

A decorative structure made of rebar (welded steel reinforcement) is positioned on the left side of the page. It consists of several interconnected rectangular frames, with some lines extending downwards and outwards, creating a sense of depth and industrial strength. The rebar has a characteristic ribbed texture.

EXTRACT FROM THE
ANNUAL REPORT

2014

A smaller decorative structure made of rebar is positioned on the right side of the page. It consists of a few interconnected rectangular frames, mirroring the style of the larger structure on the left. The rebar has a characteristic ribbed texture.

MICATRONIC
WELDING VALUE



2014 AT A GLANCE

- Revenue at DKK 269.3 million – at level with 2013
- EBITDA at DKK 22.3 million as against DKK 21.5 million in 2013
- Earnings before tax DKK 6.9 million as against DKK 5.5 million in 2013
- Cash flow at DKK 19.7 million
- Solvency ratio at 63.5%
- Proposed dividend to shareholders: DKK 10 per DKK 20 share, equivalent to a total dividend payout of DKK 4.9 million

OUTLOOK FOR 2015

- Growing revenue
- Earnings before tax at DKK 10–15 million
- Positive development in cash flow

FINANCIAL CALENDAR 2015

25 February	Annual Report 2014
22 April	Annual General Meeting at Migatronik at 17 pm
22 April	Interim Statement 1
31 August	Half-year Financial Report 2015
22 October	Interim Statement 2

This summary is an extract from the Migatronic Group's Annual Report 2014 and cannot be taken to replace this.

Migatronic's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) and additional Danish disclosure requirements for annual reports of listed companies. The accounting principles applied, as well as recognition and measurements, remain unchanged compared to last year.

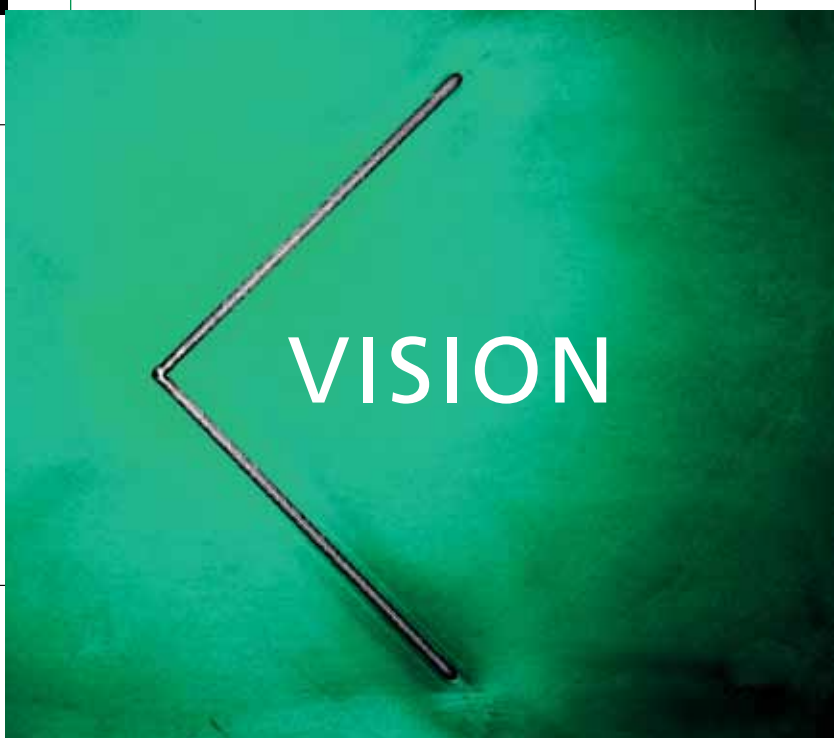
The full annual report (available in Danish only) can be downloaded at www.migatronic.com under Investor Relations.



