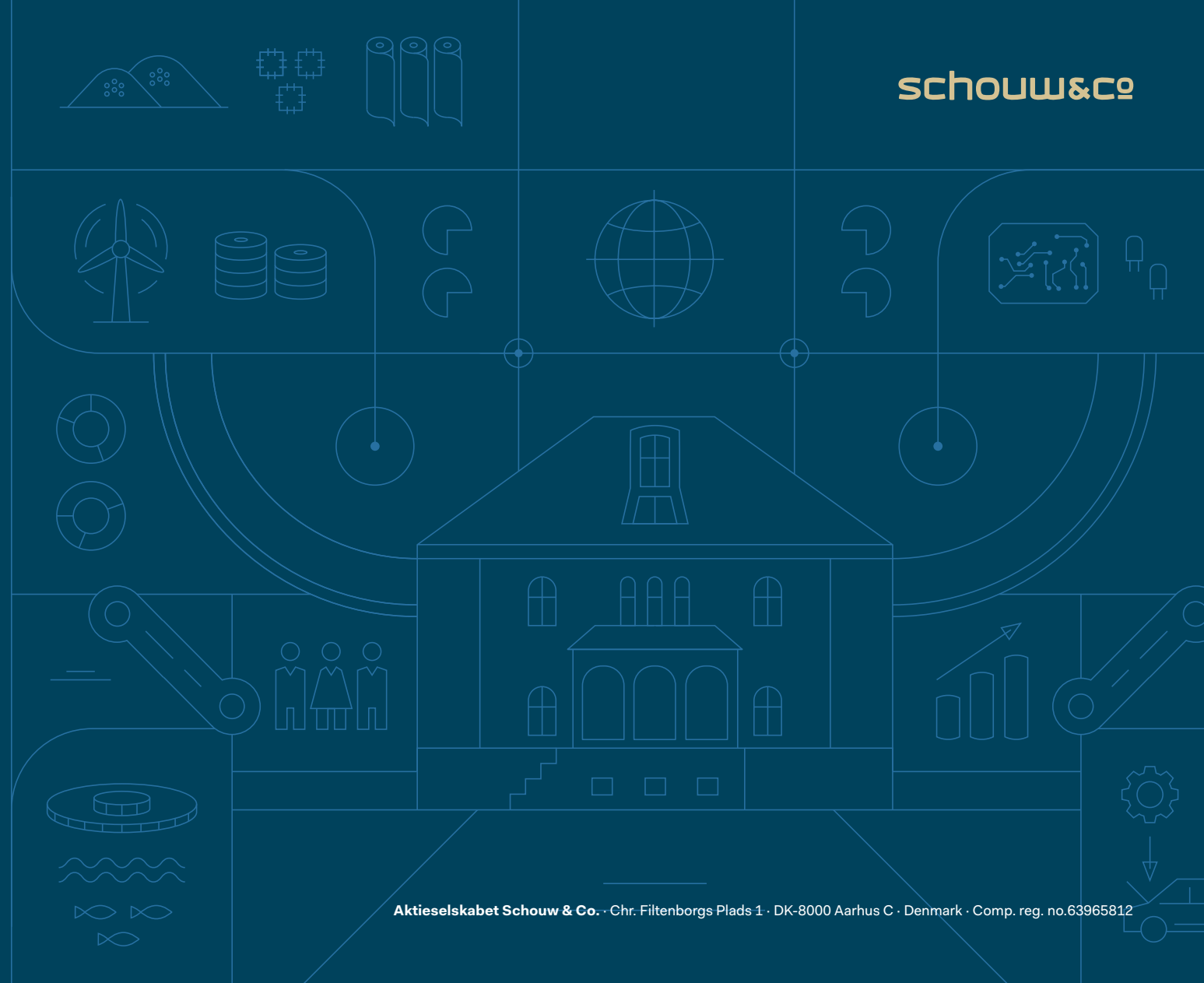


Solid momentum

schouw&co



Annual Report 2023

Aktieselskabet Schouw & Co. · Chr. Filtenborgs Plads 1 · DK-8000 Aarhus C · Denmark · Comp. reg. no.63965812

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Overview

At Schouw & Co., we are responsible long-term owners generating growth through transformation. We build businesses of the future by putting people first.

