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2022

INTERIM REPORT

THIRD QUARTER

Company announcement no. 57
10 November 2022

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This is a translation of Schouw & Co.'s Interim Report for the nine months ended 30 September 2022. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.



Statement by Jens Bjerg Sørensen, President of Schouw & Co.:



FLEXIBILITY AND ADAPTION

These are strange times – resources like materials, freight capacity and energy are scarce and in high demand. We understand the importance of working closely with our suppliers and customers, and more than ever, it pays to be adaptable and flexible.

Our companies have to a large extent successfully adapted to the challenges presented by global supply chains and soaring costs. All companies have made huge efforts to maintain high production efficiency and to achieve cost compensation in the prevailing situation. I am also very pleased that we continue to enjoy healthy demand across the Group.



HIGHLIGHTS

Revenue up by 33%, driven by higher selling prices

Earnings improved despite energy costs surging during the quarter

Revenue improvements expected following consolidation of Enics

EBITDA guidance maintained within previously guided range

REVENUE
9.2
DKKBN

EBITDA
677
DKKM

ROIC
11.3%
EXCLUDING GOODWILL

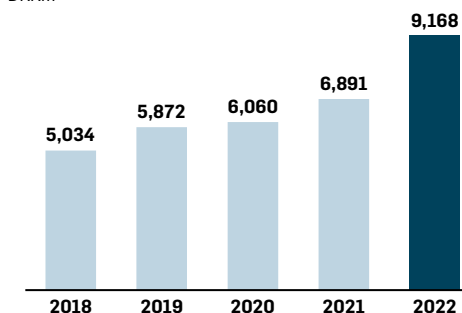
Financial highlights and key ratios

GROUP SUMMARY (DKKm)

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue and income					
Revenue	9,168	6,891	22,931	17,383	24,219
Operating profit before depreciation/amortisation (EBITDA)	677	609	1,606	1,640	2,181
Depreciation, amortisation and impairment losses	230	221	665	640	858
EBIT	448	388	940	1,001	1,323
Profit/loss after tax in associates and joint ventures	49	36	100	36	46
Gains on divestments	0	0	0	3	3
Net financials	-69	-29	-20	-46	-51
Profit before tax	427	396	1,020	994	1,322
Profit for the period	330	314	802	763	1,033
Cash flows					
Cash flows from operating activities	-121	492	-286	654	517
Cash flow from investing activities	-260	-192	-1,040	-548	-924
Of which investment in property, plant and equipment	-254	-202	-795	-526	-751
Cash flows from financing activities	440	-114	1,379	-1	237
Cash flows for the period	59	186	53	105	-170
Invested capital and financing					
Invested capital (ex. goodwill)	13,640	10,480	13,640	10,480	11,165
Total assets	26,347	20,776	26,347	20,776	21,488
Working capital	6,403	4,009	6,403	4,009	4,566
Net interest-bearing debt (NIBD)	4,804	2,357	4,804	2,357	2,773
Share of equity attributable to shareholders of Schouw & Co.	10,938	9,843	10,938	9,843	10,252
Non-controlling interests	472	379	472	379	397
Total equity	11,410	10,222	11,410	10,222	10,649
Financial data					
EBITDA margin (%)	7.4	8.8	7.0	9.4	9.0
EBIT margin (%)	4.9	5.6	4.1	5.8	5.5
EBT margin (%)	4.7	5.7	4.4	5.7	5.5
Return on equity (%)	10.0	10.3	10.0	10.3	10.1
Equity ratio (%)	43.3	49.2	43.3	49.2	49.6
ROIC excluding goodwill (%)	11.3	15.0	11.3	15.0	13.9
ROIC including goodwill (%)	9.3	12.1	9.3	12.1	11.2
NIBD/EBITDA ratio	2.2	1.1	2.2	1.1	1.3
Average no. of employees	11,720	10,303	11,428	9,976	10,210
Per share data					
Earnings per share (of DKK 10)	13.78	12.86	32.96	31.10	42.03
Diluted earnings per share (of DKK 10)	13.78	12.79	32.94	30.95	41.85
Net asset value per share (of DKK 10)	464.65	410.47	464.65	410.47	427.71
Share price, end of period (per share DKK 10)	444.00	618.00	444.00	618.00	569.00
Price/Net asset value	0.96	1.51	0.96	1.51	1.33
Market capitalisation, end of period	10,452	14,819	10,452	14,819	13,638

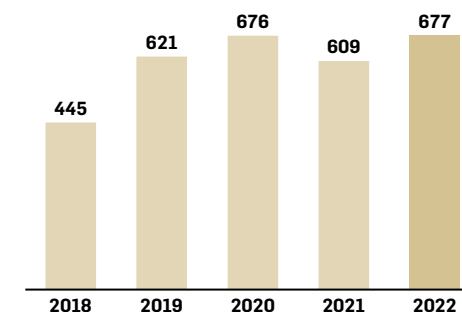
Revenue, third quarter

DKKm



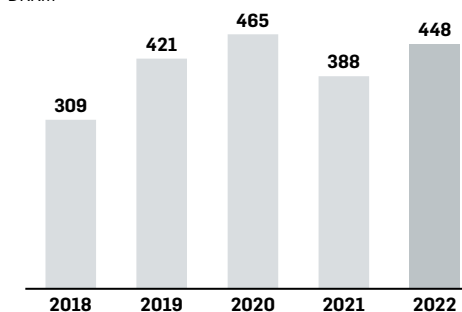
EBITDA, third quarter

DKKm



EBIT, third quarter

DKKm





Interim report – Third quarter 2022

Strong third quarter with solid revenue improvement driven by higher selling prices that now better reflect the sharply higher costs. Earnings improved despite energy costs surging during the quarter.

Financial performance

(DKKm)	Q3 2022	Q3 2021	Change	
Revenue	9,168	6,891	2,277	33%
EBITDA	677	609	69	11%
EBIT	448	388	59	15%
Associates and JVs	49	36	12	34%
Profit before tax	427	396	31	8%
Cash flows from operating activities	-121	492	-612	n/a

(DKKm)	YTD 2022	YTD 2021	Change	
Revenue	22,931	17,383	5,548	32%
EBITDA	1,606	1,640	-35	-2%
EBIT	940	1,001	-60	-6%
Associates and JVs	100	36	63	175%
Profit before tax	1,020	994	26	3%
Cash flows from operating activities	-286	654	-940	n/a
Net interest-bearing debt	4,804	2,357	2,447	104%
Working capital	6,403	4,009	2,394	60%
ROIC excl. goodwill	11.3%	15.0%	-3.7%	
ROIC incl. goodwill	9.3%	12.1%	-2.8%	

The Schouw & Co. Group reported a strong revenue performance in Q3 2022, in which the positive performance was predominantly based on higher selling prices resulting from the sharply rising costs of raw materials, energy and freight, whereas several of the companies reported less volumes sold than in the third quarter of last year.

Consolidated revenue improved by 33% to DKK 9,168 million in Q3 2022 from DKK 6,891 million in Q3 2021. BioMar and GPV were the main drivers of the improvement, but the four other companies also contributed. Revenue for the year to date amounted to DKK 22,931 million, for a 32% increase from DKK 17,383 million in the 9M 2021 period.

Reported EBITDA increased from DKK 609 million in Q3 2021 to DKK 677 million in Q3 2022. BioMar in particular and, to some degree, HydraSpecma reported improvements, while the remaining businesses all reported lower EBITDA than last year. Earnings were strongly impacted by the sharp increase in energy costs, which were DKK 91 million higher than last year, even though volumes produced in fact declined. Reported EBITDA for the year to date fell to DKK 1,606 million, from DKK 1,640 million in the 9M 2021 period, in part due to the increased costs of energy and freight.

Associates and joint ventures contributed an aggregate share of profit after tax of DKK 49 million in Q3 2022, compared with DKK 36 million in Q3 2021. For both years, the share of profit related to BioMar associates and joint ventures.

The Group's net financial items increased from an expense of DKK 29 million in Q3 2021 to an expense of DKK 69 million in Q3 2022, of which the increase in actual interest expenses amounted to DKK 16 million, in part due to an increase in debt used to finance an increase in working capital. The rest of the increase was attributable to foreign exchange adjustments etc.

ROIC excluding goodwill fell from 11.5% at 30 June 2022 to 11.3% at 30 September 2022, due to the increased capital tie-up.

Liquidity and capital resources

The Schouw & Co. Group's operations produced a DKK 121 million cash outflow in Q3 2022, compared with a DKK 492 million cash inflow in Q3 2021. The decline was mainly due to the increases in working capital at BioMar, in particular, but also at Fibertex Nonwovens, HydraSpecma and Borg Automotive, while Fibertex Personal Care reported improved cash flows from operations.

Consolidated working capital increased from DKK 5,688 million at 30 June 2022 to DKK 6,403 million at 30 September 2022 with little change in BioMar's use of supply chain financing. By comparison, working

capital amounted to DKK 4,009 million at 30 September 2021.

Cash flows for investing activities in Q3 2022 amounted to DKK 260 million. In addition to ongoing investments in all businesses, investments were made mainly for capacity-expanding purposes in Fibertex Nonwovens as well as in BioMar and GPV. By comparison, cash flows for investing activities in Q3 2021 amounted to DKK 192 million.

Group developments

The companies of the Schouw & Co. Group have to a large extent successfully adapted to a situation of global supply chain disruption and soaring costs. Energy costs in particular escalated severely in the third quarter, impacting especially BioMar and the two Fibertex businesses in absolute terms. All companies have made a huge effort to maintain high production efficiency during the changing conditions and to pass through higher costs to selling prices.

The Group's financial strength is a means for the companies to gain a good competitive position, as recent years' investments in production capacity and the ability to source adequate supplies have produced attractive business opportunities. In addition, the





Interim report – Third quarter 2022

combination of GPV and Swiss-based EMS company Enics was completed as planned after the end of the third quarter, and Schouw & Co. now holds an 80% interest in the combined company.

The following is a brief review of business developments of the portfolio companies for the quarter.

BioMar grew its reported revenue by no less than 41% even with slightly lower volume sales than last year. Earnings were strongly supported by selling prices that now much better reflect the sharply higher prices of raw materials, energy and freight. The share of profit from associates and joint ventures improved, mainly driven by Salmenes Austral.

Fibertex Personal Care's revenue was up by 11%, driven by higher selling prices resulting from higher prices of raw materials, whereas volume sales declined. Reported EBITDA declined year on year, mainly due to the sharply higher energy costs.

