20,876	23,561	20,876	23,561	23,047
Order backlog	28.524	14,151	28.524	14,151	16,457

3 FINANCIAL REVIEW Q1-Q3 2022

DKK thousands	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	Q2 2022	Change
Plant sales revenue	66,884	46,416	+44.1%	184,323	155,378	+18.6%	62,872	+6.4%
Aftersales revenue	44,182	34,618	+27.6%	129,344	102,050	+26.7%	43,712	+1.1%
Total revenue	111,066	81,034	+37.1%	313,666	257,428	+21.8%	106,584	+4.2%
Production costs	-84,773	-60,982	+39.0%	-235,711	-194,698	+21.1%	-80,250	+5.6%
Gross profit	26,292	20,052	+31.1%	77,955	62,730	+24.3%	26,334	-0.2%
Gross profit margin	23.7%	24.7%	-1.0pp	24.9%	24.4%	+0.5pp	24.7%	-1.0pp
Distribution costs	-11,259	-8,416	+33.8%	-33,824	-27,786	+21.7%	-11,181	+0.7%
Administrative expenses	-5,897	-7,211	-18.2%	-24,169	-22,956	+5.3%	-9,882	-40.3%
Operating profit (EBIT) before special items	9,136	4,425	+106.5%	19,961	11,988	+66.5%	5,270	73.4%
Operating profit margin (EBIT margin)	8.2%	5.5%	+2.7pp	6.4%	4.7%	+1.7pp	5.0%	+3.2pp
Special items	0	0	NA	-1,650	0	NA	-1,650	NA
Operating profit (EBIT) after special items	9,136	4,425	+106.5%	18,311	11,988	+52.7%	3,620	+152.4%
Operating profit margin (EBIT margin)	8.2%	5.5%	+2.7pp	5.8%	4.7%	+1.1pp	3.4%	+4.8pp
Profit for the period	8,119	2,715	+199.0%	13,957	8,414	+65.9%	2,222	+265.4%
Order backlog beginning of period	209,582	76,392	+174.4%	122,309	91,877	+33.1%	152,985	+37.0%
Order intake	113,700	109,867	+3.5%	403,574	270,776	+49.0%	163,181	-30.3%
Revenue	-111,066	-81,034	+37.1%	-313,666	-257,458	+21.8%	-106,584	+4.2%
Order backlog end of period	212,217	105,225	+101.7%	212,217	105,225	+101.7%	209,582	+1.3%

SKAKO Group revenue and EBIT margin



Financial highlight

The markets of SKAKO continued to show high level of activity in Q3 2022 as in the first half of the year. This has resulted in very strong growth in revenue and operating profit (EBIT) in Q3 2022.

The war in Ukraine and high energy and steel prices have not yet impacted SKAKO due to indexation of customer contracts and a close cooperation with suppliers.
The uncertainty in the market is significant, but it has not yet resulted in a slowdown in the markets of SKAKO.

The order backlog continued to increase with new orders in both Concrete and Vibration. This gives SKAKO a good outset for delivering strong results in Q4 and next year.
For a detailed financial review of each business unit, please see section 4 for SKAKO Concrete and section 5 for SKAKO Vibration.

Order intake and backlog

Order intake in Q1-Q3 2022 amounted to DKK 404m compared to DKK 271m in the same period in 2021, an increase of 49%. Both divisions experienced a very strong order intake and especially the concrete business and the recycling business saw very high growth rates for their core products in key markets in line with our more focused go to market strategy. As a result of the strong order intake the order backlog at the end of Q3 increased with 102% to DKK 212m compared to last year. The pipeline of new orders also remains strong for both SKAKO Vibration and SKAKO Concrete.

Revenue

Revenue in Q3 2022 was DKK 111.1m which is an increase of 37% compared to the same period in 2021. Plant sales and Aftersales increased with 44% and 28% respectively.

Gross profit

Gross profit was DKK 26.3m in Q3 2022 which is an increase of 31% compared to Q3 2021, driven by higher revenue. For Q1-Q3 2022 an improved gross profit margin of 0.5pp was realized compared to same period in 2021 due to the very high growth in the more profitable aftersales.

Capacity costs

In Q3 2022, capacity costs increased with DKK 1.5m or 10% compared to the same period in 2021. The main reasons for this relatively high increase is more personnel to support growth in especially the recycling business and higher costs related to travelling and exhibitions compared to last year where these costs were minimal due to Covid19 restrictions.

Operating profit

Operating Profit (EBIT) before special items increased with 107% to DKK 9.1m in Q3 2022, compared to DKK 4.4m in Q3 2021.

This was driven by higher revenue and the increased share of aftersales revenue with a more favorable margin, compared to plant sales.

Net financial items

Net financials mainly consist of interest income, interest expenses, along with realized and unrealized foreign exchange gains, and amounts to an income of DKK 0.2m for the period compared to a loss on DKK 0.6m in Q3 2022.

Profit for the period

Profit after tax amounted to DKK 8.1m in Q3 2022 compared to DKK 2.7m. last year.