Our company portfolio

Strong portfolio of six industry-leading B2B businesses headquartered in Denmark

- BioMar
- GPV
- HydraSpecma
- Borg Automotive
- Fibertex Personal Care
- Fibertex Nonwovens

Highlights

37.2

DKK bn revenue

2.8

DKK bn revenue

36

years of making successful transformations and long-term investments

146

years as an industrial business

100

facilities in 35 countries

6

attractive companies in our portfolio

15,000

skilled and dedicated employees

ESG Highlights

-2%

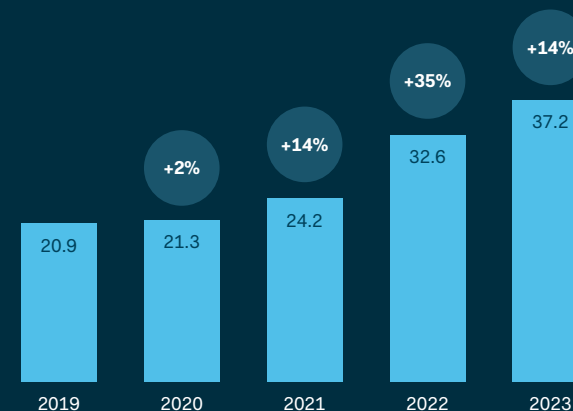
reduction of CO₂e emissions

14%

share of renewable energy

Revenue (DKK bn)

avg. annual growth rate of +15%



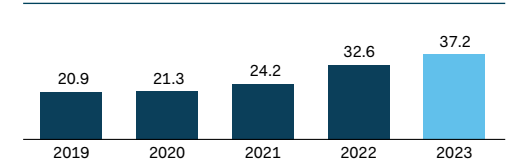
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MANAGEMENT'S REPORT

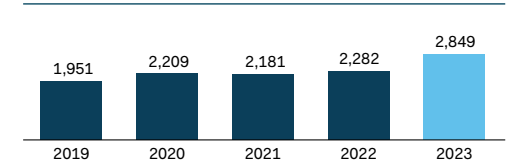
Financial highlights and key ratios

Group summary (DKKm)	2023	2022	2021	2020	2019
REVENUE AND INCOME					
Revenue	37,210	32,637	24,219	21,273	20,946
Operating profit before depreciation/amortisation (EBITDA)	2,849	2,282	2,181	2,209	1,951
Depreciation, amortisation and impairment losses	1,121	994	858	833	802
EBIT	1,727	1,288	1,323	1,376	1,149
Profit/loss after tax in associates and joint ventures	8	130	46	-36	50
Gains on divestments	0	0	3	2	29
Net financial items	-369	-114	-51	-133	-79
Profit before tax	1,367	1,304	1,322	1,209	1,149
Profit for the year	991	993	1,033	909	906
CASH FLOWS					
Cash flows from operating activities	1,777	319	517	2,296	1,410
Cash flow from investing activities	-1,521	-1,499	-924	-533	-1,043
Of which investment in property, plant and equipment	-819	-1,068	-751	-454	-774
Cash flows from financing activities	-367	1,377	237	-1,630	-421
Cash flows for the year	-111	196	-170	133	-54
INVESTED CAPITAL AND FINANCING					
Invested capital (ex. goodwill)	15,648	14,952	11,165	9,421	10,510
Total assets	27,896	28,445	21,488	17,994	18,777
Working capital	7,225	6,969	4,566	3,107	3,738
Net interest-bearing debt (NIBD)	6,339	5,790	2,773	1,936	3,298
Share of equity attributable to shareholders of Schouw & Co.	10,656	10,348	10,252	9,606	9,519
Non-controlling interests	900	889	397	0	2
Total equity	11,556	11,237	10,649	9,605	9,521
FINANCIAL DATA					
EBITDA margin (%)	7.7	7.0	9.0	10.4	9.3
EBIT margin (%)	4.6	3.9	5.5	6.5	5.5
EBT margin (%)	3.7	4.0	5.5	5.7	5.5
Return on equity (%)	8.9	9.3	10.1	9.5	10.0
Equity ratio (%)	41.4	39.5	49.6	53.4	50.7
ROIC excluding goodwill (%)	12.8	11.2	13.9	15.3	12.3
ROIC including goodwill (%)	10.7	9.3	11.2	12.3	10.0
NIBD/EBITDA ratio	2.2	2.4	1.3	0.9	1.7
Average no. of employees	15,488	12,278	10,210	9,393	9,683
PER SHARE DATA					
Earnings per share (of DKK 10)	39.78	40.59	42.02	38.04	38.27
Diluted earnings per share (of DKK 10)	39.76	40.58	41.85	38.00	38.27
Dividends per share (of DKK 10)	16.00	15.00	15.00	14.00	14.00
Net asset value per share (of DKK 10)	454.17	441.88	427.71	400.58	397.34
Share price, end of period (per share DKK 10)	553.00	524.00	569.00	616.00	560.00
Price/Net asset value	1.22	1.19	1.33	1.54	1.41
Market capitalisation, end of period	12,975	12,271	13,638	14,771	13,415