Fibertex Nonwovens reported a 22% revenue improvement that was mostly driven by higher selling prices, whereas volume sales declined mainly due to reduced sales of materials to the construction and furniture industries and materials for disposable wipes. Reported EBITDA was lower year on year due to the reduced volume sales and sharply rising costs, especially for energy.

GPV reported a strong revenue improvement of 45% driven by increased demand and continued high prices of components and materials. Reported earnings were lower than last year, but still better than expected.

HydraSpecma reported a 12% revenue improvement that was driven mainly by increased sales to customers in the vehicles segment that offset softer business activity in the wind turbine segment. High capacity utilisation and the effects of investments to build production capacity and automation contributed to increasing earnings relative to last year.

Borg Automotive reported a 6% revenue improvement, which was slightly below expectations, while reported earnings were in line with last year.

Events after the balance sheet date

The combination of GPV and Swiss-based EMS company Enics was completed on 3 October 2022 as announced in a company announcement of that date. Schouw & Co. is not aware of any events occurring after 30 September 2022 other than as set out elsewhere in this interim report which are expected to have a material impact on the Group's financial position or outlook.

Accounting policies

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for the consolidated and parent

company financial statements of listed companies.

See the 2021 Annual Report for a full description of the accounting policies. Schouw & Co. has implemented the standards and interpretations which are effective from 2022, including in particular the amended accounting for IT investments in cloud computing arrangements.

In the second quarter of 2022, Turkey was categorised as a hyperinflation economy, as the three-year cumulative rate of inflation in the country has exceeded 100%. As a result, Turkey has been considered a hyperinflation economy as defined in IAS 29 effective from 30 June 2022.

BioMar's original put option to acquire the outstanding 30% of the shares in Ali-mentsa S.A. expired in the third quarter of 2022, but the parties have jointly agreed to extend the mutual agreement by five years. In that connection, the accounting policies have changed to the effect that a non-controlling interest is now included in the distribution of profit and subsequently transferred to equity under non-controlling interests. The change has not affected the recognition of EBITDA, but an amount of DKK 342 million has been transferred to non-controlling interests under equity. The change was made with retrospective effect.

Judgments and estimates

The preparation of interim financial

SCHOUW & CO. SHARES

Schouw & Co. shares fell by 10% during the third quarter of 2022, from DKK 494.50 at 30 June 2022 to DKK 444.00 at 30 September 2022.

statements requires management to make accounting judgments and estimates that affect recognised assets, liabilities, income and expenses. Actual results may differ from these judgments and estimates.

Special risks

The overall risk factors the Schouw & Co. Group faces are discussed in the 2021 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2021 Annual Report.

Roundings and presentation

The amounts appearing in this interim report have generally been rounded to the nearest million using standard rounding principles. Accordingly, some additions may not add up.

Outlook

Revenue improvements expected following consolidation of Enics. Full-year earnings guidance maintained within the previous range in spite of escalating costs, particularly for energy.

Outlook for 2022

The companies of the Schouw & Co. Group have generally seen strong revenue performance during 2022, supported by sharply higher prices of raw materials and other materials, although underlying volumes in some cases were lower than last year. The companies have reported generally good demand and the Group has substantial production capacity at its disposal, but the geopolitical uncertainty and supply chain turbulence of the past six months have caused widespread disruption.

However, the steep increases in prices of raw materials and other materials combined with escalating costs, particularly for energy and freight, have put earnings under pressure, in turn further fuelling the requirement for production efficiency and cost management. The increased cost base inherently requires higher selling prices, but implementing higher prices is a resource-intensive exercise and as higher prices can impact demand, it will always be necessary to strike a balance between compensating for costs and maintaining existing volumes. However, the Group's companies have made strong efforts to obtain the necessary cost compensation and achieving further efficiencies, and the results are gradually beginning to show in earnings.

Review of the individual companies

The following is a brief review of the revenue

and EBITDA guidance for the individual companies in 2022:

BioMar confirms its revenue guidance and raises EBITDA guidance, partly because selling prices now much better reflect the higher prices of raw materials, energy and freight. The share of profit in associates and joint ventures is expected to rise, mainly due to attractive conditions for fish farming operations.

Fibertex Personal Care lowers its full-year revenue guidance. The company lowers its FY EBITDA guidance due to escalating costs, especially for energy in Europe, and because prices in Asian markets have come under heavy pressure.

Fibertex Nonwovens maintains its revenue guidance, as the higher selling prices have, to some extent, offset the reduced volumes, but lowers its EBITDA guidance due to sharply higher costs, of energy in particular. The current high energy prices may postpone the ongoing capacity expansion in Europe.

GPV raises its revenue and EBITDA guidance due to strong business activity in the former GPV. In addition, Enics will be consolidated in the fourth quarter and will contribute both revenue and EBITDA even though inventory adjustments and integration costs will impact Enics' earnings.

HydraSpecma expects the current good sales momentum in the vehicles segment to continue, which is offsetting the effects of dampening business activity in the wind turbine segment. The company expects full-year revenue at the upper end of the guided range, while the EBITDA guidance is raised based on good business activity.

Borg Automotive has moderate expectations for general market developments during the rest of the year, but continues to expect to generate revenue within the guided range. The company narrows its EBITDA forecast within the guided range due to the softer outlook for business activity.

Schouw & Co. Group's overall guidance

The Group's consolidated guidance provided after the second quarter of 2022 did not include the effects of the acquisition of Swiss-based EMS company Enics. Following the now completed combination with GPV, Enics will be consolidated in the fourth quarter and its contribution is thus reflected in the guidance provided after the third quarter. The new ownership structure, with Schouw & Co. now holding an 80% interest in the combined company, implies that 20% of the new GPV's overall profit after tax for the fourth quarter of 2022 will be recognised under minority interests in the allocation of profit.

Overall, the Schouw & Co. Group now projects full-year 2022 consolidated revenue in the DKK 30.1-32.0 billion range, of which DKK 1.1-1.3 billion derives from Enics, against the previous range of DKK 28.8-30.5 billion without Enics. However, changes in prices of raw materials may continue to have some impact on the consolidated revenue during the rest of the year.

Enics' ordinary operations are expected to produce EBITDA for the fourth quarter of approximately DKK 60 million, but earnings are likely to be affected by adjustments relating to inventories resulting from ordinary purchase price allocation as well as immediate integration costs. Overall, consolidation of Enics is expected to contribute EBITDA of DKK 20-40 million in 2022. At the same time, however, transaction costs relating to Enics will increase by DKK 10 million the 2022 EBITDA loss expected in the parent company Schouw & Co.

As a result, the Group now guides for consolidated 2022 EBITDA in the range of DKK 2,090-2,260 million compared with the previously announced range without Enics of DKK 2,070-2,270 million. In addition, however, it should be noted that BioMar continues to have potential additional risk exposure of up to DKK 40 million on liquid assets related to Russia, which is not included in the guidance.



Outlook

Following the acquisition of Enics, an ordinary purchase price allocation (PPA) will be prepared, which will increase PPA depreciation/amortisation charges. While the purchase price allocation has not yet been prepared, a preliminary indication is for a DKK 10 million increase to DKK 130 million in PPA depreciation/amortisation charges for 2022. The Group's other depreciation and amortisation charges are expected to increase by approximately DKK 40 million to DKK 810 million as a result of ordinary depreciation/amortisation in Enics.

The share of profit after tax in associates and joint ventures is expected to increase by approximately DKK 25 million to DKK 125 million. As a result of acquiring Enics and considering the rising level of interest rates, the Group now expects net financials to be an expense of approximately DKK 80 million, subject to the recalculation of the earn-out payments relating to Borg Automotive's acquisition of SBS Automotive based on the company's full-year results, which after the first quarter of 2022 resulted in a reduction of the expected purchase price.

REVENUE (DKKm)	2022 guidance after Q3	2022 guidance after Q2	Actual 2021
BioMar	16,500-17,500	16,500-17,500	13,300
Fibertex Personal Care	2,400-2,500	c. 2,500	2,249
Fibertex Nonwovens	1,900-2,100	1,900-2,100	1,814
GPV*	5,200-5,600	3,900-4,100	3,191
HydraSpecma	c. 2,500	2,400-2,500	2,315
Borg Automotive	1,600-1,800	1,600-1,800	1,368
Other/eliminations	-	-	-19
Total revenue	30,100-32,000	28,800-30,500	24,219

EBITDA (DKKm)	2022 guidance after Q3	2022 guidance after Q2	Actual 2021
BioMar**	960-1,000	910-960	889
Fibertex Personal Care	250-270	290-320	315
Fibertex Nonwovens	110-130	150-180	230
GPV*	370-410	330-360	342
HydraSpecma	290-310	270-290	286
Borg Automotive	170-190	170-200	158
Parent company	-60-50	-50-40	-40
EBITDA*	2,090-2,260	2,070-2,270	2,181
PPA depreciation	-130	-120	-98
Other depreciation	-810	-770	-760
EBIT	1,150-1,320	1,180-1,380	1,323
Associates and JVs	125	100	46
Divestments	0	0	3
Reassessment of earn-out payments	80	80	-
Other financial items	-160	-100	-64
Total profit before tax	1,195-1,365	1,260-1,460	1,309

* The guidance for GPV after the third quarter includes revenue and EBITDA contributions from Enics in the fourth quarter of 2022.

** It should be noted that BioMar continues to have a potential additional risk exposure of up to DKK 40 million on liquid assets related to Russia, which is not included in the guidance.

Management Statement

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 30 September 2022.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets,

liabilities and financial position at 30 September 2022 and of the results of the Group's operations and cash flows for the nine months ended 30 September 2022.

Furthermore, in our opinion, the management's report includes a fair review of the development and performance of the business, the results for the period and the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Aarhus, 10 November 2022

Executive Management

Jens Bjerg Sørensen
President and CEO

Peter Kjær

Board of Directors

Jørgen Wisborg
Chairman

Kenneth Skov Eskildsen
Deputy Chairman

Kjeld Johannesen

Agnete Raaschou-Nielsen

Hans Martin Smith

Søren Stæhr

Financial calendar for 2023

1 March 2023	▶ Deadline for submission of proposals to be considered at the annual general meeting
3 March 2023	▶ Release of 2022 Annual Report
13 April 2023	▶ Annual general meeting
18 April 2023	▶ Expected distribution of dividend
4 May 2023	▶ Release of Q1 2023 interim report
15 August 2023	▶ Release of Q2 2023 interim report
14 November 2023	▶ Release of Q3 2023 interim report

The company provides detailed information about contacts and times of conference calls held in connection with the release of its interim reports through company announcements and postings on its website, www.schouw.dk.