Cash flow development

Cash flow from operating activities (CFF0) amounted to DKK 4.6m in Q3 2022 compared to DKK 2.6m last year.

Equity

Group equity was DKK 133.4m on 30 September 2022 corresponding to an equity ratio of 40.0% (41.2% on 30 September 2021).

ROIC

As of 30 September 2022, return on invested capital (rolling four quarters) amounted to 13.6% compared to 6.2% as of 30 September 2021. The increase in return on invested capital is due to strong results in the last three quarters compared to the previous quarters impacted by Covid19.

Balance sheet

As of 30 September 2022, the Group's assets totaled DKK 334.5m [30 September 2021: DKK 308.5m]

Non-current assets decreased by DKK 1.8m and amounted to DKK 80.8m while current assets increased by DKK 27.4m to DKK 253.7m. The increase in current assets is primarily due to an increase in inventories.

Net debt decreased by DKK 21.2m compared to Q3 2021, and totaled DKK 28.4m on 30 September 2022. The ratio of net debt to EBITDA amounts to 0.8 compared to 2.5 on 30 September 2021 and 1.0 at the end of 2021. The low financial gearing leaves ample capacity for relevant acquisitions and continuation of a high dividend payout ratio. It is our ambition to keep the ratio of net debt to EBITDA below 2.5.

Events after the balance sheet date

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

Outlook 2022

Based on the results of Q1-Q3 2022, the order backlog and the current market activity, the guidance were increased on November 4, 2022 to the following:

- We expect an operating profit (EBIT) before special items of DKK 28-31 [previously DKK 24-28m]

- We expect special items of DKK 2.0 m [previously DKK 2.0] regarding a provision for costs in connection with the CFO leaving SKAKO in Q2.

The guidance assumes a stable macroeconomic environment with no additional material adverse events effecting the markets of SKAKO.

Accounting policies as well as financial estimates and assumptions

The interim report has been prepared in accordance with IAS 34, Interim financial reporting, as adopted by the EU and further Danish disclosure requirements in respect of interim reports for

listed companies.

Except for the mentioned provision under special items related to the CFO leaving SKAKO in Q2 2022 the accounting policies used for the interim report are the same as the accounting policies used for Annual Report 2021 to which we refer for a full description. The Group has adopted all new, amended and revised accounting standards and interpretations as published by the IASB and adopted by the EU effective for the accounting period beginning on 1 January 2022. We refer to the notes to the annual report for a description of material estimates and assumptions.

Compared with the description in Annual Report 2021, there have been no changes in the accounting estimates and assumptions made by Management in the preparation of the interim report.

Financial ratios

Financial ratios are calculated as follows:

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

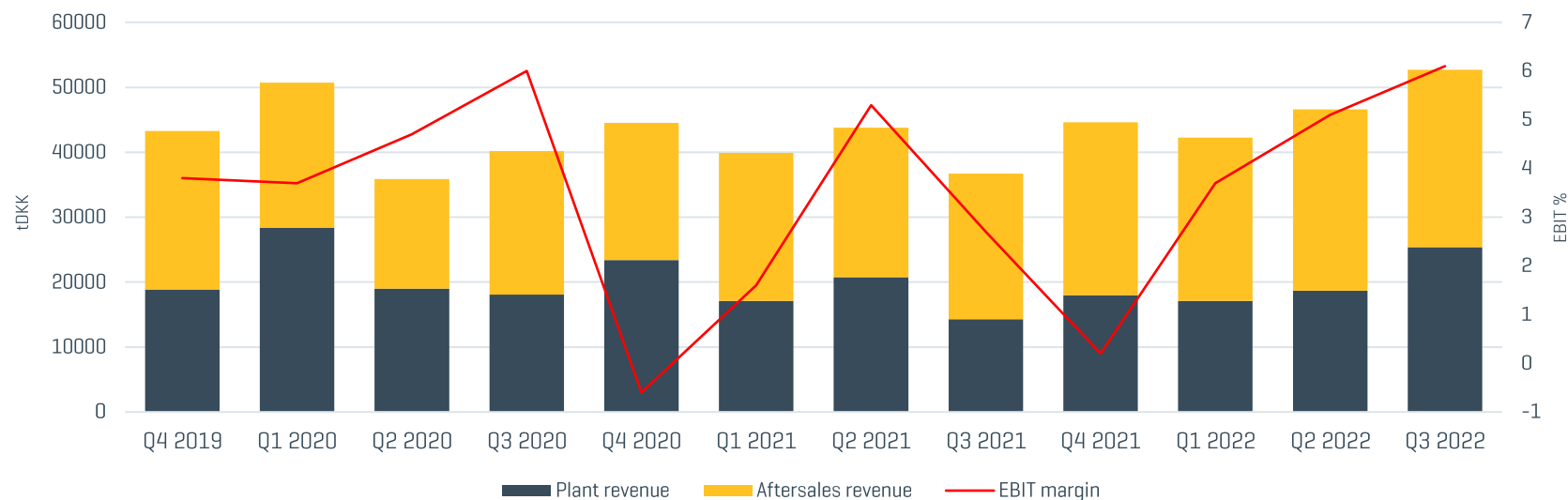
*Measured over a 12-month period

4 BUSINESS UNIT CONCRETE

Q1-Q3 2022 FINANCIAL REVIEW SKAKO CONCRETE

DKK million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	Q2 2022	Change
Plant sales revenue	25.4	14.3	+77.6%	61.2	52.2	+17.2%	18.7	+35.8%
Aftersales revenue	27.3	22.4	+21.9%	80.4	68.2	+17.9%	27.9	-2.2%
Total revenue	52.7	36.7	+43.6%	141.6	120.4	+17.6%	46.7	+12.8%
Gross profit	11.2	7.1	+57.7%	29.9	24.4	+22.5%	9.8	+14.3%
Gross profit margin	21.3%	19.3%	+2.0pp	21.1%	20.3%	0.8pp	21.0%	+0.3pp
Operating profit (EBIT)	3.2	1.0	+220.0%	7.2	5.5	+30.9%	2.4	+33.3%
Profit margin (EBIT margin)	6.1%	2.7%	+3.4pp	5.1%	4.6%	+0.5pp	5.1%	+1.0pp
Order backlog beginning of period	126.8	24.1	+426.1%	72.2	34.5	+109.3%	82.1	+54.4%
Order intake	65.7	48.3	+36.9%	209.6	121.6	+72.4%	91.8	-28.4%
Order backlog end of period	140.2	36.0	+289.4%	140.2	36.0	+289.4%	126.8	+10.6%

SKAKO Concrete revenue and EBIT margin*



Financial performance in Q3 2022

SKAKO Concrete continued the positive development on key markets and with core product types resulting in very strong growth in revenue, operating profit and order backlog. The order pipeline also looks very promising and continued to grow in Q3, as did the order intake.

Execution of SKAKO Concrete's 2020 sales strategy and dedicated resources in key markets has been instrumental in achieving this success. Thus, in Q3 SKAKO Concrete continued to experience a higher demand for services and plants from both existing and new clients, which were difficult to attract in the past.

Despite the war in Ukraine, with rising energy and steel prices SKAKO Concrete's customers are still investing in new plants and a strong result in Q4 is therefore expected.

The market for aftersales has also been very strong, and we deliver services on time and to our customers' satisfaction. Despite some shortness in supply SKAKO Concrete has also been able to deliver spare and wear parts timely to a high demanding market.

Financial results

The key financials for SKAKO Concrete in Q3 and Q1-Q3 are the following:

- Order intake in Q1-Q3 was DKK 209.6m compared to DKK 121.6m in the same period of 2021 fueling an order backlog of DKK 140.2m at the end of Q3, an increase of 289% compared to last year.
- Revenue increased with 44% and 18% in Q3 and Q1-Q3 2022 respectively driven by an increase in the profitable aftersales of 22% in Q3 and 18% in Q1-Q3 while plant sales also increased in both periods. Plant revenue will increase even further in the coming quarters due to the current strong order backlog.
- Gross profit increased with 58% and 23% in Q3 and Q1-Q3 2022 respectively due to growth in revenue and an increase in gross profit margin of 2.0pp and 0.8pp in the two respective periods. The increase in margin was driven by the higher and more profitable aftersales revenue.
- Operating profit (EBIT) increased to 6.1% from 2.7% same period. This was an increase with 220% in Q3 and 31% in Q1-Q3 following the growth in revenue and gross profit.

Strategy

SKAKO Concrete is executing successfully on the strategy while operations are stable and efficient. Thus, at the mid-term evaluation in Q3, the prioritized strategy tracks showed good progress supporting the business growth. The market increasingly asks for quality solutions within concrete products with a balance between quality products delivered on time and a good economy for the customer.

This is delivered by SKAKO Concrete. In addition, we meet an increasing demand for development of digital and sustainable solutions which we focus on delivering through specific solutions within products and services.