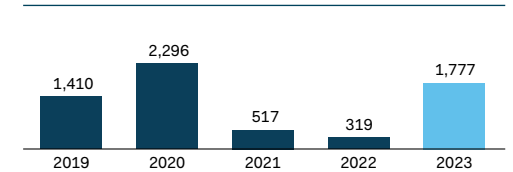
Revenue DKKbn



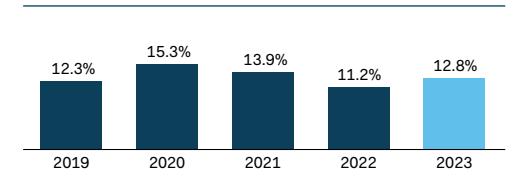
EBITDA DKKm



Cash flows from operating activities DKKm



Return on invested capital ROIC excluding goodwill





SEE VIDEO WITH JENS BJERG SØRENSEN

A word from our CEO

SOLID MOMENTUM

The Schouw & Co. Group had an excellent year in 2023 as the effects of our investments over the past few years are clearly feeding through. Delivering its best ever operating profit, the Group performed better than expected, and all six portfolio businesses are well-invested and solidly positioned. While acquisitions and capacity expansion have been a drag on the return on invested capital through the past couple of years, returns are now recovering. Despite the uncertainty currently affecting global markets, we expect to maintain EBITDA for 2024 in line with the 2023 figures.





We are responsible long-term owners creating growth through transformation of market-leading industrial companies.

Jens Bjerg Sørensen, President & CEO

Again in 2023, Schouw & Co. broke several records, reporting the highest revenue and EBITDA in its 145-year history. Revenue increased by 14%, while EBITDA was up by no less than 25% on 2022.

This profitable growth is the direct result of the investments we have made over the past few years. We have launched new projects, initiated new activities and leveraged potential – the effects of which began to feed through in 2023. However, some of our partially completed capacity investments will not flow through to results until 2024 and the following years as they are fully integrated.

In 2023, Schouw & Co. generated a solid cash flow from operations of DKK 1.8 billion. In February, we acquired the wind division from Swedish Ymer Technology, and during the course of the year, we finalised a number of other major investments. We paid a substantial

dividend to our shareholders in 2023 and launched a share buy-back programme, balancing distributions and investments to drive future progress. We also refinanced a substantial part of our debt, which has given us significant financial latitude.

Being as focused on growth and development as we are at Schouw & Co., you also need to take responsibility for your environmental footprint. We are therefore very pleased to have managed to reduce absolute carbon emissions from our companies every year since 2020, when we started recording our greenhouse gas emissions. While this year we are again issuing a separate ESG report for 2023 detailing both current efforts and goals, next year's annual report will be different, integrating both financial and non-financial information.

Schouw & Co.'s core strategy remains unchanged. We are respon-

sible long-term owners creating growth through transformation of market-leading industrial companies. We take a long-term approach and believe that results are created by people. We are active, patient and demanding owners.

Since 1988, when we began to diversify our ownership across various industries, we have had investments in a total of 12 companies. Today, we own six strong B2B businesses, all of which are well-invested with solid strategic platforms and the potential for sustained profitable growth. Our ownership has always been defined by a 'best owner' philosophy, meaning that we will continue to make attractive investments in transformation and developments for as long as possible.