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Portfolio company financial highlights – Q3

	BioMar		Fibertex Personal Care		Fibertex Nonwovens		GPV		HydraSpecma		Borg Automotive		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
INCOME STATEMENT														
Revenue	5,804	4,127	655	593	509	417	1,156	799	589	526	459	434	9,168	6,891
Contribution margin	542	395	95	120	69	80	165	159	158	141	110	98	1,139	994
EBITDA	403	278	63	94	20	38	96	102	71	65	41	42	677	609
Depreciation and impairment losses	96	91	34	33	24	25	34	29	24	23	18	20	230	221
EBIT	307	187	29	61	-4	13	62	73	47	42	23	22	448	388
Profit after tax in associates and JVs	49	36	0	0	0	0	0	0	0	0	0	0	49	36
Gains on divestments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net financial items	-39	-12	-3	-3	-8	-5	-21	-9	-7	-4	-19	-10	-69	-29
Profit before tax	317	211	25	58	-11	8	41	64	40	38	5	12	427	396
Tax on profit/loss for the year	-69	-44	-2	-17	-3	-3	-10	-7	-8	-8	0	-3	-97	-82
Profit before non-controlling interests	247	167	23	41	-15	5	31	57	32	30	5	9	330	314
Non-controlling interests	-5	-6	0	0	0	0	0	0	0	0	0	0	-5	-5
Profit for the year	242	162	23	41	-15	6	31	57	32	30	5	9	325	308
CASH FLOWS														
Cash flows from operating activities	-98	498	72	-27	-29	-5	-78	-82	-7	36	9	58	-121	492
Cash flow from investing activities	-63	-13	-9	-82	-109	-39	-56	-33	-10	-21	-14	-4	-260	-192
Cash flows from financing activities	78	-429	-46	121	140	27	129	126	16	-13	10	-11	440	-114
BALANCE SHEET														
Intangible assets*	1,663	1,298	64	69	136	131	439	401	211	237	305	348	3,844	3,510
Property, plant and equipment	1,798	1,625	1,387	1,343	1,506	1,023	573	418	329	344	148	140	5,761	4,913
Other non-current assets	1,353	1,067	43	37	7	8	131	143	112	104	131	118	1,791	1,498
Cash and cash equivalents	1,242	769	43	41	49	79	96	225	39	75	57	68	567	754
Other current assets	7,267	4,901	823	754	1,025	827	2,818	1,598	1,278	1,124	1,200	900	14,385	10,102
Total assets	13,323	9,660	2,359	2,245	2,723	2,068	4,057	2,786	1,969	1,884	1,840	1,574	26,347	20,776
Shareholders' equity	3,264	2,733	1,081	1,072	838	758	1,254	1,004	735	654	564	527	11,410	10,222
Interest-bearing liabilities	4,195	2,558	758	649	1,485	972	1,477	885	758	742	468	226	5,551	3,143
Other liabilities	5,864	4,369	521	524	400	338	1,326	897	477	488	809	820	9,386	7,411
Total equity and liabilities	13,323	9,660	2,359	2,245	2,723	2,068	4,057	2,786	1,969	1,884	1,840	1,574	26,347	20,776
Average no. of employees	1,533	1,389	788	796	1,072	1,056	4,835	3,978	1,290	1,206	2,184	1,864	11,720	10,305
FINANCIAL KEY FIGURES														
EBITDA margin	6.9%	6.7%	9.6%	15.9%	4.0%	9.2%	8.3%	12.7%	12.0%	12.3%	9.0%	9.6%	7.4%	8.8%
EBIT margin	5.3%	4.5%	4.4%	10.3%	-0.8%	3.2%	5.4%	9.1%	8.0%	7.9%	5.1%	5.0%	4.9%	5.6%
ROIC excluding goodwill	16.0%	16.0%	7.0%	12.5%	1.4%	13.3%	12.2%	16.0%	17.0%	16.5%	14.2%	20.5%	11.3%	15.0%
ROIC including goodwill	11.6%	11.5%	6.6%	11.7%	1.3%	12.3%	11.2%	14.3%	15.4%	14.8%	9.3%	11.7%	9.3%	12.1%
Working capital	2,199	1,134	475	412	661	538	1,683	892	862	698	587	342	6,403	4,009
Net interest-bearing debt	2,774	1,758	715	608	1,436	892	1,382	660	719	667	411	159	4,804	2,357

* Excluding consolidated goodwill in Schouw & Co.



Portfolio company financial highlights – 9M

	BioMar		Fibertex Personal Care		Fibertex Nonwovens		GPV		HydraSpecma		Borg Automotive		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
INCOME STATEMENT														
Revenue	12,887	9,256	1,872	1,681	1,587	1,448	3,299	2,303	1,883	1,710	1,413	999	22,931	17,383
Contribution margin	1,185	958	270	315	261	345	488	422	505	456	348	251	3,058	2,747
EBITDA	718	621	175	235	102	216	284	254	228	215	138	129	1,606	1,640
Depreciation and impairment losses	265	261	102	99	74	76	95	84	71	69	58	50	665	640
EBIT	454	360	73	135	28	140	189	169	157	146	80	79	940	1,001
Profit after tax in associates and JVs	100	36	0	0	0	0	0	0	0	0	0	0	100	36
Gains on divestments	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Net financial items	-79	-39	-12	-7	-8	-14	-30	-9	-3	-7	49	-12	-20	-46
Profit before tax	474	358	61	128	20	126	158	160	154	139	129	67	1,020	994
Tax on profit/loss for the year	-107	-93	-9	-34	-10	-32	-43	-21	-31	-32	-13	-16	-218	-231
Profit before non-controlling interests	367	265	53	94	9	94	116	139	123	107	117	51	802	763
Non-controlling interests	-18	-17	0	0	-1	0	0	0	-1	-1	0	0	-20	-18
Profit for the year	349	248	53	94	8	93	116	139	122	106	117	51	782	746
CASH FLOWS														
Cash flows from operating activities	-13	328	105	36	-114	102	-240	18	77	97	-154	24	-286	654
Cash flow from investing activities	-377	-109	-38	-159	-354	-152	-188	-63	-41	-46	-41	-21	-1,040	-548
Cash flows from financing activities	333	-223	-32	145	471	36	372	74	-41	-45	204	40	1,379	-1
BALANCE SHEET														
Intangible assets*	1,663	1,298	64	69	136	131	439	401	211	237	305	348	3,844	3,510
Property, plant and equipment	1,798	1,625	1,387	1,343	1,506	1,023	573	418	329	344	148	140	5,761	4,913
Other non-current assets	1,353	1,067	43	37	7	8	131	143	112	104	131	118	1,791	1,498
Cash and cash equivalents	1,242	769	43	41	49	79	96	225	39	75	57	68	567	754
Other current assets	7,267	4,901	823	754	1,025	827	2,818	1,598	1,278	1,124	1,200	900	14,385	10,102
Total assets	13,323	9,660	2,359	2,245	2,723	2,068	4,057	2,786	1,969	1,884	1,840	1,574	26,347	20,776
Shareholders' equity	3,264	2,733	1,081	1,072	838	758	1,254	1,004	735	654	564	527	11,410	10,222
Interest-bearing liabilities	4,195	2,558	758	649	1,485	972	1,477	885	758	742	468	226	5,551	3,143
Other liabilities	5,864	4,369	521	524	400	338	1,326	897	477	488	809	820	9,386	7,411
Total equity and liabilities	13,323	9,660	2,359	2,245	2,723	2,068	4,057	2,786	1,969	1,884	1,840	1,574	26,347	20,776
Average no. of employees	1,526	1,389	792	773	1,069	1,052	4,601	3,802	1,270	1,186	2,153	1,759	11,428	9,976
FINANCIAL KEY FIGURES														
EBITDA margin	5.6%	6.7%	9.4%	14.0%	6.4%	14.9%	8.6%	11.0%	12.1%	12.6%	9.8%	12.9%	7.0%	9.4%
EBIT margin	3.5%	3.9%	3.9%	8.1%	1.7%	9.7%	5.7%	7.3%	8.3%	8.6%	5.7%	7.9%	4.1%	5.8%
ROIC excluding goodwill	16.0%	16.0%	7.0%	12.5%	1.4%	13.3%	12.2%	16.0%	17.0%	16.5%	14.2%	20.5%	11.3%	15.0%
ROIC including goodwill	11.6%	11.5%	6.6%	11.7%	1.3%	12.3%	11.2%	14.3%	15.4%	14.8%	9.3%	11.7%	9.3%	12.1%
Working capital	2,199	1,134	475	412	661	538	1,683	892	862	698	587	342	6,403	4,009
Net interest-bearing debt	2,774	1,758	715	608	1,436	892	1,382	660	719	667	411	159	4,804	2,357

* Excluding consolidated goodwill in Schouw & Co.

BioMar

Significant revenue growth and strengthened earnings. Selling prices now better reflect higher costs of raw materials, energy and freight. Full-year guidance upgraded.

BioMar is one of the world's largest manufacturers of quality feed for the fish and shrimp farming industries. The company's feed operations are divided into four divisions:

- The Salmon Division covering operations in Norway, Scotland, Chile and Australia. The division supplies high-yielding feed for Atlantic salmon, Pacific salmon and trout.
- The EMEA Division covering the EMEA region and involving all operations other than salmon. The division has production facilities in Denmark, France, Spain, Greece and Turkey.
- The LatAm Division covering Latin American operations involving shrimp and fish species other than salmon. The division has production facilities in Ecuador and Costa Rica.

- The Asia Division covering operations involving fish and shrimp in Asia. The division has production facilities in China and Vietnam.

With the acquisition of Australia-based AQ1 in the second quarter of 2022, BioMar has established a new division focused on technology for developing more efficient and sustainable feed solutions.

The feed operations in Turkey and China, both operated through 50/50 joint ventures with local partners, are not consolidated.

Financial performance

High costs of raw materials, energy and freight along with varying availability of important raw materials continued to dominate in the third quarter of 2022, and total volume sales were 2% lower than in Q3 2021. However, reported revenue was up by no less than 41% from DKK 4,127 million in Q3 2021 to DKK 5,804 million in Q3 2022. The significant revenue improvement was mainly attributable to higher selling prices caused by markedly higher prices of raw materials and, to a lesser extent, exchange rate developments. Revenue for the year to date amounted to DKK 12,887 million, compared with DKK 9,256 million in the 9M 2021 period.