CONTENTS

Company details and shareholder information	Page	4
Operating review	Page	5
Key figures	Page	8
Income statement	Page	9
Group structure	Page	9
Consolidated balance	Page	10
Consolidated equity and cash flow	Page	11

TO BECOME THE
PREFERRED PARTNER
FOR THE ARC
WELDING INDUSTRY



COMPANY DETAILS AND SHAREHOLDER INFORMATION

Svejsmaskinefabrikken

Migatronic A/S

Aggersundvej 33
9690 Fjerritslev

Telephone: 0045 96 50 06 00
Telefax: 0045 96 50 06 01

E-mail:
migatronic@migatronic.dk

Website: migatronic.com

Reg. No.: 34485216
Established: 1970
Registered office: Jammerbugt Kommune

AUDITORS

Ernst & Young
Godkendt Revisionspartnerselskab
Vestre Havnepromenade 1A
Postboks 710, 9100 Aalborg

BANKERS

Nordea Bank Danmark A/S, Aalborg

SUPERVISORY BOARD

Elected by the AGM (for one year at a time)

Peter Roed, Chairman

(year of birth 1943, has served on the Supervisory Board since 2012) Supervisory Board member of: **Carsø & Aaby – Staal A/S**, **Stenhøj A/S**, **PanPac Engineering a/s**. Manager of: **Roed Invest ApS** and **Roed Invest II ApS**

Freddy Frandsen, Vice-Chairman

(year of birth 1944, has served on the Supervisory Board since 2000) Chairman of: **Hans Følsgaard Fonden**, **Desmi A/S** Supervisory Board member of: **Polaris Management A/S**, **Lindø Industripark A/S**, **Desmi Pumping Technology A/S**, **Utzon Fonden**

Anders Høiris

(year of birth 1953, has served on the Supervisory Board since 2004) Chairman of: **Kabooki A/S**, **Middelalder-Centeret I/S** Vice-chairman of **Tack International A/S**, **Det Københavnske Teatersamarbejde I/S** Supervisory Board member of: **Prime Cargo A/S**, **TJO A/S**, **Alfa Travel A/S**

Henrik Sørensen (year of birth 1957, has served on the Supervisory Board since 2013 and is independent cf. definition in Corporate Governance) Chairman of: **6 of the DESMI group's companies**. Vice-chairman of **Novi Ejendomsfond** and **Novi Management A/S** Supervisory Board member of: **DESMI A/S**,

Dansk Industri (DI), **Vækst Invest Nordjylland A/S**, **Dantherm Fonden**, **D. F. Holding**, **Skive A/S** **Borum Industri A/S**, **Rigmor Nielsens Fond** Manager of: **DESMI A/S**, **Stenseminde Holding ApS**, **Stenseminde ApS**

Elected by the employees (election every 4 years, next time 2015)

Frank Justesen (year of birth 1958, has served on the Supervisory Board since 2013) Planner Migatronic A/S

Vibeke Kappel Andersen (year of birth 1971, has served on the Supervisory Board since 2009) Sales assistant Migatronic A/S

EXECUTIVE BOARD

Anders H. Jørgensen, CEO (year of birth 1979, employed with Migatronic since 2005, member of the Executive Board since 1 October 2012) Manager of: **NAM Invest ApS**

Niels Jørn Jakobsen, CFO (year of birth 1958, employed with Migatronic since 2002, member of the Executive Board since 1 May 2010) Manager of: **NAM Invest ApS**

Martha Holme, Communications/HR Manager (year of birth 1963, employed with Migatronic since 1987, member of the Executive Board since 1 October 2012) Manager of: **NAM Invest ApS**

Finn Thor Hansen, kommerciel direktør (født 1955, ansat i Migatronic 2014, medlem af direktionen fra 2014)