2024 will be another eventful year. Significant changes to the global economy, major geopolitical tensions and, not least, technological developments and digitalisation are causing

major change for companies and consumers. At Schouw & Co., we are well prepared for change. We have action plans in place and are able to adjust if substantial change should occur. But we are also optimistic and confident that our businesses will be able to navigate changing circumstances and capitalise on any opportunities that may arise.

Jens Bjerg Sørensen,
President & CEO of Schouw & Co.
Aarhus, 1 March 2024

Our business model

Schouw & Co. has a long-term investment horizon. We invest in Danish industrial businesses with international operations and the potential to grow and evolve. We believe in long-term value creation through active ownership.

VALUES

schouw&co

When exercising ownership of a business, Schouw & Co. will always be guided by an intention to create value in a decent and trustworthy manner. Our aim is to consistently be relevant and meaningful owners and to challenge and develop our businesses. We do not believe that micromanagement and unnecessary reporting and intervention create long-term value.



Long-term and visionary

As owners, we willingly take risks and invest to future-proof our businesses with due consideration for the risk involved.



Results are created by people

We generate earnings and returns on a par with the best, but always in a decent and trustworthy manner.



Making every penny count

We have an industrial mindset and view operational streamlining as the foundation for greater efficiency and competitive strength.



A relevant owner

As owners, we know that change is necessary and we continually adapt, but we always safeguard Schouw & Co.'s reputation and values.



Patient, but demanding

We exercise an engaging and consistent ownership approach through and together with the current management team, supporting them in exercising their full operational responsibility.

Long-term horizon

- an important aspect of our business model

Since 1988, our strategy at Schouw & Co. has been to own and operate a portfolio of businesses in different industries. Schouw & Co. implements investments at various levels, but always for the purpose of generating the best return in a reliable and trustworthy manner.

Our aim is to consistently be a relevant and meaningful owner and to challenge and develop our businesses. Our strong managements have full operational responsibility and play an active role in long-term value creation.

Shareholders of Schouw & Co. gain exposure to businesses and investment opportunities that would not otherwise be available in the market.

Year in which company became part of the portfolio

1988

Hydra
Specma

2002

Fibertex
NONWOVENS

FIBERTEX
PERSONAL
CARE

BORG
AUTOMOTIVE

GPV

BioMar

2017

2016

2005



Active ownership

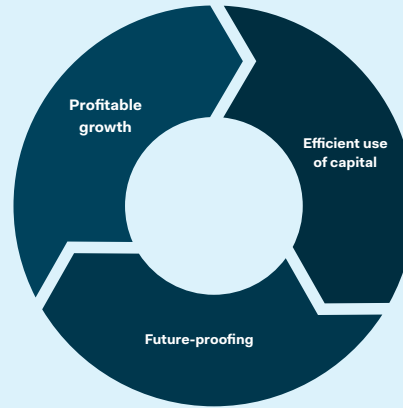
At Schouw & Co., our strategy is based on three 'wheels' that reflect the Group's modus operandi and our mindset. The wheels combine to illustrate how our diversified conglomerate strategy sets a common direction for financial and responsible development.

Conglomerate strategy



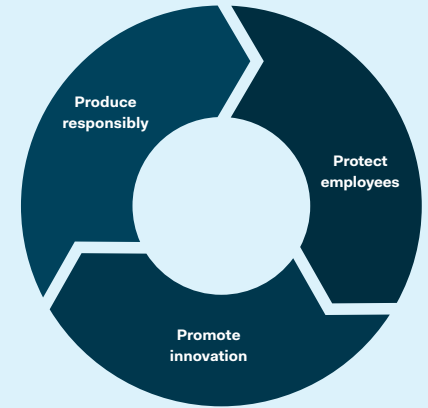
- Diversified portfolio** Since 1988, the cornerstone of our strategy has been to own and operate a portfolio of businesses in different industries.
- Active and developing ownership** Businesses under Schouw & Co. ownership consistently evolve and transform – and active ownership is deeply entrenched in our business model.
- Openness** As a listed company, we communicate openly about our targets and strategy, always with due consideration for our competitive situation.
- Financial versatility** Schouw & Co. must always have the financial resources to support its portfolio businesses and to pursue opportunities that may arise.

Active and developing ownership



- Profitable growth** All Schouw & Co. companies are focused on long-term profitability and growth, which we consider fundamental to value creation.
- Efficient use of capital** Our businesses must make optimal use of the capital made available to them by applying assets and working capital in the best way possible.
- Future-proofing** Investing in innovation, organisation and development is essential for long-term value creation and is given special priority by all of our businesses.