The Salmon Division reported a modest volume decline overall that was driven by reduced volumes in Chile, resulting from regulatory restrictions in that market. Yet, the division's earnings gradually improved as selling prices increasingly reflected the soaring costs of raw materials and energy. In addition, the Norwegian research activities made a positive contribution to earnings.

The EMEA Division also reported reduced volume sales relative to Q3 2021. The decline was a direct result of sales to Russia being discontinued in the first quarter of 2022, though the effect was partially offset by increased sales in the Mediterranean region. Earnings in the division remain impacted by the sharp increase in costs of raw materials and energy.

The LatAm Division reported a year-on-year volume improvement following a strong sales effort that has driven up sales to a number of major customers. Accordingly, the good level of business activity had a favourable impact on division earnings.

The consolidated part of the Asia Division, which only covers operations in Vietnam, is currently being developed with the implementation of a range of high-quality feed products. The business operations have taken somewhat longer to establish, but the

Biomar	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue	5,804	4,127	12,887	9,256	13,300
EBITDA	403	278	718	621	889
EBIT	307	187	454	360	540
Associates and JVs	49	36	100	36	45

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 11-12

perspectives remain good, and the focus is now on penetrating the important market for shrimp feed in Vietnam in collaboration with the local business partner. The Tech Division, which was established after the acquisition of AQ1, is currently developing according to plan and with the expected positive contribution to profit.

Reported EBITDA for Q3 2022 improved to DKK 403 million from DKK 278 million in Q3 2021. The significant earnings improvement derived especially from margin improvements that have materialised as selling prices increasingly reflect the soaring costs of raw materials, energy and freight. In addition, the Norwegian research activities and the acquisition of AQ1 contributed to earnings. Reported EBITDA for the year to date amounted to DKK 718 million, compared with DKK 621 million for the 9M 2021 period.

Reflecting the higher prices but also an increase in inventory and debtor days, working capital increased from DKK 1,134 million at 30 September 2021 to DKK 2,199 million at 30 September 2022. The use of supply chain financing fell from DKK 1,286 million at 30 September 2021 to DKK 1,206 million at 30 September 2022. ROIC excluding goodwill improved from 14.0% at 30 June 2022 to 16.0% at 30 September 2022.

BioMar	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Volume ('000 tonnes)					
Salmon Division	315	321	751	719	1,012
Other divisions	129	132	333	322	434
Total	444	453	1,084	1,041	1,446
Revenue					
Salmon Division	4,430	3,030	9,648	6,659	9,809
Other divisions	1,373	1,097	3,239	2,597	3,491
Total	5,804	4,127	12,887	9,256	13,300
EBITDA					
Salmon Division	266	133	480	319	475
Other divisions	137	145	239	303	414
Total	403	278	718	621	889

Joint ventures and associates

BioMar manufactures fish feed in China and Turkey through two 50/50 joint ventures with local partners. The two feed businesses reported combined Q3 2022 revenue (100% basis) of DKK 439 million and EBITDA of DKK 26 million, against revenue of DKK 302 million and EBITDA of DKK 25 million in Q3 2021.

The associated businesses include the Chilean fish farming company Salmones Austral and three minor businesses, LetSea, ATC Patagonia and LCL Shipping.

The non-consolidated joint ventures and associates are recognised in the consolidated financial statements at a DKK 49 million share of profit after tax in Q3 2022, compared with a DKK 36 million share of profit in Q3 2021. The positive earnings performance was largely attributable to Salmones Austral.

Business review

BioMar consistently adapts to changing market conditions, including suspending trading with Russia, which has affected both sales of finished products and purchases of raw materials. BioMar has thus had to navigate a market characterised by high costs of raw materials, energy and freight as well as varying availability of important raw materials. Accounting for DKK 95 million and DKK 71 million in 2022 to date, the escalating costs of energy and freight have been a particularly difficult challenge.

In April 2022, BioMar signed an agreement to acquire AQ1 Systems, an Australian manufacturer of shrimp farming feed systems based on acoustic technology. AQ1 is a relatively small business, but the combination of its advanced technology and BioMar's extensive feed and fish farming know-how is expected to result in the development of more efficient and sustainable feed solutions. The acquisition of AQ1 is part of a planned development of technology operations that is an important element of BioMar's long-term strategy.

In August 2022, BioMar signed a letter of intent with Icelandic company Sildarvinnslan to establish feed production in Iceland. Aquaculture along with a clear focus on sustainability has evolved strongly in recent years in Iceland. The ambition is for the facility to have net zero emissions from own production facilities, and with the agreement, BioMar enters the Icelandic market as currently the only global feed company.

BioMar's original put option to acquire the outstanding 30% of the shares in Alimentsa S.A. expired in the third quarter of 2022, but the parties have jointly agreed to extend the mutual agreement by five years. The extension of the agreement has brought about a change to the accounting treatment, which does not affect the recognition of revenue and EBITDA.

Outlook

From an overall perspective, long-term demand for farmed fish and shrimp generally

seems sound. While current market conditions with the many practical challenges to international trade and volatile prices of raw materials and energy may well affect developments in the short term, BioMar has still managed to retain volume improvements for the year to date that are close to the original expectations from the beginning of the year.

During the year, increasing prices of raw materials and developments in foreign exchange rates twice resulted in significant increases in revenue guidance, and based on the current outlook, BioMar continues to guide for FY 2022 revenue in the DKK 16.5–17.5 billion range.

However, based on the strong business activity in the third quarter and the positive outlook for the rest of the year, BioMar has now raised its earnings guidance for 2022 to EBITDA in the DKK 960–1,000 million range from the previous range of DKK 910–960 million. It should be noted, however, that BioMar continues to have potential additional risk exposure of up to DKK 40 million on liquid assets related to Russia, which is not included in the guidance.

Associates and joint ventures are recognised at a share of profit after tax. Based mainly on the favourable conditions currently enjoyed by the fish farming company Salmones Austral and the testing and research company LetSea, BioMar now guides for a share of 2022 profit after tax of DKK 125 million,

compared with the previous estimate of DKK 100 million.



Fibertex Personal Care

Revenue up, driven by higher prices of raw materials, but earnings down due to cost increases – especially for energy in Europe. Full-year guidance reduced.

Fibertex Personal Care is one of the world's largest manufacturers of spunmelt non-wovens for the personal care industry. The company has nonwovens production facilities in Denmark and Malaysia.

Operations also include printing on nonwoven textiles for the personal care industry. Fibertex Personal Care is the market leader in this field. Printing operations are based in Germany, Malaysia and the USA. Both business areas are focused on materials that customers process and convert into diapers, sanitary towels and incontinence products.

Financial performance

Fibertex Personal Care reported Q3 2022 revenue of DKK 655 million, a year-on-year increase of 11%, from DKK 593 million in Q3 2021, that was driven by higher prices of raw materials and the resulting increases in selling prices. In volume terms, sales of nonwovens were 4% lower, while print sales were 4% higher than last year. Reported revenue for the year to date amounted to DKK 1,872 million, compared with DKK 1,681 million in the 9M 2021 period.

The reported EBITDA for Q3 2022 was DKK 63 million, compared with DKK 94 million in Q3 2021. The decline was mainly attributable to Denmark, as especially the sharply higher energy costs weighed on earnings.

Overall, energy costs were DKK 24 million higher than in Q3 2021. Reported EBITDA for the year to date amounted to DKK 175 million, compared with DKK 235 million in the 9M 2021 period.

Fibertex Personal Care increased its working capital from DKK 412 million at 30 September 2021 to DKK 475 million at 30 September 2022, primarily due to an increase in capital tied up in trade receivables. The working capital was also affected by the higher prices of raw materials and the resulting increase in capital tied up in inventories and trade receivables.

On account of the reduced earnings, ROIC excluding goodwill fell from 8.9% at 30 June 2022 to 7.0% at 30 September 2022.

Business review

Overall, Fibertex Personal Care expects continuing solid average growth rates in the market over the coming five years. The positive expectations are driven in particular by Asia, where growth is expected to exceed the average global rate of economic growth.

However, competition in the market from Chinese nonwovens manufacturers, who have invested heavily in production capacity, represents a challenge to BioMar's sales in Asia, making for plenty of capacity avail-

able in the current market. Naturally, efforts to maintain the production volume will put prices under pressure, and the situation is expected to carry over into next year. However, the current situation does not change the company's longer-term ambition to grow sales in Asia with focus on specialty products and more sustainable solutions. Fibertex Personal Care is setting up a new production line in Malaysia, but due to technical challenges involving the slitter, it is not expected to be operational until the first quarter of 2024.

Fibertex Personal Care uses large amounts of electricity and gas when producing nonwovens and printing on nonwovens, and the current challenges of sharply higher energy prices in the European market have necessitated a number of contractual negotiations with customers. Energy prices are expected to remain volatile, and Fibertex Personal Care is currently collaborating with its customers to set up a longer-term and more permanent model for adjusting for changes in energy prices. In that context, the company finds valuable strength in its market position and well-established customer relations.

Outlook

The market for polypropylene, which is the company's principal raw material, has seen

quite significant changes during the past quarter. The general demand for polypropylene has declined, improving accessibility and resulting in lower prices. In Europe in particular, the price index has dropped from a historical high earlier this year.

On the other hand, prices have risen on most other goods and services that Fibertex Personal Care consumes, including on freight, packaging and spare parts. The escalated energy costs represent a major challenge for the company's factory in Denmark, and considering the annual consumption of about 50 GWh electricity and 1 million m³ gas, it also has a major financial impact.

Fibertex Nonwovens lowers its FY 2022 revenue guidance to the DKK 2.4-2.5 billion range from previously about DKK 2.5 billion. However, the escalated costs – of energy in Europe in particular – weighs on the earnings for the year, and based on the current outlook, Fibertex Personal Care lowers its FY 2022 EBITDA guidance to the DKK 250-270 million range from previously DKK 290-320 million.

Fibertex Personal Care	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue	655	593	1,872	1,681	2,249
EBITDA	63	94	175	235	315
EBIT	29	61	73	135	182

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Fibertex Nonwovens

Revenue improvement driven by higher selling prices, but earnings reduced due to sharp surge in energy costs. Full-year earnings guidance lowered.

Fibertex Nonwovens	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue	509	417	1,587	1,448	1,814
EBITDA	20	38	102	216	230
EBIT	-4	13	28	140	130

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Fibertex Nonwovens is a globally leading manufacturer of special-purpose nonwovens, i.e. fibre sheets produced on high-tech processing facilities with various purpose-specific post-processings. The products are used for a number of different industrial and healthcare purposes. The company's core markets are in Europe and in North and South America, while its secondary markets are in Africa.