Shareholder mix

	A shares Nom. DKK	B shares Nom. DKK	B shares Number	Voting rights Number	Capital %	Voting rights %
Major shareholders (>5%)						
Peter Roed, Aabybro*	1,300,000	2,708,780	135,439	785,439	41.22	73.33
NAM Invest ApS, Fjerritslev		992,740	49,637	49,637	10.21	4.63
Access Small Cap A/S, Kbh.		554,940	27,747	27,747	5.71	2.59
SEB Pension		534,220	26,711	26,711	5.49	2.49
Supervisory Board						
Freddy Frandsen, Vestbjerg		31,500	1,575	1,575	0.32	0.15
Vibeke K. Andersen, Fjerritslev		1,000	50	50	0.01	0.00
Other shareholders						
Other registered shareholders		2,518,360	125,918	125,918	25.91	11.76
Unregistered shareholders		1,082,180	54,109	54,109	11.13	5.05
Total shares	1,300,000	8,423,720	421,186	1,071,186	100.00	100.00

*Includes shareholdings held by the companies **Roed Invest ApS** and **Roed Invest II ApS**, where chairman **Peter Roed** holds controlling interest.

OPERATING REVIEW



Profit for the year - Consolidated

DKK'000	2014	2013
Revenue	269.3	271.1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	22.3	21.5
Earnings before interest and tax (EBIT)	8.3	8.1
Earnings before tax (EBT)	6.9	5.5
Profit/loss for the year	5.1	4.4

In the 2014 financial year, the Migatronc Group reported earnings before tax of DKK 6.9 million as against DKK 5.5 million in 2013.

The Migatronc Group realised revenue of DKK 269 million as against DKK 271 million in 2013.

EBITDA earnings in the Group were up from DKK 21.5 million to DKK 22.3 million.

Earnings before interest and tax (EBIT) in the Group were up from DKK 8.1 million to DKK 8.3 million.

Financial items developed positively at DKK 1.3 million, which can be attributed to exchange adjustments.

In 2014, there was a 5 per cent increase in revenue for welding machines and accessories for manual welding. However, the individual markets vary significantly; some markets increased and other markets were stagnant or decreased.

2014 saw an increase in revenue in the export markets, one of the reasons being success with welding machines designed for sheet metal welding, a field in which Migatronc has been in the lead for many years.

A high level of product development enables Migatronc to keep its assortment updated and compliant with customer requirements. In terms of software in particular, Migatronc develops on an ongoing basis new optimal welding programs, designed for welding assignments in a wide range of metal alloys.

Migatronc has four production sites, two in Denmark, one in China and one in India. The factories in China and India produce primarily for the local markets.

In 2014, there was a decline in activities for automation. The orders total at the beginning of 2014 was lower than in the previous year and despite many inquiries, the order intake remained slow throughout most of the year. Not until the end of 2014, the market showed signs of activity and Migatronc Automation entered into a number of contracts for supply of automated solutions. The majority of these projects will be implemented and supplied in 2015 for which reason they have minor influence on the 2014 result. The market for automation is still advancing but continues to be reluctant to make investments.

There is constantly a large number of R&D projects in the pipeline. The projects concern development of new products as well as update and production optimisation of already marketed products.

BALANCE AND CASH FLOWS

The balance sheet total in the financial year was up by DKK 4.2 million, which was primarily caused by higher trade receivables.

Cash flows from operating activities was DKK 19.7 million.

Cash flows to investing activities were DKK 11.2 million in 2014 as against DKK 8.3 million in 2013. DKK 5.7 million were invested in product development which is still a key priority, as against DKK 7.2 million in 2013.

OPERATING REVIEW

OUTLOOK FOR 2015

Minor growth is expected in Migatronic's European markets and the expected increase in revenue shall be derived from increased market shares attained from improved sales efficiency and, consequently, a more targeted market approach. In the course of 2014, Migatronic increased resources in sales functions with a view to increasing market shares in a competitive market.

The industry's generally increasing demand for automation is expected to increase revenue for automated welding. There is still some reluctance to invest, in particular among small and medium-sized companies. Migatronic expects the activity for automation projects to increase in the coming year.

In addition to offering complete automation projects through the subsidiary Migatronic Automation A/S, Migatronic also supplies other system builders with welding machines and peripheral equipment for automated welding. An increase in revenue is expected for this field.

China and India are still growth markets where Migatronic has a large potential. In these markets, Migatronic is represented by subsidiaries, and there is great confidence in the company's ability to take part in the growth in these markets and to increase market shares, by introducing several market adjusted products, among other things.