Responsibility



- Produce responsibly** The companies of the Schouw & Co. Group are required to manufacture their products efficiently in terms of resource consumption and climate impact.
- Protect employees** All employees of the Schouw & Co. Group must be able to go to work and return home safely every day – anywhere in the world.
- Promote innovation** Our companies assume a responsibility for ensuring strong governance and compliance, and they allocate resources for the development of sustainable solutions.

Our businesses



BioMar

One of the world's largest manufacturers of quality feed for the fish and shrimp farming industries. The core business areas are feed for salmon and trout as well as sea bass, sea bream and shrimp.

- Schouw & Co.'s biggest company
- Economic developments have only a limited effect on fish and shrimp farming
- Aquaculture makes for more sustainable food production

WHOLLY OWNED




GPV

One of Europe's leading EMS businesses. Manufacturer of electronics, mechanics, cable harnessing and mechatronics. Serves leading global customers in various segments.

- Electronics increasingly being integrated in industrial products
- Strong growth through significant acquisitions
- Substantial global presence in Asia, Europe and North America

80%-OWNED




HydraSpecma

Market-leading specialist within hydraulic solutions and components. Customer base of major OEM manufacturers and the aftermarket.

- The oldest member of our portfolio
- Solutions that combine hydraulics and electrification
- Major supplier to the global wind turbine industry

WHOLLY OWNED




Borg Automotive

Europe's largest independent automotive remanufacturing company. Sells to distributors and OE customers for almost all car makes.

- Business model based on the circular economy
- A remanufactured product requires 90% fewer raw materials than a new product
- Products for cars powered by combustion engines or electric motors

WHOLLY OWNED




Fibertex Personal Care

One of the world's largest manufacturers of spunmelt nonwovens for the personal care industry. Mainly sells products for baby diapers, sanitary towels and incontinence products.

- Not very sensitive to economic fluctuations
- Growth in Asia driven by growing middle class
- Most innovative supplier in the industry

WHOLLY OWNED



Fibertex Nonwovens

A leading global manufacturer of special-purpose nonwovens. Sells products for a wide range of applications, including for cars, the construction industry and for filtration solutions.

- Special-purpose materials with innovative applications
- Launching products based on organic cotton
- New investments to have an effect from 2024

WHOLLY OWNED

Management's report

A good year of solid momentum

Revenue up by a solid 14% in 2023, driven by major strategic acquisitions and a good level of activity. Record earnings: a 25% increase in full-year EBITDA was better than expected at the end of the third quarter, driven by acquisitions, a good level of activity and favourable cost performance. Solid cash flows strengthened financial versatility.

Financial performance

Generally, 2023 was a very good year for Schouw & Co. The Group started the year expecting sound demand in many business segments, but also with a sense of uncertainty as to market stability. Actual conditions proved overall to be more favourable than we had expected, both at the beginning of 2023 and as the year progressed. The Group's businesses were generally able to maintain sound levels of business activity and good cost efficiency, while also seeing positive effects of, for example, favourable price trends for raw materials and lower energy costs.

While lower prices of certain raw materials also meant lower revenue, the strategic acquisitions made have been growth drivers, and the solid business activity along with the other favourable factors have had a very good earnings impact. As a result, the full-year EBITDA guidance was also exceeded by a fair margin in the fourth quarter, even after it had been raised in both the second and the third quarters.

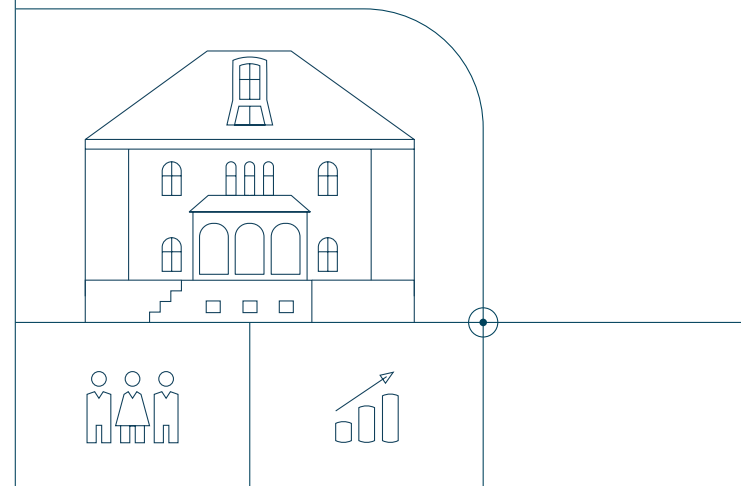
Consolidated revenue for Q4 2023 amounted to DKK 8,851 million, a 9% decline driven mainly by a combination of lower prices of raw