Financial performance

Fibertex Nonwovens reported Q3 2022 revenue of DKK 509 million, a 22% increase from DKK 417 million in Q3 2021. The revenue growth was driven by higher selling prices and supported by positive currency developments, while volume sales were down by 4% relative to the year-earlier period. The volume reduction was mainly due to a drop in sales to the construction and furniture industries as well as sales of materials for disposable wipes in the USA, whereas sales to the automotive industry improved. Revenue for the year to date amounted to DKK 1,587 million, compared with DKK 1,448 million in the 9M 2021 period.

Reported Q3 2022 EBITDA was DKK 20 million, which was less than expected, compared with DKK 38 million in Q3 2021. In addition to the effects of reduced sales, the main reason for the lower earnings was the

negative impact of the sharp surge in energy prices and the high prices of raw materials, which the company has consistently tried to mitigate by raising selling prices. The higher prices of energy alone accounted for a DKK 18 million increase in costs during the quarter. EBITDA for the nine months to 30 September 2022 was DKK 102 million, compared with DKK 216 million in the year-earlier period.

Working capital increased from DKK 538 million at 30 September 2021 to DKK 661 million at 30 September 2022, mainly because the higher prices of raw materials have driven up inventories and inflated trade receivables. ROIC excluding goodwill fell from 2.5% at 30 June 2022 to 1.4% at 30 September 2022, due to the reduced earnings and increased capital tie-up, which is obviously not satisfactory.

Business review

Recent years' investments to expand global production capacity proved instrumental in the first half of 2021 for the company to capitalise on the very attractive opportunities arising in the wake of the coronavirus pandemic, based on a surge in the consumption of filtration materials and materials for wipes, much of which is used for cleaning and disinfection purposes. In the second half of 2021, market condi-

tions became extremely challenging, however. The trend continued in 2022, causing substantial imbalance in the third quarter as high prices of raw materials and sharply higher energy costs coincided with a slowdown in demand from a number of important segments.

By continually investing in innovation and sustainable solutions, Fibertex Nonwovens has built extremely competitive factories, and the company continues to see a strong growth potential based on local production of nonwovens in both Europe and North America. This applies in particular to products for more specialised applications. In order to meet the future demand, Fibertex Nonwovens launched a programme to invest approximately DKK 600 million in 2021, which is intended to provide a platform for strong future growth and significantly improved earnings in the years ahead. The programme had been expected to finish during 2023, but due to the current situation of very high energy prices in Europe, the construction and implementation of the European section has been postponed.

Outlook

Volatile market conditions are currently restraining Fibertex Nonwovens' sales, including sales of products for the construction industry and of materials for wipes. The

continuing turmoil in global supply chains combined with the Russia/Ukraine situation has underpinned the persistently high prices of raw materials and sharply higher energy costs, putting current earnings under pressure, despite the company's constant efforts to reflect the massive cost increases in the selling prices.

Fibertex Nonwovens retains its full-year revenue forecast of DKK 1.9-2.1 billion, because increased selling prices do – to some extent – offset the reduced volumes, but the increase in costs has led to an unsatisfactory earnings performance, prompting the company to lower its EBITDA guidance range to DKK 110-130 million from previously DKK 150-180 million.

Strong revenue growth and better-than-expected earnings. The combination with Enics was completed after the end of the quarter. Full-year revenue and earnings guidance upgraded.

GPV	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue	1,156	799	3,299	2,303	3,191
EBITDA	96	102	284	254	342
EBIT	62	73	189	169	231

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GPV is a leading European EMS (Electronics Manufacturing Services) company. The company is a high-mix volume manufacturer in the B2B market. Core products are electronics, mechanics, cable harnessing, mechatronics (combination of electronics, mechanics and software) and associated services.

The company's customers are mainly major international businesses typically headquartered in Europe or North America, and GPV supplies its customers' international units in more than fifty countries. GPV has a strong production platform and operates production facilities in Denmark, Switzerland, Germany, Austria, Slovakia, Thailand, Sri Lanka and Mexico.

The combination of GPV and Swiss-based EMS company Enics was completed on 3 October 2022, and the new company will be consolidated effective from that date. Schouw & Co. now holds an 80% interest in the combined company.

Financial performance

GPV reported Q3 2022 revenue of DKK 1,156 million, a 45% increase from DKK 799 million in Q3 2021. The increase was attributable to an increase in demand from a large number of customers as well as continuing high prices of components and

materials, which boosted revenue, but also adversely affected margins. Overall revenue for the nine months to 30 September 2022 was DKK 3,299 million, compared with DKK 2,303 million in the year-earlier period.

The reported EBITDA for Q3 2022 was DKK 96 million, compared with DKK 102 million in Q3 2021. The Q3 earnings were adversely affected by a DKK 7 million bad debt provision, but despite this setback, earnings were still better than expected, particularly thanks to increased sales, good cost management and high capacity utilisation at GPV's factories. Reported EBITDA for the year to date amounted to DKK 284 million, compared with DKK 254 million for the 9M 2021 period.

GPV's working capital grew from DKK 892 million at September 30, 2021 to DKK 1,683 million at September 30, 2022. The substantial increase can be explained by strong order book growth and increased order forecasts from customers, causing GPV to build up inventories so as to be able to supply products to its customers. ROIC excluding goodwill fell from 14.2% at 30 June 2022 to 12.2% at 30 September 2022, primarily due to the higher working capital.

Business review

The combination of GPV and Swiss-based

EMS company Enics was completed on 3 October 2022 after the necessary regulatory approvals had been obtained. The transaction was carried out by combining the two former companies in a newly-established holding company, GPV Group A/S, in which Schouw & Co. holds an 80% ownership interest, while the previous owners of Enics hold 20%. The new holding company is domiciled in Vejle, Denmark, with GPV's CEO Bo Lybæk in charge of the combined company, which going forward will operate under the name of GPV.

Enics reported revenue of DKK 4.0 billion and EBITDA of DKK 220 million for 2021. Enics has a total of seven factories in Europe and Asia and a workforce of about 3,500 employees. Both GPV and Enics have particular strengths in the industrial segment, and they complement each other in terms of production technology, know-how and geographical presence. The combined company will have production facilities across 13 countries on three continents and will hold a top-three position among EMS businesses headquartered in Europe.

Outlook

GPV expects the healthy demand from customers to continue throughout 2022 with a resulting high capacity utilisation. However, the challenging situation with long lead

times for electronic components and high component prices is also expected to persist for the remainder of 2022.

As a result of the strong business activity and the high prices of materials, GPV raises its FY 2022 revenue guidance for the former GPV activities to the DKK 4.1-4.3 billion range from the previous estimate of DKK 3.9-4.1 billion. The EBITDA guidance is also raised, to the DKK 350-370 million range from the previous estimate of DKK 330-360 million.

As a result of the combination of GPV and Enics, Enics will be consolidated from the start of the fourth quarter, which is expected to increase the Group's consolidated revenue for 2022 by DKK 1.1-1.3 billion. Moreover, Enics' ordinary operations are expected to increase EBITDA by approximately DKK 60 million, but Q4 earnings will be expectedly be affected by adjustments relating to inventories resulting from ordinary purchase price allocation as well as immediate integration costs. The overall effect of the combination is expected to be a DKK 20-40 million increase in FY 2022 EBITDA.

As a result, GPV expects to generate revenue in the DKK 5.2-5.6 billion range and EBITDA in the DKK 370-410 million range in 2022.



HydraSpecma

Sales to customers in the vehicles segment and the aftermarket remained strong and more than offset the dampened activity in the wind turbine segment. Revenue and earnings guidance raised.

HydraSpecma is a specialist manufacturing, trading and engineering company operating within Power & Motion whose core business is hydraulic and electrical components and systems for industry and the aftermarket. The company is a market leader in the Nordic region and also serves customers from units in Poland, the UK, the Netherlands, China, India, Brazil and the USA.

Financial performance

HydraSpecma reported Q3 2022 revenue of DKK 589 million, a 12% increase from DKK 526 million in Q3 2021. Reported revenue for the year to date amounted to DKK 1,883 million, compared with DKK 1,710 million in the 9M 2021 period. The improvement for the quarter was driven especially by continued strong sales to global OEM customers in the Commercial Vehicle, Construction Equipment and Material Handling segments and to OEM and aftermarket customers in the Nordic markets, whereas demand from customers in the wind turbine segment softened.

EBITDA for Q3 2022 improved to DKK 71 million from DKK 65 million in Q3 2021. The improvement was driven by the increase in business activity, as high capacity utilisation and the effects of investments in production capacity and automation have offset the negative impact of higher procurement

prices and increases in the general level of costs. Reported EBITDA for the year to date was DKK 228 million, compared with DKK 215 million in the 9M 2021 period, which included a DKK 12 million gain from the sale of a property in the second quarter.

Working capital has increased during the past year on account of the increased business activity and steep price rises on sourced goods combined with a strategic decision to build up adequate inventories in order to maintain the company's high level of service. As a result, working capital rose from DKK 698 million at 30 September 2021 to DKK 862 million at 30 September 2022.

ROIC excluding goodwill fell slightly, from 17.1% at 30 June 2022 to 17.0% at 30 September 2022.

Business review

HydraSpecma continues its efforts to expand production capacity and optimise its processes so as to maintain its global competitive strength. The company is experiencing growing demand and has therefore commenced construction of a new 15,000 m² production facility at a site next to its existing production facility in Stargard, Poland. This new unit is intended to be a carbon-neutral facility. The new production unit will be built in stages, with stage 1 becoming operational

in the first quarter of 2023, and the project is slated for completion in the first quarter of 2024, after which the current production facilities are expected to be sold.

HydraSpecma continues to invest to develop its product range as well as its know-how and expertise in the field of electrification of sustainable solutions, and the company is strengthening its engineering skills in preparation for purposes of the green transition. For example, the company has developed considerable know-how in the field of electrification and is able to offer solutions aimed at helping customers switch to fossil-free machines.

Increasingly, global wind turbine manufacturers are looking for larger and stronger suppliers to play an active role in the accelerating green transition, including in developing the onshore and offshore turbines of tomorrow. The wind turbine industry is demanding further consolidation across the supply chain, and HydraSpecma is prepared to take part in such consolidation with a view to expanding its leading position.