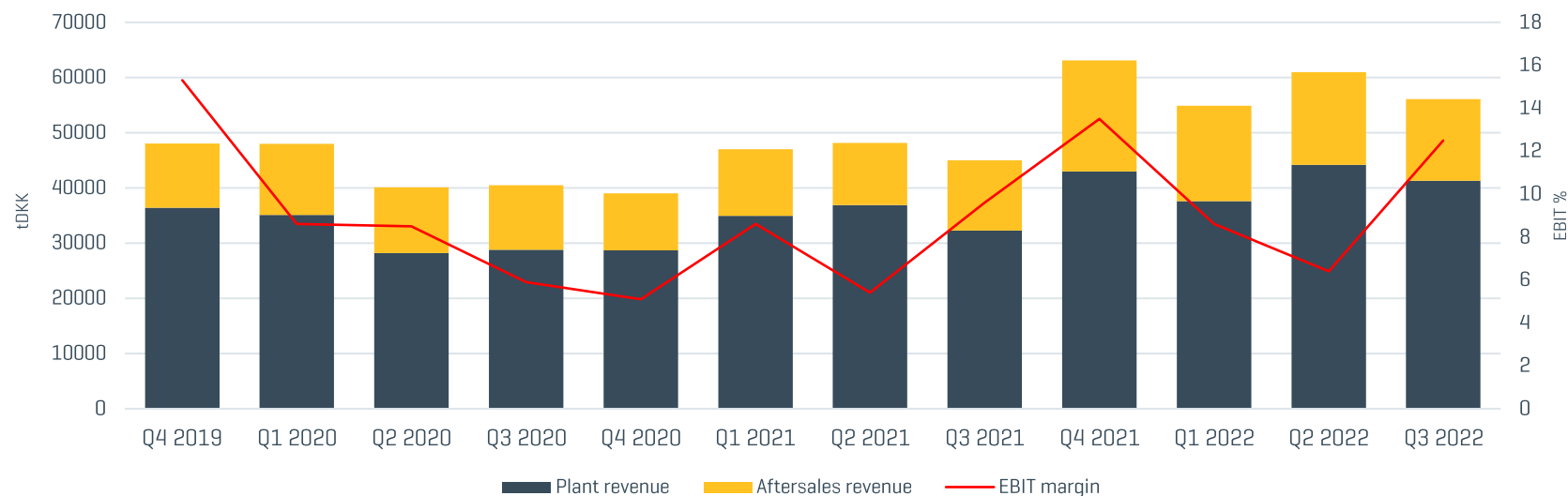
Introduction and handling of knowledge about data as well as concrete and circular solutions is another area of development in SKAKO Concrete which we pursue for the benefit of our customers.

5 BUSINESS UNIT VIBRATION

Q1-Q3 2022 FINANCIAL REVIEW SKAKO VIBRATION

DKK million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	Q2 2022	Change
Plant sales revenue	41.3	32.2	+28.3%	123.1	104.0	+18.4%	44.2	-6.6%
Aftersales revenue	14.8	12.8	+15.6%	48.9	36.1	+35.5%	16.8	-11.9%
Total revenue	56.1	45.0	+24.7%	172.1	140.1	+22.8%	61.0	-8.0%
Gross profit	17.6	13.3	+32.3%	52.0	37.9	+37.2%	17.8	-1.1%
Gross profit margin	31.4%	29.6%	+1.8pp	29.7%	27.0%	+2.7pp	29.2%	+2.2pp
Operating profit (EBIT)	7.0	4.3	+62.8%	15.6	8.8	+77.3%	3.9	+79.5%
Profit margin (EBIT margin)	12.5%	9.6%	+2.9pp	8.9%	6.3%	+2.6pp	6.4%	+6.1pp
Order backlog beginning of period	84.5	53.2	+58.8%	53.9	58.6	-8.0%	72.7	+16.2%
Order intake	52.3	62.2	-15.9%	200.3	151.9	+31.9%	74.3	-29.6%
Order backlog end of period	79.0	70.1	+12.7%	79.0	70.1	+12.7%	84.5	-6.5%

SKAKO Vibration revenue and EBIT margin



Financial performance in Q3 2022

In the first three quarters of 2022, the recycling market continued to provide a high level of order intake while customers' investments in the mineral sector also increased compared to 2021 and 2020 returning to the level before Covid-19. After the chip shortage in the Automotive industry has normalized the Hardware segment has also shown a healthy growth in the first three quarters.

With the higher activity in SKAKO Vibration's three key segments the order intake in Q1-Q3 amounted to DKK 200.3m which is an increase of 32% compared to the same period last year. This has also resulted in an order backlog at the end of Q3 2022 which is 13% higher than last year.

Financial results

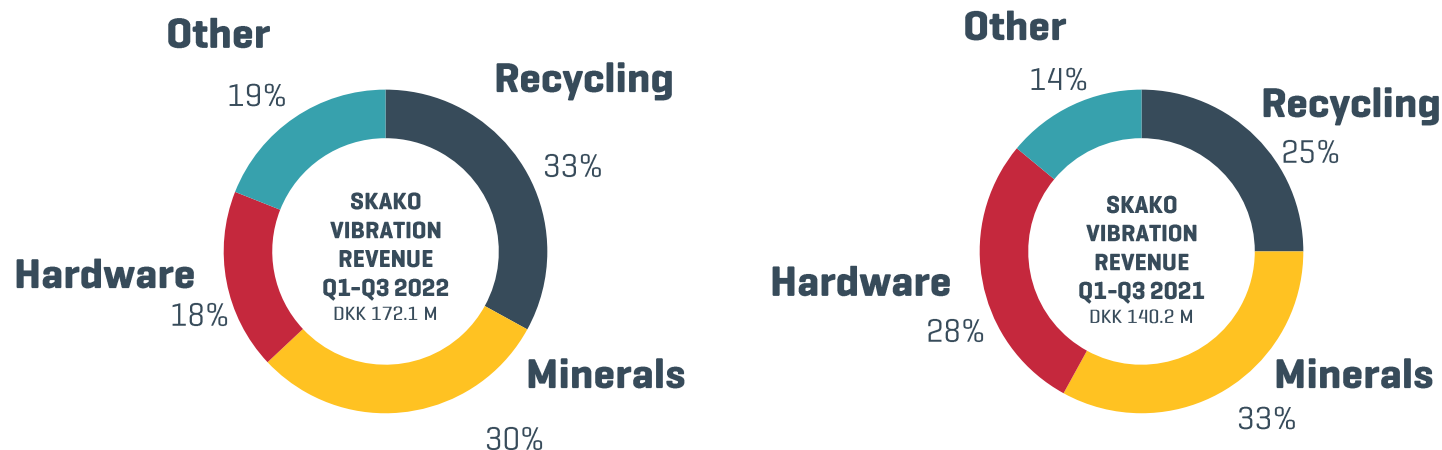
The key financials for SKAKO Vibration in Q3 and Q1-Q3 are the following:

- Revenue increased with 25% and 23% in Q3 and Q1-Q3 2022 respectively driven by high growth in both plant and aftersales. It is especially positive that the profitable aftersales increased with 36% in Q1-Q3.
- Gross profit increased with 32% and 37% in Q3 and Q1-Q3 2022 respectively due to growth in revenue and an increase in gross profit margin of 1.8pp and 2.7pp in the two respective periods. The increase in margin was driven by the higher and more profitable aftersales revenue.
- Operating profit (EBIT) increase with 63% in Q3 and 77% in Q1-Q3 following the growth in revenue and gross profit.

SKAKO Dartek in Spain

SKAKO Dartek in Spain continued its strong momentum in the fast-growing recycling business.

The growth in revenue of 86% and order intake of 51% in Q1-Q3 compared to the same period last year, highlights the success of this acquisition. SKAKO Vibration will continue to explore further opportunities to invest into the high growth recycling market.



Hardware segment

The business of the hardware segment decreased compared to the previous year, due to the situation of the automotive sector turned upside down by uncertainties related to energy and shortages of electronic components. This segment is also linked to the industrial building sector, which has compensated a part of the lack of activity coming from the automobile market. SKAKO's key market is Germany, but other European countries like Poland, Italy, Spain, Czech Republic and France are also important for SKAKO. The US market is handled through distributors and keeps a strong potential for growth while China and India are niche markets for SKAKO which could develop in the years to come, at the same pace as technological development in the fastening sector in these countries.

Mineral segment

After years of low investment, the first 3 quarters of 2022 saw a significant increase in the order book from the sector.

Growth is particularly clear in the construction segment, in which large groups and medium-sized companies have particularly invested in renovating and increasing the capacity of their production equipment.

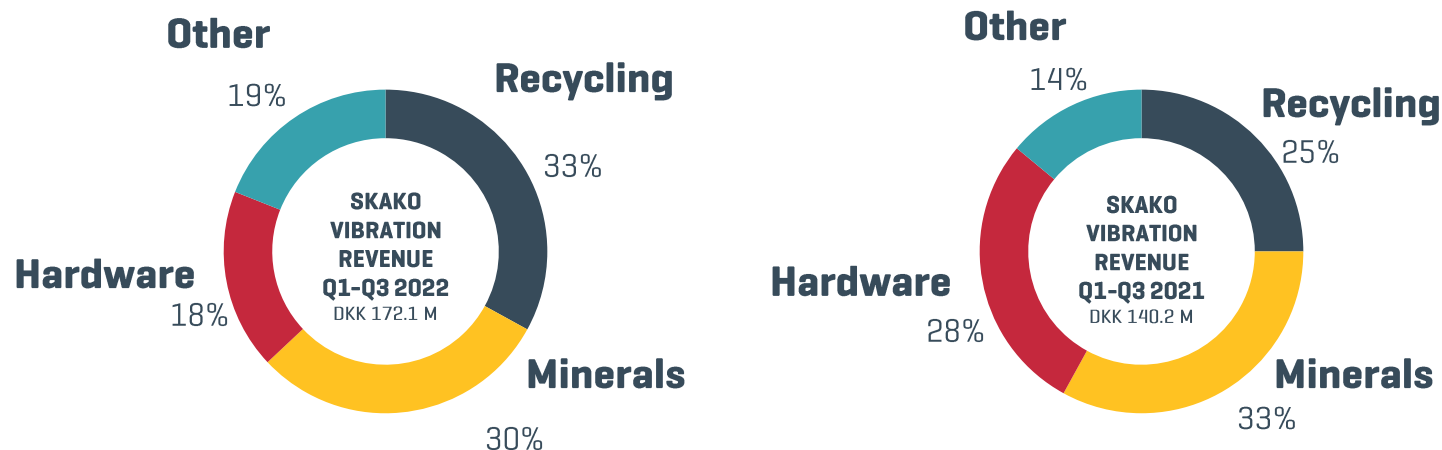
In North and West Africa, demand from the mining sector is also much stronger than before, but is a few months behind the situation on the European continent and we have high expectations regarding this southern market for the coming months.

Recycling segment

The equipment designed by SKAKO Dartek is now distributed throughout SKAKO Vibration's European sales network and allows us to position ourselves as one of the leaders in sorting by size and sorting by density of recycled materials.

Since the middle of 2021, the boom in the recycling sector has not seen a break and, in 2022, this segment became the most important one for SKAKO Vibration, providing one third of the revenue of the division.