The international financial market has been characterised by currency turmoil, with DKK and EUR currencies coming under pressure and falling noticeably against USD and other currencies. This currency turmoil may influence the 2015 result.

In view of this, Migatronic is expecting an increase of revenue in 2015 and an increase in earnings before tax to the range DKK 10-15 million in 2015.



BUSINESS RISKS

Business Trends

The Migatronic Group is dependent on the development in overall economic trends, in particular within the iron and metal processing industry. Negative business trends within these segments have an adverse impact on earnings.

The Group still strives to obtain geographically diversified sales, reducing its dependency on individual market and segment trends.

Markets

Migatronic holds a very strong position in the Danish market. This position must be further strengthened, in particular in the field of automation of the welding process.

Strongest growth is expected in the European export markets. Sale in these markets takes place primarily through the Group's subsidiaries but also in the Far East, growth is expected through the subsidiaries in India and China as well as new markets.

Further growth is also expected in North Eastern Europe. Previous years' optimism in terms of further growth in Russia has been downplayed.

For the past years, Migatronic has stepped up its sales efforts in Southern Europe and South America and these

efforts are expected to result in increased revenue in the years to come.

Competition

The market for welding machines and automation is influenced by keen competition. There is a large number of international competitors and several minor local competitors in almost all markets.

Financial Risks

The Group's and the parent company's financial risks and the management thereof are mentioned in note 20 of the Annual Report, showing that the Group and the parent company are slightly affected by movements in exchange rates and interest rates.

Insurance, etc.

The Group strives to take out insurance against risks which may jeopardise its financial position. In addition to statutory insurance, the Group has taken out product liability and consequential loss insurances. Buildings, operating equipment and inventories are insured at replacement cost.

INTELLECTUAL CAPITAL

Well-qualified employees and innovative products are among Migatronic's most important competitive factors.

Migatronic manages to maintain its position as one of the world's

OPERATING REVIEW

technologically leading manufacturers of welding machines owing to large-scale investments in innovative product development and not least owing to its ability to translate extensive market knowledge into products that meet customer requirements and expectations.

The key to constant growth of the Group, its capability to develop new products and new markets and, in the end, Migatronic's position as an attractive partner to future and present customers, is continuous development of the organisation and well-educated and qualified employees.

Migatronic has a stable and loyal workforce that is highly motivated by working in a company allowing the employees to follow the process all the way from idea to finished solution.

ENVIRONMENT

Migatronic has no production processes that can be described as harmful to the environment. Throughout the years, investments have been made in environmentally friendly processes.

All Migatronic production departments have obtained the necessary environmental approvals from public authorities and the Group is not a party to any environmental cases.

Migatronic is not registered as a company with a high environmental impact.

EVENTS AFTER BALANCE SHEET DAY

In addition to conditions already allowed for, no events of importance to consolidated financial statements 2014 have taken place after the year-end closing.

CORPORATE GOVERNANCE

Migatronic has made a statutory statement on Corporate Governance, cf. the Danish Financial Statements Act § 107b, for the 2014 financial year and published it on the Group's website www.migatronic.com/da/virksomhedsledelse2014

The statement elaborates on Migatronic's compliance with Recommendations for Corporate Governance and describes the main elements of the Group's internal control and risk management systems as well as the composition of the Group's governing bodies.

Corporate Social Responsibility

Migatronic has in 2014 further developed its policy on Corporate Social Responsibility. The statement on the Group's Corporate Social Responsibility initiatives in 2014 is published on www.migatronic.com/da/samfundsansvar2014

The statement includes information about social and environmental initiatives, human rights and climate impact policies as well as goals for the 2015 Corporate Social Responsibility initiatives.