Outlook

HydraSpecma expects to maintain the strong sales to OEM customers in the vehicles segment for the remainder of 2022. Sales to customers in the stationary equip-

ment segment are expected to remain at the 2021 level, while sales to customers in the wind turbine segment are likely to remain muted and sales to the aftermarket are anticipated to stagnate during the last part of the year or may even drop slightly.

The Russia/Ukraine situation contributed to fuelling the price increases on materials, freight and energy in the reporting period. Prices of materials and freight are expected to be relatively stable during the final part of the year, but energy costs are set to continue to increase, both for suppliers and in HydraSpecma's in-house production. While still long, lead times for components and materials have begun to shorten, thanks to capacity increases at suppliers and early signs of a slowdown in the market.

The general market situation remains subject to above-normal uncertainty. However, based on the strong business activity in the first nine months of 2022 and a strong order book, HydraSpecma now expects to generate full-year revenue at the upper end of the DKK 2.4-2.5 billion range, while raising its EBITDA guidance to the DKK 290-310 million range from previously DKK 270-290 million.

HydraSpecma	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue	589	526	1,883	1,710	2,315
EBITDA	71	65	228	215	286
EBIT	47	42	157	146	191

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 11-12

Borg Automotive

Sustained revenue improvement, well supported by SBS Automotive's operations. The company maintains its FY revenue forecast but narrows its EBITDA guidance range due to the onset of a slowdown in the market.

Europe's largest independent remanufacturing company, Borg Automotive, produces, sells and distributes remanufactured automotive parts to aftermarket customers and OE manufacturers in Europe. Borg Automotive is headquartered in Silkeborg, Denmark, and has production facilities in Poland, the UK and Spain.

Borg Automotive sells its remanufactured products under four different brands: the international brand Lucas and the company's three proprietary brands: Elstock, DRI and TMI. The company's main products are starters, alternators, brake callipers, air-condition compressors, EGR valves, steering racks, pumps and turbochargers. The company's business model is supported by a sales deposit system that encourages customers to return defective spare parts as they are replaced, so they can be used as cores for remanufacturing purposes.

Effective 1 July 2021, Borg Automotive acquired SBS Automotive, a trading company based in Støvring, Denmark, that sells goods under two brands: NK and Eurobrakes.

Financial performance

Borg Automotive reported moderate improvements for the third quarter of 2022, which were mainly driven by the operations of SBS Automotive. Reported revenue for the

quarter was DKK 459 million, a 6% improvement on DKK 434 million in Q3 2021, which was slightly less than expected. Revenue for the year to date amounted to DKK 1,413 million, compared with DKK 999 million in the 9M 2021 period. It should be noted that SBS Automotive was not consolidated in the first half of 2022.

After a marginal decline mainly caused by squeezed margins, EBITDA for Q3 2022 was DKK 41 million, compared with DKK 42 million in Q3 2021. Reported EBITDA for the year to date amounted to DKK 138 million, compared with DKK 129 million for the 9M 2021 period.

Working capital increased from DKK 342 million at 30 September 2021 to DKK 587 million at 30 September 2022. DKK 151 million of the increase was due to SBS Automotive, as the company had low inventories in 2021 due to a limited inflow of goods from China.

ROIC excluding goodwill declined slightly from 15.0% at 30 June 2022 to 14.2% at 30 September 2022.

Business review

The acquisition of SBS Automotive gave Borg Automotive control of a trading company dealing in automotive spare parts that

complemented its existing activities, and sales by SBS Automotive in 2022 have been supported by an improved supply situation relative to conditions in 2021. In addition, Borg Automotive has seen growing demand for starters and alternators in 2022, in part due to the bankruptcy of a major competitor.

Borg Automotive continually works to develop processes and methods, aiming to expand its existing range of remanufactured products. Most recently, the company has introduced intake manifolds into the product portfolio in collaboration with an OE manufacturer. In addition, Borg Automotive has strengthened its collaborative ties with universities and OE manufacturers in order to secure a strong position in terms of products of the future.

Outlook

Demand in the European aftermarket fell in the third quarter of 2022. The decline was the result of several factors, including a change in driving patterns due to economic developments, resulting in increased prices of raw materials and energy, causing distributors and dealers to reduce their inventories. Borg Automotive consistently adapts to the changing market conditions, including by optimising capacity and taking other measures to retain its margins and earnings.

Over the past few years, Borg Automotive has strengthened its market position through the acquisitions of TMI and SBS Automotive, and despite its moderate expectations for general market improvements during the rest of 2022, Borg Automotive continues to expect FY 2022 revenue in the DKK 1.6-1.8 billion range.

Reported earnings for the year are also expected to be within the previously announced guidance range, but due to the slightly softer outlook for business activity, the company narrows its EBITDA guidance to the DKK 170-190 million range from the previous range of DKK 170-200 million.

As the agreement concerning the acquisition of SBS Automotive was concluded on the basis of an earn-out model according to which the enterprise value is stated as 5x 2022 EBITDA, the value of SBS Automotive was reassessed after Q1 2022 as a result of the Russia/Ukraine situation. Accordingly, the expected purchase price was reduced by DKK 80 million, which amount was recognised under financial items in Q1 2022. On the same occasion, intangible assets were written down by DKK 5 million. These figures are preliminary and will be adjusted according to actual results for the year.

Borg Automotive	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue	459	434	1,413	999	1,368
EBITDA	41	42	138	129	158
EBIT	23	22	80	79	90

SEE FINANCIAL HIGHLIGHTS AND KEY RATIOS ON PP. 11-12



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Statements of income and comprehensive income

Note	Income statement	Q3 2022	Q3 2021	ÅTD 2022	YTD 2021	FY 2021
1	Revenue	9,168	6,891	22,931	17,383	24,219
	Operating expenses	-8,495	-6,288	-21,318	-15,773	-22,071
	Other operating income	4	6	14	34	39
	Other operating expenses	1	0	-21	-3	-6
	EBITDA	677	609	1,606	1,640	2,181
	Depreciation, amortisation and impairment losses	-230	-221	-665	-640	-858
	EBIT	448	388	940	1,001	1,323
	Profit after tax in associates	36	27	72	20	34
	Profit after tax in joint ventures	12	9	28	17	12
	Gains on divestments	0	0	0	3	3
	Financial income	42	18	208	80	85
	Financial expenses	-112	-47	-228	-127	-137
	Profit before tax	427	396	1,020	994	1,322
	Tax on profit for the period	-97	-82	-218	-231	-288
	Profit for the period	330	314	802	763	1,033
	Attributable to					
	Shareholders of Schouw & Co.	325	308	782	746	1,008
	Non-controlling interests	5	5	20	18	26
	Profit for the period	330	314	802	763	1,033
6	Earnings per share (DKK)	13.78	12.86	32.96	31.10	42.03
6	Diluted earnings per share (DKK)	13.78	12.79	32.94	30.95	41.85

Note	Statement of comprehensive income	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
	Items that cannot be reclassified to the income statement:					
	Actuarial gains/losses on defined benefit pension liabilities	0	0	0	0	51
	Tax on other comprehensive income	0	0	0	0	-9
	Total items that cannot be reclassified to the income statement	0	0	0	0	42
	Items that can be reclassified to the income statement:					
	Foreign exchange adjustments of foreign units, etc.	223	76	503	184	316
	Value adjustment of hedging instruments	34	-6	50	6	-12
	Hedging instruments transferred to operating expenses	3	0	21	8	5
	Hedging instruments transferred to financials	-1	-3	2	-7	2
	Hyperinflation restatement of equity	-6	0	35	0	0
	Other comprehensive income from associates and JVs	0	0	0	0	1
	Other adjustments recognised directly in equity	1	1	-1	2	-1
	Tax on other comprehensive income	-10	-2	-17	-1	2
	Total items that can be reclassified to the income statement	244	66	592	192	314
	Other comprehensive income after tax	244	66	592	192	356
	Profit for the period	330	314	802	763	1,033
	Total recognised comprehensive income	574	380	1,394	955	1,389
	Attributable to					
	Shareholders of Schouw & Co.	541	363	1,310	915	1,334
	Non-controlling interests	33	17	84	40	55
	Total recognised comprehensive income	574	380	1,394	955	1,389



Balance sheet • Assets and liabilities

Note	Assets	30/9 2022	31/12 2021	30/9 2021	31/12 2020
	Intangible assets	3,844	3,526	3,510	3,423
	Property, plant and equipment	5,761	5,078	4,913	4,659
	Lease assets	622	687	698	721
	Equity investments in associates	536	411	387	347
	Equity investments in joint ventures	174	148	154	134
	Securities	94	91	82	80
	Deferred tax	164	131	137	104
	Receivables	200	241	40	41
	Total non-current assets	11,396	10,313	9,920	9,509
	Inventories	7,390	5,514	4,800	3,692
3	Receivables	6,823	5,022	5,175	4,015
	Prepayments	109	71	78	56
	Income tax receivable	63	77	48	88
	Cash and cash equivalents	567	490	754	635
	Total current assets	14,951	11,175	10,856	8,486
	Total assets	26,347	21,488	20,776	17,994

Note	Liabilities and equity	30/9 2022	31/12 2021	30/9 2021	31/12 2020
6	Share capital	255	255	255	255
	Hedge transaction reserve	43	-13	-4	-10
	Exchange adjustment reserve	483	45	-82	-253
	Hyperinflation restatements	35	0	0	0
	Retained earnings	10,121	9,582	9,673	9,257
	Proposed dividend	0	383	0	357
	Equity attributable to parent company shareholders	10,938	10,252	9,843	9,606
	Non-controlling interests	472	397	379	0
	Total equity	11,410	10,649	10,222	9,605
	Deferred tax	437	372	359	357
	Other payables	441	522	553	344
	Interest-bearing debt	4,765	2,384	1,978	1,742
	Non-current liabilities	5,643	3,277	2,890	2,443
	Interest-bearing debt	786	1,070	1,165	856
	Trade payables and other payables	7,675	5,895	5,889	4,478
	Customer prepayments	172	111	42	15
	Prepayments	71	40	47	81
	Liability regarding put option	435	374	363	360
	Income tax	155	71	160	155
	Current liabilities	9,294	7,562	7,664	5,946
	Total liabilities	14,937	10,839	10,554	8,389
	Total equity and liabilities	26,347	21,488	20,776	17,994

Notes without reference 2, 5 and 7-9.