Our development has been especially strong in glass recycling, construction and demolition waste recycling and in metal recycling. This is definitively a strong trend on which we are forging a significant part of SKAKO Vibration's strategy.



Hardware segment

The hardware segment consists of 2 subsegments; the automotive and the industrial building subsegments. The hardware market is declining due to a declining automotive market impact by high energy prices and shortage in electric components. This has until now been partly compensated by high activity in the industrial building market. Skako's key market is Germany, but other European countries like Poland, Italy, Spain, Czech Republic and France are also important for SKAKO. The US market is handled through distributors and keeps a strong potential for growth while China and India are niche markets for SKAKO which could develop in the years to come, at the same pace as technological development in the fastening sector in these countries.

Mineral segment

After years of low investment, the first 3 quarters of 2022 saw a significant increase in the order book from this segment.

Growth is particularly clear in the construction segment, in which large groups and medium-sized companies have particularly invested in renovating and increasing the capacity of their production equipment.

In North and West Africa, demand from the mining sector is also increasing, but still lagging a little behind the situation in Europe and we have high expectations market on the coming months.

Recycling segment

Since the middle of 2021, the recycling sector has been booming and this segment is now the most important segment for SKAKO Vibration, providing one third of the revenue of the division.

The equipment designed by SKAKO Dartek is now distributed throughout SKAKO Vibration's European sales network and allows us to position ourselves as one of the leaders in sorting by size and sorting by density of recycled materials.

Our development has been especially strong in glass recycling, construction and demolition waste recycling and in metal recycling. This is a strong trend on which we build a significant part of SKAKO Vibration's strategy.

6 FINANCIAL STATEMENTS

6.1 STATEMENT BY MANAGEMENT

We have considered and approved the interim report of SKAKO A/S for the period 1 January – 30 September 2022.

The interim report, which has not been audited or reviewed by our auditors, has been prepared in accordance with IAS 34 Interim financial reporting, as adopted by the European Union and accounting policies set out in the annual report for 2021 of SKAKO A/S. Furthermore, the interim report for the period 1 January – 30 September 2022 has been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position on 30 September 2022 and of the results of the Group's operations and cash flows for the first nine months of 2022.

We also believe that the Management commentary contains a fair review of the development in the Group's business and financial position, the results for the period and the Group's financial position as well as a description of the principal risks and uncertainties facing SKAKO.

Faaborg, 10 November 2022

EXECUTIVE BOARD



BOARD OF DIRECTORS



6.2 CONSOLIDATED INCOME STATEMENT

DKK thousands	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Revenue from contracts with customers	111,066	81,034	313,666	257,428	363,706
Production costs	-84,773	-60,982	-235,711	-194,698	-271,298
Gross profit	26,292	20,052	77,955	62,730	92,408
Distribution costs	-11,259	-8,416	-33,824	-27,786	-40,746
Administrative expenses	-5,897	-7,211	-24,169	-22,956	-31,340
Operating profit (EBIT) before special items	9,136	4,425	19,961	11,988	20,323
Special items	0	0	-1,650	0	0
Operating profit (EBIT)	9,136	4,425	18,311	11,988	20,323
Financial income	887	0	887	0	721
Financial expenses	-641	-583	-2,379	-2,002	-5,627
Profit before tax	9,382	3,842	16,819	9,986	15,417
Tax on profit for the period	-1,263	-1,127	-2,862	-1,572	-2,228
Profit for the period	8,119	2,715	13,957	8,414	13,189
Profit for the period attributable to SKAKO A/S shareholders	8,119	2,715	13,957	8,414	13,189
Earnings per share (EPS), DKK	2.63	0.88	4.53	2.73	4.28
Diluted earnings per share (EPS), DKK	2.63	0.88	4.53	2.73	4.28

6.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK thousands	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Profit for the period	8,119	2,715	13,957	8,414	13,189
Other comprehensive income:					
Items that have been or may subsequently be reclassified to the income statement:					
Foreign currency translation, subsidiaries	-2,750	219	-899	763	773
Value adjustments of hedging instruments	-1	-174		-181	-233
Other comprehensive income	-2,751	45	-899	582	540
Comprehensive income	5,368	2,760	13,058	8,996	13,729
Comprehensive income attributable to SKAKO A/S shareholders	5,368	2,760	13,058	8,996	13,729

6.4 CONSOLIDATED BALANCE SHEET

30 SEPTEMBER

DKK thousands	30 September 2022	30 September 2021	31 December 2021
Intangible assets	37,482	37,403	39,068
Intangible assets under development	3,113	3,471	3,113
Intangible assets	40,595	40,874	42,181
Leased assets	6,772	9,393	8,035
Land and buildings	5,644	5,898	5,832
Plant and machinery	1,513	702	1,053
Operating equipment, fixtures and fittings	1,512	2,519	3,059
Leasehold improvements	2,818	883	1,630
Tangible assets under construction	199	57	97
Property, plant and equipment	18,458	19,452	19,706
Other receivables	1,294	1,511	1,272
Deferred tax assets	20,429	20,725	21,057
Other non-current assets	21,723	22,236	22,329
Total non-current assets	80,776	82,562	84,216
Inventories	79,376	57,447	64,080
Trade receivables	89,234	78,738	87,429
Contract assets	63,780	59,162	53,037
Income tax	525	69	0
Other receivables	8,831	9,022	8,340
Prepaid expenses	2,849	2,893	2,843
Cash	9,132	18,952	39,075
Current assets	253,727	226,283	254,804
Assets	334,503	308,845	339,020