MISSION

TO PROVIDE OUR
CUSTOMERS
WITH AMAZING
WELDING SOLU-
TIONS AND SERVICES

KEY FIGURES

Key figures		2014	2013	2012	2011	2010
Revenue	DKKm	269.3	271.1	327.5	279.3	267.1
EBITDA	DKKm	22.3	21.5	25.6	24.2	6.9
EBIT	DKKm	8.3	8.1	11.2	9.3	-8.3
Profit/loss from financial income and expenses	DKKm	-1.3	-2.6	-1.9	-3.7	-0.6
Profit/loss before tax (EBT)	DKKm	6.9	5.5	9.3	5.6	-9.0
Profit/loss for the year	DKKm	5.1	4.4	6.5	3.9	-6.3
Total assets	DKKm	204.4	200.0	223.9	242.2	227.7
Equity	DKKm	129.6	123.9	119.7	109.0	106.6
Cash flows from operating activities	DKKm	19.7	30.1	24.7	15.6	-5.2
Cash flows from investing activities	DKKm	-11.2	-8.3	-12.0	-9.9	-5.7
Portion rela. to invest. in prop., plant and equip.	DKKm	-5.5	-4.0	-5.3	-4.3	-4.3
Cash flows from financing activities	DKKm	-5.6	-19.1	-14.0	-1.7	9.1
Total cash flows	DKKm	2.9	2.7	-1.3	4.0	-1.8
Number of employees		287	291	313	313	313

Financial ratios		2014	2013	2012	2011	2010
Revenue per employee	DKK'000	938	932	1.046	892	853
Staff costs per employee	DKK'000	349	338	332	331	341
EBITDA margin		8.3%	7.9%	7,8%	8,7%	2,6%
Operating margin (EBIT margin)		3.1%	3.0%	3.4%	3.3%	-3.1%
Return on equity (ROE)		4.1%	3.6%	5.7%	3.6%	-5.8%
Return on invested capital (ROIC)		6.2%	5.8%	7.5%	6.2%	-5.6%
Equity ratio		63.5%	61.9%	53.5%	45.0%	46.8%
Current ratio		2.3	2.1	1.7	1.4	1.5
Net asset value per share of DKK 20 (BVPS)	DKK	267	255	247	244	238
Market price at year end	DKK	175	170	114	85	120
Earnings per share of DKK 20 (EPS)	DKK	10.6	9.0	14.0	8.8	-14.1
Price Earnings Ratio (P/E Basic)	DKK	16.6	19.9	8	10	Neg.
Dividend per share of DKK 20	DKK	10.0	0	0	0	0
Payout ratio		94.6	0	0	0	0
Cash flow share of DKK 20	DKK	40.6	61.9	53.1	35.0	-11.7
Price/Cash flow	DKK	4.3	2.7	2.1	2.4	-10.3