Cash flow statement

Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
EBITDA	677	609	1,606	1,640	2,181
Adjustments for non-cash operating items etc.:					
Changes in working capital	-631	-33	-1,613	-747	-1,277
Provisions	-4	-3	14	25	-12
Other non-cash operating items, net	-55	-1	-44	-17	71
Cash flows from operations before interest and tax	-12	572	-37	901	963
Net interest paid	-61	-14	-98	-49	-66
Income tax paid	-48	-67	-151	-198	-381
Cash flows from operating activities	-121	492	-286	654	517
Purchase of intangible assets	-6	-2	-22	-14	-21
Purchase of property, plant and equipment	-254	-202	-795	-526	-751
Sale of property, plant and equipment	3	2	3	39	54
4 Acquisitions	-8	2	-234	-45	-45
Divestments	0	0	0	1	1
Dividends received from associates	5	0	5	0	0
Loans to associate	0	-9	0	-9	-9
Loans to customers	0	0	0	0	-155
Additions/disposals of other financial assets	1	17	3	6	3
Cash flows from investing activities	-260	-192	-1,040	-548	-924

Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Loan financing:					
Repayment of non-current liabilities	-133	-24	-274	-125	-265
Proceeds from non-current liabilities incurred	1	8	1	81	536
Increase of bank overdrafts	622	-90	2,248	390	317
Cash flows from debt financing	490	-106	1,975	346	588
Shareholders:					
Capital contributions, etc. by non-controlling interests	0	1	0	1	4
Dividends paid	0	-8	-365	-348	-348
Purchase of treasury shares	-50	0	-231	0	-6
Cash flows from financing activities	440	-114	1,379	-1	237
Cash flows for the period	59	186	53	105	-170
Cash and cash equivalents, beginning of period	496	558	490	635	635
Value adjustment of cash and cash equivalents	12	10	23	14	26
Cash and cash equivalents, end of period	567	754	567	754	490



Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Hyperinflation restatements	Retained earnings	Proposed dividend	Total	Non-controlling interests	Shareholders' equity
Equity at 1 January 2021	255	-10	-253	0	9,257	357	9,606	0	9,605
Changes in accounting policies		0	10	0	-369	0	-359	342	-17
Profit and other comprehensive income:									
Profit for the period		0	0	0	746	0	746	18	763
Other comprehensive income		6	161	0	1	0	169	23	192
Total recognised comprehensive income		6	161	0	747	0	915	40	955
Transactions with owners:									
Share-based payment		0	0	0	20	0	20	0	20
Distributed dividends		0	0	0	21	-357	-336	-13	-348
Additions/disposals of non-controlling interests		0	0	0	0	0	0	10	10
Value adjustment of put option		0	0	0	-3	0	-3	0	-3
Total transactions with owners during the period		0	0	0	39	-357	-318	-2	-321
Equity at 30 September 2021	255	-4	-82	0	9,673	0	9,843	379	10,222
Equity at 1 January 2022	255	-13	45	0	9,582	383	10,252	397	10,649
Profit and other comprehensive income									
Profit for the period		0	0	0	782	0	782	20	802
Other comprehensive income		56	439	35	-1	0	528	64	592
Total recognised comprehensive income		56	439	35	781	0	1,310	84	1,394
Transactions with owners:									
Share-based payment		0	0	0	24	0	24	0	24
Distributed dividends		0	0	0	27	-383	-356	-9	-365
Value adjustment of put option		0	0	0	-61	0	-61	0	-61
Purchase of treasury shares		0	0	0	-231	0	-231	0	-231
Total transactions with owners during the period		0	0	0	-242	-383	-624	-9	-633
Equity at 30 September 2022	255	43	483	35	10,121	0	10,938	472	11,410

Notes to the financial statements

1

Segment reporting

Reporting segments YtD 2022	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	HydraSpec- ma	Borg Automotive	Reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	12,887	1,862	1,587	3,299	1,883	1,413	22,931	0	0	22,931
Intra-group revenue	0	10	0	0	0	0	10	9	-19	0
Segment revenue	12,887	1,872	1,587	3,299	1,883	1,413	22,941	9	-19	22,931
EBITDA	718	175	102	284	228	138	1,645	-39	0	1,606
Depreciation, amortisation and impairment losses	265	102	74	95	71	58	665	1	0	665
EBIT	454	73	28	189	157	80	980	-40	0	940
Share of profit in associates and JVs	100	0	0	0	0	0	100	0	0	100
Tax on profit/loss for the year	-107	-9	-10	-43	-31	-13	-213	-6	0	-218
Profit for the year	367	53	9	116	123	117	785	17	0	802
Segment assets:	13,753	2,408	2,755	4,057	1,969	2,356	27,299	15,301	-16,252	26,347
Of which goodwill	1,756	99	126	195	135	516	2,827	0	0	2,827
Equity investments in associates and JVs	701	0	0	0	9	0	710	0	0	710
Segment liabilities	10,059	1,279	1,886	2,803	1,234	1,276	18,537	5,390	-8,989	14,937
Working capital	2,199	475	661	1,683	862	587	6,469	-66	0	6,403
Net interest-bearing debt	2,774	715	1,436	1,382	719	411	7,437	-2,633	0	4,804
Cash flows from operating activities	-13	105	-114	-240	77	-154	-339	34	20	-286
Capital expenditure	174	38	354	188	26	33	812	1	0	813
Acquisitions	211	0	0	0	15	8	234	0	0	234
Average no. of employees	1,526	792	1,069	4,601	1,270	2,153	11,411	17	0	11,428

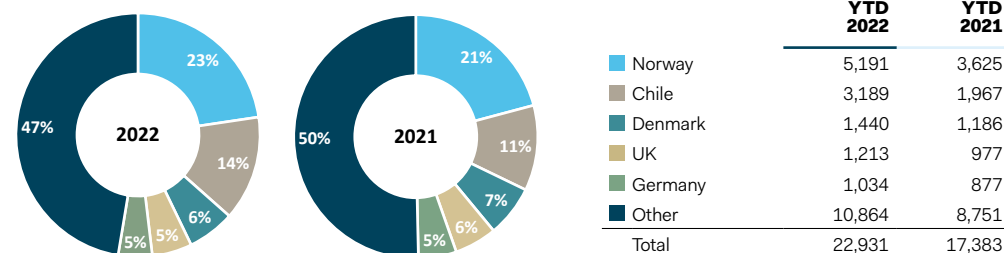
Based on management control and financial management, Schouw & Co. has identified six reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive. Management primarily evaluates reporting segments based on the performance measures EBITDA and EBIT but also regularly considers the segments' cash flows from operations and working capital. All inter-segment transactions were made on an arm's length basis.

Capex is defined as the net cash flow for the year for investment in property plant and equipment and intangible assets.

Acquisitions are defined as cash flows for the year from investment in acquisition and divestment of enterprises, including associates and joint ventures, and capital increases.

The data on revenue by geography are based on customers' geographical location. The specification shows individual countries that in terms of revenue account for more than 5% of the Group. As Schouw & Co.'s consolidated revenue is generated in some 100 different countries, a very large proportion of revenue derives from the 'Other' category.

Revenue by country:



Notes to the financial statements

1

Segment reporting (continued)

Reporting segments YtD 2021	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	HydraSpec- ma	Borg Automotive	Reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	9,256	1,667	1,448	2,303	1,710	999	17,383	0	0	17,383
Intra-group revenue	0	14	0	0	0	0	14	8	-23	0
Segment revenue	9,256	1,681	1,448	2,303	1,710	999	17,397	8	-23	17,383
EBITDA	621	235	216	254	215	129	1,670	-30	0	1,640
Depreciation, amortisation and impairment losses	261	99	76	84	69	50	639	0	0	640
EBIT	360	135	140	169	146	79	1,031	-30	0	1,001
Share of profit in associates and JVs	36	0	0	0	0	0	36	0	0	36
Tax on profit/loss for the year	-93	-34	-32	-21	-32	-16	-228	-3	0	-231
Profit for the year	265	94	94	139	107	51	750	13	0	763
Segment assets:	10,090	2,293	2,100	2,786	1,884	2,089	21,242	10,785	-11,251	20,776
Of which goodwill	1,456	99	118	173	143	516	2,506	0	0	2,506
Equity investments in associates and JVs	534	0	0	0	8	0	541	0	0	541
Segment liabilities	6,927	1,173	1,310	1,782	1,230	1,046	13,468	1,968	-4,882	10,554
Working capital	1,134	412	538	892	698	342	4,017	-8	0	4,009
Net interest-bearing debt	1,758	608	892	660	667	159	4,744	-2,387	0	2,357
Cash flows from operating activities	328	36	102	18	97	24	604	34	16	654
Capital expenditure	66	159	152	63	46	15	501	0	0	501
Acquisitions (divestments)	39	0	0	0	0	6	45	-1	0	44
Average no. of employees	1,389	773	1,052	3,802	1,186	1,759	9,961	15	0	9,976

Notes to the financial statements

2

Costs

Share-based payment: Share option programme

The company has an incentive programme for the Management and senior managers, including the executive management of subsidiaries. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at around the time of grant plus a calculated rate of interest from the date of grant until the date of exercise. The 2022 grant is described in more detail in company announcement no. 13/2022 of 11 March 2022.