Consolidated balance sheet 30 September CONTINUED

DKK thousands	30 September 2022	30 September 2021	31 December 2021
Share capital	31,064	31,064	31,064
Foreign currency translation reserve	-1,350	-461	-451
Hedging reserve	-49	3	-49
Proposed dividends	0	0	12,335
Retained earnings	103,789	96,733	89,338
Equity	133,454	127,339	132,237
Other payables	7,779	5,269	7,995
Leasing	4,524	5,552	5,611
Loans and borrowings	11,271	21,126	11,787
Provisions	6,066	4,091	3,729
Non-current liabilities	29,640	36,038	29,122
Loans and borrowings	9,214	9,695	9,849
Bank loans and credit facilities	10,181	28,984	35,970
Leasing	2,386	3,233	2,845
Provisions	760	2,459	3,440
Contract liabilities	34,616	7,827	19,762
Trade payables	84,387	68,013	79,081
Income tax	1,915	1,450	316
Other liabilities	27,712	23,807	26,398
Deferred income	238	0	0
Current liabilities	171,409	145,468	177,661
Liabilities	201,049	181,506	206,783
EQUITY AND LIABILITIES	334,503	308,845	339,020

6.5 CONSOLIDATED CASH FLOW STATEMENT

DKK thousands	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Profit before tax	9,382	3,842	16,819	9,986	15,417
Adjustments	-848	3,148	5,735	8,599	14,702
Changes in receivables, etc.	-7,682	2,421	-13,067	880	-102
Change in inventories	-2,173	-3,291	-15,296	-4,370	-11,003
Change in trade payables and other liabilities, etc.	6,849	-2,877	23,099	-9,533	17,785
Cash flow from operating activities before financial items and tax	5,528	3,243	17,290	5,562	36,799
Financial items received and paid	246	-583	-1,492	-2,002	-4,906
Taxes paid and received	-1,087	-108	-532	-30	-1,617
Cash flow from operating activities	4,687	2,552	15,266	3,530	30,276
Investment in intangible assets	-1	-785	-1,474	-2,050	-3,962
Investment in tangible assets	-296	-521	-1,301	-1,285	-3,504
Acquisition of entities	0	0	0	0	0
Cash flow from investing activities	-297	-1,306	-2,775	-3,335	-7,466
Change in borrowings	-900	-1,546	-2,697	-782	1,471
Repayments	0	-1,187	0	-2,959	-13,725
Paid dividends	0	0	-12,336	-9,252	-9,252
Change in short-term bank facilities	-3,031	2,674	-25,789	-2,277	4,708
Cash flow from financing activities	-3,931	-59	-40,822	-15,270	-16,798
Change in cash and cash equivalents	459	1,187	-28,331	-15,075	6,012
Cash and cash equivalents beginning of the period	11,336	17,482	39,075	33,420	33,420
Foreign exchange adjustment, cash and cash	-2,664	283	-1,612	607	-357
Cash and cash equivalents at the end of the period	9,132	18,952	9,132	18,952	39,075
Breakdown of cash and cash equivalents at the end of the year:					
Cash and other investments	9,132	18,952	9,132	18,952	39,075
Cash and cash equivalents at the end of the year:	9,132	18,952	9,132	18,952	39,075

6.6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shared capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Proposed dividends	Equity
Equity 1 January 2022	31,064	-451	-49	89,338	12,335	132,237
Comprehensive income in Q1-Q3 2022						
Profit for the period				13,957		13,957
Paid dividends					-12,335	-12,335
Other comprehensive income:						
Foreign currency translation adjustments, subsidiaries		-899				-899
Value adjustments of hedging instruments						
Other comprehensive income		-899		13,957	-12,335	723
Comprehensive income, period		-899		13,957	-12,335	723
Share-based payment, warrants				494		494
Equity 30 September 2022	31,064	-1,350	-49	103,789	0	133,454

* A not significant accounting mistake in 2020 could disturb year-on-year comparisons and therefore comparative figures for 2020 have been restated as described on page 31.