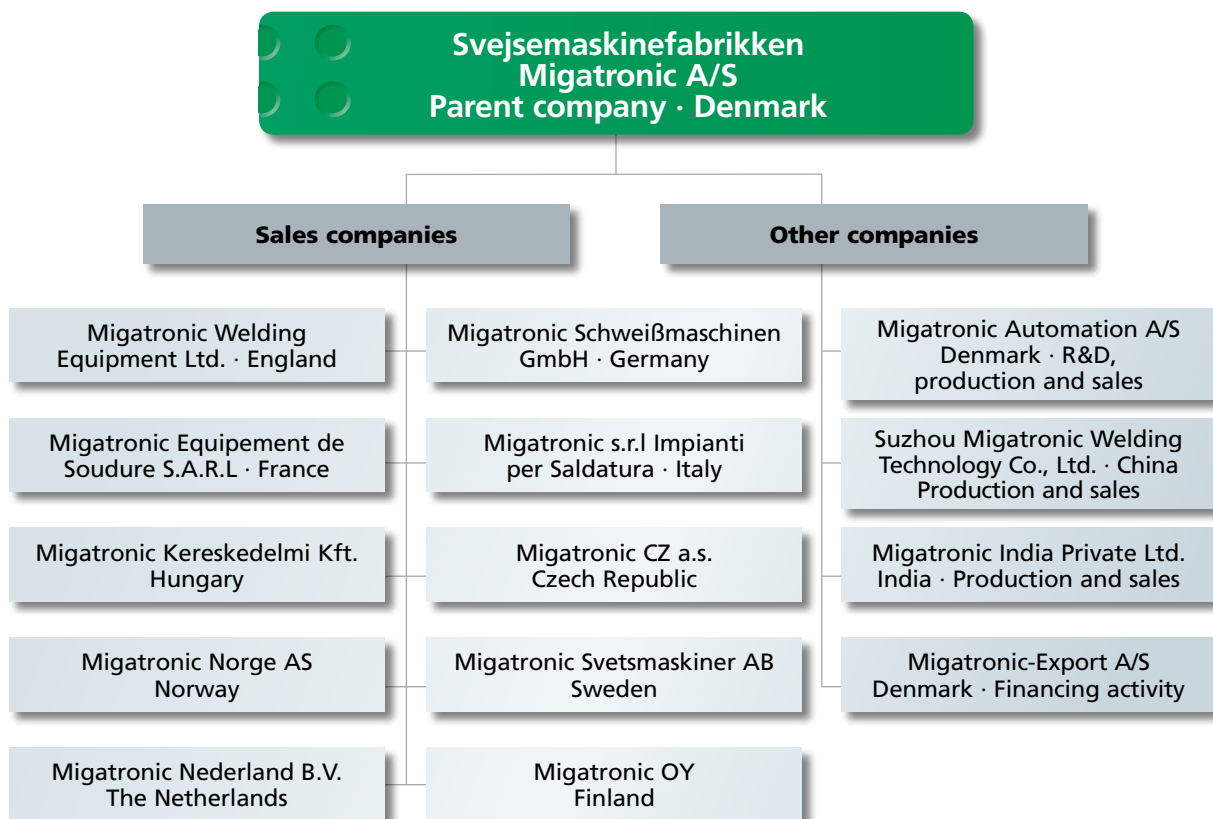
The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2010", apart from "Earnings per share" that has been calculated according to IAS 33.

INCOME STATEMENT

Consolidated income statement for 1 January – 31 December

DKK'000	2014	2013
Revenue	269.254	271,064
Changes in inventories of finished goods and work in progress	41	-1,340
Other operating income	338	596
Total income	269.633	270,320
Costs of raw materials and consumables	-107.482	-110,282
Other external costs	-44.610	-45,937
Staff costs	-95.034	-92,495
Other operation income	-255	-114
EBITDA	22.252	21,492
Depreciation/amortisation and impairment of non-current assets	-13.995	-13,398
EBIT	8.257	8,094
Financial income	944	816
Financial expenses	-2.256	-3,449
Profit/loss before tax (EBT)	6.945	5,461
Tax on profit/loss for the year	-1.807	-1,111
Profit/loss for the year	5.138	4,350

Group structure

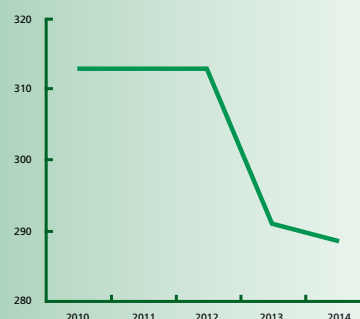


CONSOLIDATED BALANCE

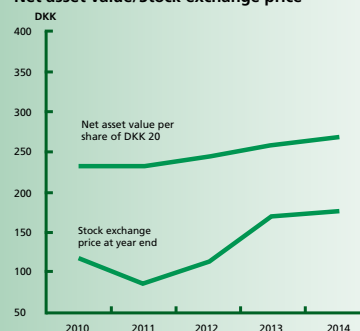
Consolidated balance sheet at 31 December