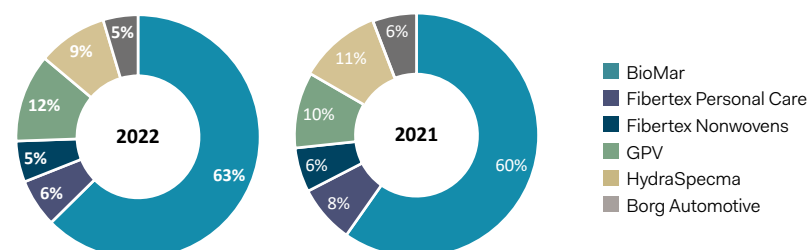
Outstanding options	Executive management	Other	Total
Total outstanding options at 31 December 2021	202,000	1,201,000	1,403,000
Granted in 2022	62,000	385,000	447,000
Lapsed (from 2018 grant)	-55,000	-263,000	-318,000
Total outstanding options at 30 September 2022	209,000	1,323,000	1,532,000

3

Receivables (current)

	30/9 2022	30/9 2021
Trade receivables	6,281	4,869
Other current receivables	542	306
Total current receivables	6,823	5,175

Trade receivables by portfolio company:



Amounts in DKK million

	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
30/9 2022					
Total receivables	5,508	485	170	321	6,483
Impairment losses on trade receivables	-48	-7	-7	-140	-202
Trade receivables, net	5,460	478	162	181	6,281

Proportion of total receivables expected to be settled					96.9%
Impairment rate	0.9%	1.5%	4.4%	43.6%	3.1%

	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
30/9 2021					
Total receivables	4,218	390	177	251	5,036
Impairment losses on trade receivables	-28	-7	-9	-123	-167
Trade receivables, net	4,190	383	167	128	4,869

Proportion of total receivables expected to be settled					96.7%
Impairment rate	0.7%	1.7%	5.3%	49.0%	3.3%

	30/9 2022	30/9 2021
Impairment losses on trade receivables		
Impairment losses, beginning of period	-163	-142
Foreign exchange adjustments	3	-2
Additions on company acquisitions	0	-7
Impairment losses for the period	-83	-16
Realised loss	41	0
Impairment losses, end of period	-202	-167



Notes to the financial statements

4

Acquisitions

	GSS	AQ1	TMI	YTD 2022	YTD 2021
Customer relations	0	24	0	24	0
Brands	0	0	0	0	36
Know-how	0	26	0	26	0
Other intangible assets	8	0	0	8	0
Property, plant and equipment	1	1	0	2	63
Lease assets	0	0	0	0	12
Financial assets	0	0	0	0	1
Inventories	8	11	0	19	161
Receivables	6	43	0	49	122
Tax assets	0	0	0	0	4
Cash and cash equivalents	0	3	0	3	2
Credit institutions	0	0	0	0	-52
Provisions	0	0	0	0	-4
Trade payables	-4	-4	0	-7	-102
Other payables	-3	-3	0	-6	-67
Deferred tax	-2	-13	0	-14	0
Tax payable	0	-6	0	-6	-2
Net assets acquired	15	83	0	98	175
Of which non-controlling interests	0	0	0	0	-9
Goodwill	0	131	0	131	86
Acquisition cost	15	214	0	229	251
of which cash and cash equivalents	0	-3	0	-3	-2
Contingent consideration (earn-out)	0	0	0	0	-212
Earn-out settled	0	0	8	8	8
Total cash acquisition costs	15	211	8	234	45

Effective 1 March 2022, HydraSpecma acquired the small Dutch company GSS Hydraulics B.V. for a cash consideration of DKK 15 million. GSS Hydraulics specialises in the sale and distribution of special-purpose hoses and nipples to OEM customers and the aftermarket. The acquisition is intended to strengthen HydraSpecma's position in the vehicles segment of the western European market and in distributing the current product range to customers in western Europe. HydraSpecma B.V. (GSS Hydraulics) has 18 employees and annual revenue of approximately DKK 35 million. The preliminary purchase price allocation has identified value in customer relations. The transaction involved acquisition costs of DKK 0.5 million, which amount has been recognised under operating expenses. Had the company been acquired effective from 1 January 2022, earnings would have been DKK 0.2 million higher, while revenue would have been DKK 5.5 million higher.

On 29 April 2022, BioMar acquired the Australian company AQ1 Systems Pty (AQ1), which will strengthen the company's business involving feed technology for shrimp farming. A global leader in acoustic feed technology for the shrimp farming industry, AQ1 sells large parts of its products to the Latin American market, where BioMar is already has feed operations in Ecuador and Costa Rica. The acquisition enables BioMar to offer customers a new and better feed solution.

BioMar paid DKK 211 million in cash for all shares in AQ1 in connection with the acquisition. A preliminary purchase price allocation has identified value in terms of technology and customers. Preliminary goodwill was calculated at DKK 131 million in connection with the acquisition. The transaction involved acquisition costs of DKK 2 million, which amount has been recognised under operating expenses. DKK 1.5 million of the acquisition costs was recognised in 2021. Had the company been acquired effective from 1 January 2022, earnings would have been DKK 3 million higher, while revenue would have been DKK 41 million higher.

In June, Borg Automotive paid the residual part of the earn-out payments, DKK 8 million, relating to the acquisition of Turbo Motor Inyección (TMI).



Notes to the financial statements

5

Capital resources

It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/ renegotiation dates and counterparties, with due consideration to costs. The Group's capital resources consist of cash and undrawn credit facilities. The Group's objective is to have sufficient capital resources to make company acquisitions and to allow it to continue in an adequate manner to operate the business and to react to unforeseen fluctuations in its cash holdings.

Facility	Loans and lines	Of which utilised	Unutilised	Commitment	Avg. term to maturity
Revolving credit facility	3,275	-1,465	1,810	Committed	2 yrs 3 mths
Other credit facilities	928	-754	174	Uncommitted	
Schuldschein	1,011	-1,011	0	Committed	1 yrs 11 mths
Mortgages	17	-17	0	Committed	1 yrs 2 mths
Other long-term debt	1,550	-1,550	0	Committed	2 yrs 9 mths
Other long-term debt	89	-89	0	Uncommitted	3 yrs 9 mths
Leases	665	-665	0	Committed	
Cash and cash equivalents			567		
Facility before deduction of guarantee commitments	7,535	-5,551	2,551		
Guarantee commitments deducted from the facility			-68		
Capital resources at 30 September 2022			2,483		

The Group's companies get a significant proportion of their financing from resources and credit facilities of the parent company Schouw & Co. The parent company Schouw & Co.'s financing consists mainly of a syndicated bank facility, which in December 2020 was refinanced with a total facility line of DKK 3,275 million. The facility has a three-year term with an option for a one-year extension after the first and second year. In connection with refinancing the bank facility, the international bank Hongkong & Shanghai Banking Corporation (HSBC) joined the existing bank consortium consisting of Danske Bank, DNB and Nordea. The first extension option was utilised in December 2021.

In April 2019, Schouw & Co. issued Schuldscheins for a total of EUR 136 million (DKK 1,011 million) maturing in 2024 (80%) and 2026 (20%). In December 2021, Schouw & Co. set up a DKK 400 million seven-year loan with the Nordic Investment Bank related to specific Danish capacity-expanding investments and development costs.

6

Share capital and earnings per share (DKK)

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. Each share carries one vote. All shares rank equally. The share capital is fully paid up and no changes have been made during the past five years.

Treasury shares	Number of shares	Nominal value (DKK)	Cost	Percentage of share capital
Treasury shares held at 1 Jan. 2021	1,520,724	15,207,240	466	5.96%
No change	0	0	0	0.00%
Treasury shares held at 30 Sept. 2021	1,520,724	15,207,240	466	5.96%
Purchase of treasury shares	10,378	103,780	6	0.04%
Treasury shares held at 31 Dec. 2021	1,531,102	15,311,020	471	6.00%
Purchase of treasury shares	429,481	4,294,810	231	1.68%
Treasury shares held at 30 Sept. 2022	1,960,583	19,605,830	703	7.69%

The Group's holding of treasury shares had a market value of DKK 870 million at 30 September 2022. The portfolio of treasury shares is recognised at DKK 0.

In 2022, Schouw & Co. acquired shares for DKK 231 million to be held in treasury. The purchase was part of a programme under which Schouw & Co. intends to make share buybacks for a total amount of DKK 350 million in the period from 27 December 2021 to 30 December 2022.

	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Share of the profit for the year attributable to shareholders of Schouw & Co	325	308	782	746
Average number of shares	25,500,000	25,500,000	25,500,000	25,500,000
Average number of treasury shares	-1,902,148	-1,520,724	-1,782,983	-1,520,724
Average number of outstanding shares	23,597,852	23,979,276	23,717,017	23,979,276
Average dilutive effect of outstanding share options *	1,648	122,614	13,604	115,202
Diluted average number of outstanding shares	23,599,500	24,101,890	23,730,621	24,094,478
Earnings per share of DKK 10	13.78	12.86	32.96	31.10
Diluted earnings per share of DKK 10	13.78	12.79	32.94	30.95

* See note 2 for information on options that may cause dilution.

Notes to the financial statements

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Fair value of categories of financial assets and liabilities

	30/9 2022	31/12 2021	30/9 2021
Financial assets			
Other securities and investments (2)	93	90	81
Derivative financial instruments (2)	228	5	41
Other securities and investments (3)	1	1	1
Financial liabilities			
Derivative financial instruments (2)	109	22	20
Contingent consideration (3)	185	239	223

Securities measured at fair value through other comprehensive income (level 3) amounted to DKK 1 million at the beginning of the year and DKK 1 million at the end of the third quarter.

The Group uses interest rate swaps and forward currency contracts to hedge fluctuations in the level of interest rates and foreign exchange rates. Forward exchange contracts and interest rate swaps are valued using generally accepted valuation techniques based on relevant observable swap curves and exchange rates (level 2). The fair values applied are calculated mainly by external sources on the basis of discounted future cash flows. Other securities and investments forming part of a trading portfolio (level 2) includes the shareholding in Incuba A/S.

The fair value of derivative financial instruments is calculated by way of valuation models such as discounted cash flow models. Anticipated cash flows for individual contracts are based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable market data, including exchange rate volatilities, or correlations between yield curves and credit risks.

Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments at the end of the reporting period.

Contingent consideration (earn-out) is measured at fair value on the basis of the income approach.

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Related party transactions

Under Danish legislation, Givesco A/S, Lysholt Allé 3, DK-7100 Vejle, members of the Board of Directors, the Executive Management and senior management as well as their family members are considered to be related parties. Related parties also comprise companies in which the individuals mentioned above have material interests. Related parties also comprise subsidiaries, joint arrangements and associates, in which Schouw & Co. has control, significant influence or joint control of as well as members of the boards of directors, management boards and senior management of those companies.

Management's share option programmes are set out in note 2.

	YTD 2022	YTD 2021
Joint ventures:		
During the reporting period, the Group sold goods in the amount of	5	2
At 30 September, the Group had a receivable of	36	15
At 30 September, the Group had debt in the amount of	0	1
Associates:		
During the reporting period, the Group sold goods in the amount of	558	231
During the reporting period, the Group bought goods in the amount of	146	77
At 30 September, the Group had a receivable of	355	145
At 30 September, the Group had debt in the amount of	82	16
During the reporting period, the Group received dividends in the amount of	5	0

During 2022, the Group has traded with BioMar-Sagun, BioMar-Tongwei, LetSea, ATC Petagonia, Salmones Austral, LCL Shipping, Young Tech Co. and Micron Specma India.

Other than as set out above, there were no transactions with related parties.

Schouw & Co. has registered the following shareholders as holding 5% or more of the share capital: Givesco A/S (28.09%), Direktør Svend Hornsylds Legat (14.82%) and Aktieselskabet Schouw & Co. (7.69%).

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Special risks, judgments and estimates, and accounting policies

For the Group's special risks, judgments and estimates, and accounting policies please see the Management's report page 6.



schouw&co

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