Consolidated statement of changes in equity^{CONTINUED}

	Shared capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Proposed dividends	Equity
Equity 1 January 2021	31,064	-1,224	184	87,976	9,252	127,252
Comprehensive income in 2021:						
Profit for the period				8,414		8,414
Paid dividends					-9,252	-9,252
Other comprehensive income:						
Foreign currency translation adjustments, subsidiaries		763				763
Value adjustments of hedging instruments			-181			-181
Other comprehensive income		763	-181			582
Comprehensive income, period		763	-181	8,414		8,996
Share-based payment, warrants				343		343
Equity 30 September 2021	31,064	-461	3	96,733		127,339

6.7 SEGMENT INFORMATION

Q1-Q3 2022	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Revenue, external	141,613	172,053			313,666
Revenue, internal	0	3,071		-3,071	0
Total revenue	141,613	175,124		-3,071	313,666
Depreciations	-2,351	-2,971			-5,322
Operating profit (EBIT) before special items	7,191	15,655	-2,885		19,961
Special items	0	0	-1,650		-1,650
Operating profit (EBIT)	7,191	15,655	-4,535		18,311
Order backlog, beginning	71,822	53,884		-3,397	122,309
Order intake	209,994	200,257		-6,677	403,574
Order backlog, ending	140,203	79,017		-7,003	212,217
Segment non-current assets	30,289	40,533	9,954		80,776
Segment assets	159,275	227,209		-51,981	334,503
Segment liabilities	95,418	125,058		-19,423	201,053
Investments in intangible and tangible asset	1,411	1,364			2,775
Average number of employees	91	108			199

Segment information CONTINUED

Q1-Q3 2021	Concrete	Vibration	Not distributed including parent company	Eliminations	Group total
Revenue, external	120,436	136,992			257,428
Revenue, internal		3,171		-3,171	
Total revenue	120,436	140,163		-3,171	257,428
Depreciations	-2,264	-2,772			-5,036
Operating profit (EBIT) before special items	5,548	8,795	-2,355		11,988
Special items	0	0			0
Operating profit (EBIT)	5,548	8,795	-2,355		11,988
Order backlog, beginning	34,496	58,593		-1,212	91,877
Order intake	121,624	151,909		-2,757	270,776
Order backlog, ending	35,684	70,339		-798	105,225
Segment non-current assets	34,513	43,266	4,783		82,562
Segment assets	110,278	194,981	5,444	-1,858	308,845
Segment liabilities	56,576	120,129	6,659	-1,858	181,506
Investments in intangible and tangible asset	2,164	1,171			3,335
Average number of employees	89	107			196

6.9 QUARTERLY KEY FIGURES AND FINANCIAL RATIOS

DKK thousands	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Full year 2021
INCOME STATEMENT						
Revenue	111,065	106,584	96,017	106,278	81,034	363,706
Gross profit	26,292	26,334	25,329	29,678	20,052	92,408
Operating profit (EBIT) before special items	9,136	5,270	5,555	8,334	4,425	20,323
Operating profit (EBIT)	9,136	3,620	5,555	8,334	4,425	20,323
Net financial items	246	-1,266	-472	-2,903	-584	-4,906
Profit before tax	9,382	2,354	5,083	5,431	3,842	15,417
Profit for the year	8,119	2,222	3,616	4,775	2,715	13,189
BALANCE SHEET						
Non-current assets	80,776	79,865	80,084	84,216	82,562	84,216
Current assets	253,727	246,078	241,942	254,804	226,283	254,804
Assets	334,503	325,943	322,025	339,020	308,845	339,020
Equity	133,454	127,923	135,923	132,237	127,339	132,237
Non-current liabilities	29,640	30,056	32,770	29,122	36,038	29,122
Current liabilities	171,413	167,965	153,332	177,661	145,467	177,661
Net debt	28,444	30,171	27,819	26,987	49,638	26,987
Net working capital	113,387	106,488	114,973	105,703	119,507	105,703
OTHER KEY FIGURES						
Investment in intangible and tangible assets	296	1,779	700	4,131	1,306	7,466
Cash flow from operating activities (CFFO)	4,687	10,542	-110	26,746	2,552	30,276
Free cash flow	4,390	8,763	-810	22,615	1,246	22,810
Average number of employees	199	205	203	199	196	199

Quarterly key figures and financial ratios CONTINUED

DKK thousands	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Full year 2021
FINANCIAL RATIOS						
Gross profit margin	23.7%	24.7%	26.4%	27.9%	24.7%	25.4%
Profit margin (EBIT margin) before special items	8.2%	5.0%	5.8%	7.8%	5.5%	5.6%
Profit margin (EBIT margin)	8.2%	3.4%	5.8%	7.8%	5.5%	5.6%
Liquidity ratio	148.0%	145.6%	157.8%	143.4%	155.6%	143.4%
Equity ratio	39.9%	39.0%	42.2%	39.0%	41.2%	39.0%
Return on equity	14.4%	10.6%	10.9%	10.2%	5.9%	10.2%
ROIC	13.6%	11.1%	11.2%	7.0%	6.2%	10.3%
Financial leverage	21.3%	24.2%	19.2%	20.4%	39.0%	20.4%
NWC/revenue	27.0%	27.3%	30.8%	29.1%	35.1%	29.1%
Earnings per share	2.63	0.72	1.17	1.55	0.88	4.28
Equity value per share	43.28	41.48	44.08	42.88	41.29	42.88
Share price	50.00	55.00	56.40	55.20	56.40	56.40
Price-book ratio	1.16	1.33	1.28	1.29	1.37	1.29
Market capitalization	155,321	170,853	175,202	171,474	175,202	171,474

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