DKK'000	2014	2013
ASSETS		
Non-current assets		
Intangible assets		
Product development costs	25,160	27,275
Property, plants and equipment		
Land and buildings	41,201	41,343
Plant and machinery	3,857	3,977
Fixtures and fittings, other plant and equipment	7,084	7,558
	52,142	52,787
Total non-current assets	77,302	80,153
Current assets		
Inventories	53,005	50,713
Receivables	51,784	48,633
Construction contracts	1,609	2,735
Corporation tax	60	855
Securities	5,163	4,531
Cash at bank and in hand	15,295	12,391
Total current assets	126,916	119,858
Total assets	204,218	200,011
EQUITY AND LIABILITIES		
Share capital	9,724	9,724
Share premium	3,372	3,372
Treasury share reserve	0	0
Translation reserve	-755	-1,186
Hedging reserve	-701	-881
Retained earnings	113,134	112,858
Foreslået udbytte	4,862	0
	129,636	123,887
Non-current liabilities		
Deferred tax	5,052	2,800
Mortgage credit institutions	11,918	15,908
Provisions	1,999	1,438
	18,969	20,146
Current liabilities		
Mortgage credit institutions	4,847	6,533
Prepayments for construction	5,080	2,768
Trade payables	18,228	16,770
Corporation tax	82	262
Provisions	2,442	3,356
Other payables	23,996	25,112
Financial derivatives (negative current value)	938	1,177
	55,613	55,978
Total liabilities	74,582	76,124
Total equity and liabilities	204,218	200,011

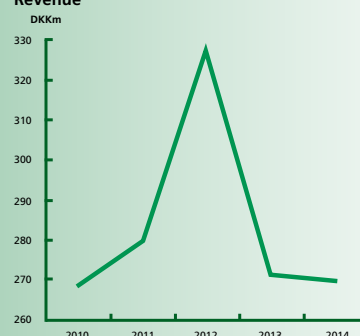
Number of employees



Net asset value/Stock exchange price



Revenue



CONSOLIDATED EQUITY AND CASH FLOWS

Statement of comprehensive income

DKK'000	2014	2013
Profit/loss for the year	5,138	4,350
Other comprehensive income		
Foreign exchange adjustments on translation of foreign entities	851	1,670
Value adjustment of hedging instruments (interest swaps):		
Value adjustment for the year	-277	103
Value adjustments transferred to financial expenses	515	641
Tax on exchange rate adjustments recognised directly in equity	-420	556
Tax on value adjustments of hedging instruments	-58	-186
Other comprehensive income after tax	611	-556
Total comprehensive income	5,749	3,794

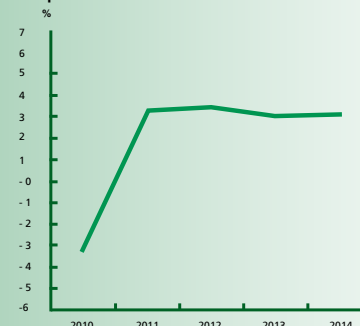
Statement of changes in equity

DKK'000	2014	2013
Equity at 1 January	123,887	119,694
Total income for the year	5,749	3,794
Purchase/sales of treasury shares	0	399
Capital increase	0	0
Equity at 31. December	129,636	123,887

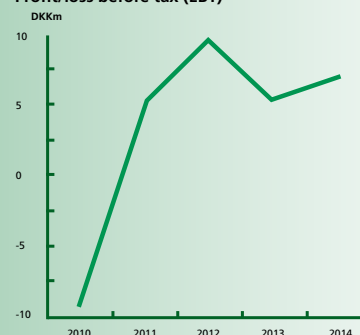
Cash flow statement

DKK'000	2014	2013
Operating profit/loss	8,257	8,094
Financial income received	356	288
Financial expenses paid	-2,256	-3,449
Depreciation/amortisation and impairment	13,995	13,398
Other non-cash operation items	-1	-163
Exchange rate adjustments, etc.	810	-1,145
Change in inventories	-2,292	6,614
Change in receivables	-2,025	15,244
Changes in other provisions	-353	358
Changes in trade and other payables	2,654	-9,726
Corporation tax paid	581	607
Cash flows from operating activities	19,726	30,120
Acquisition of intangible assets	-5,655	-7,163
Acquisition of property, plant and equipment	-5,539	-3,953
Disposal of property, plant and equipment	91	182
Disposal of securities	-44	2,608
Cash flows from investing activities	-11,147	-8,326
Purchase/sales of treasury shares	0	399
Repayment of mortgage debt	-3,995	-3,977
Changes in bank loans	-1,681	-15,486
Cash flows from financing activities	-5,696	-19,064
Net cash flows from operating, financing and investing activities	2,903	2,730
Cash and cash equivalents 1 January	12,391	9,661
Exchange rate adjustments	1	0
Cash and cash equivalents 31 december	15,295	12,391

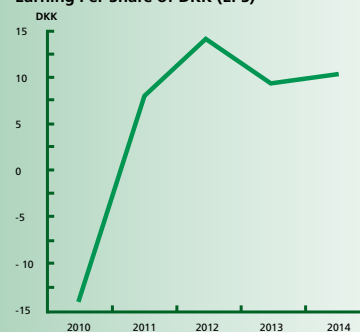
Net profit ratio



Profit/loss before tax (EBT)



Earning Per Share of DKK (EPS)



MIGATRONIC WORLDWIDE

DENMARK:

Main office:

SVEJSEMASKINEFABRIKKEN MIGATRONIC A/S
Aggersundvej 33, 9690 Fjerritslev
Tel. (+45) 96 500 600, www.migatronik.dk

MIGATRONIC AUTOMATION A/S
Knøsgårdvej 112, 9440 Aabybro
Tel. (+45) 96 962 700, www.migatronik.com

MIGATRONIC-EXPORT A/S
Aggersundvej 33, 9690 Fjerritslev
Tel. (+45) 96 500 600, www.migatronik.com

MIGATRONIC EUROPE:

England

MIGATRONIC WELDING EQUIPMENT LTD.
21 Jubilee Drive, Belton Park, Loughborough
Leicestershire LE11 5XS, England
Tel. (+44) 01509 267499, www.migatronik.co.uk

Germany

MIGATRONIC SCHWEISSMASCHINEN GMBH
Sandusweg 12, 35435 Wetztenberg, Tyskland
Tel. (+49) 641 982840, www.migatronik.de

France

MIGATRONIC EQUIPEMENT DE SOUDURE S.A.R.L.
Parc Avenir II, 313 Rue Marcel Merieux
69530 Brignais, Frankrig
Tel. (+33) 04 78 50 65 11, www.migatronik.fr

Italy

MIGATRONIC s.r.l. IMPIANTI PER SALDATURA
Via Dei Quadri 40, 20871 Vimercato (MB), Italien
Tel. (+39) 039 9278093, www.migatronik.it

Hungary

MIGATRONIC KERESKEDELMI KFT.
Szent Miklós u. 17/a, 6000 Kecskemét, Ungarn
Tel. (+36) 76 481 412, www.migatronik.hu

Czech Republic

MIGATRONIC CZ a.s.
Tolstého 451, 415 03 Teplice 3, Tjekkiet
Tel. (+42) 0411 135 600, www.migatronik.cz

Norway

MIGATRONIC NORGE AS
Industriveien 6, 3300 Hokksund, Norge
Tel. (+47) 32 25 69 00, www.migatronik.no

Sweden

MIGATRONIC SVETSMASKINER AB
Näås Fabriker, Box 5015,44 850 Tollered, Sverige
Tel. (+46) 031 44 00 45, www.migatronik.se

The Netherlands

MIGATRONIC NEDERLAND B.V.
Hallenweg 34, 5683 CT Best, Holland
Tel. (+31) 499 375 000, www.migatronik.nl

Finland

MIGATRONIC OY
PL 105, 04301 Tuusula, Finland
Tel. (+358) 0102 176 500, www.migatronik.fi

MIGATRONIC ASIA:

China

SUZHOU MIGATRONIC WELDING TECHNOLOGY CO. LTD.
#4 FengHe Road, Industrial Park, SuZhou, Kina
Tel. (+86) 0512-87179800,
www.migatronik.cn

India

MIGATRONIC INDIA PRIVATE LTD.
No.22 & 39/20H Sowri Street, Alandur
600 016 Chennai, Indien
Tel. (+91) 223 00074
www.migatronik.com