materials and a slight drop in volume sales. The revenue setback was due to BioMar and, to a lesser extent, Fibertex Personal Care and GPV, while the remaining businesses all reported revenue improvements in the fourth quarter.

On the other hand, the FY 2023 consolidated revenue was up by 14% to DKK 37,210 million, with GPV as the largest contributor to the increase following its combination with the EMS business Enics and coupled with increased business activity and higher component prices. The other businesses of the Group also con-

tributed to the improvement, with the exception of Fibertex Personal Care, which as expected reported much lower revenue than in 2022.

Consolidated EBITDA for Q4 2023 was up by 13% to DKK 763 million, with BioMar as the main contributor to the improvement. In addition, Hydra Specma reported an earnings improvement, while the other businesses all reported lower EBITDA than for Q4 2022. For the full-year 2023, reported EBITDA was up 25% to DKK 2,849 million. GPV and BioMar were the main contributors to the full-year improvement,



Q4 (DKKm)	2023 Q4	2022 Q4	Change	
Revenue	8,851	9,706	-854	-9%
EBITDA	763	676	86	13%
EBIT	444	347	96	28%
Income from associates	-29	30	-59	n/a
Profit before tax	334	284	50	18%
Cash flows from operating activities	29	605	-576	-95%

Full year (DKKm)	2023	2022	Change	
Revenue	37,210	32,637	4,573	14%
EBITDA	2,849	2,282	567	25%
EBIT	1,727	1,288	439	34%
Income from associates	8	130	-122	-94%
Profit before tax	1,367	1,304	62	5%
Cash flows from operating activities	1,777	319	1,458	457%
Net interest-bearing debt	6,339	5,790	549	9%
Working capital	7,225	6,969	255	4%
ROIC excluding goodwill	12.8%	11.2%	1.6pp	
ROIC including goodwill	10.7%	9.3%	1.4pp	



but Fibertex Nonwovens and HydraSpecma also lifted their earnings while Borg Automotive and Fibertex Personal Care both saw a drop in earnings year on year.

The consolidated revenue and EBITDA were thus in line with the preliminary guidance for 2023 provided in the company announcement of 19 January 2024.

Associates and joint ventures, which are recognised at a share of profit or loss after tax, contributed a DKK 29 million loss for Q4 2023 compared with a DKK 30 million profit in Q4 2022. This brought the full-year 2023 share of profit to DKK 8 million, which was less than expected and substantially less than the 2022 figure. The share of profit derived mainly from BioMar's operations, and was particularly the result of a negative fair value adjustment of the biomass in Chilean fish farming company Salmones Austral.

Consolidated financial items increased from an expense of DKK 114 million in 2022 to an expense of DKK 369 million in 2023, which was still somewhat better than expected. The amount breaks down into net

interest expenses of DKK 382 million partially offset by positive exchange rate adjustments of DKK 13 million.

This brought the consolidated profit before tax for 2023 to DKK 1,367 million against DKK 1,304 million in 2022. The profit before tax for the year resulted in corporate income tax of DKK 376 million against DKK 311 million in 2022.

Liquidity and capital resources

The Schouw & Co. Group's operations generated a cash inflow of DKK 1,777 million in 2023, compared with DKK 319 million in 2022. The highly satisfactory improvement was especially attributable to GPV, BioMar and Borg Automotive, but all the other businesses also reported improved operating cash flows relative to the previous year.

A total of DKK 1,521 million was spent on investing activities in 2023, which was a little more than the spend in 2022. Other than ongoing investing activity by all companies for production facility maintenance purposes, the 2023 spend was for HydraSpecma's acquisition of Ymer Technology's wind division and the settlement of Borg Automotive's

acquisition of the trading company SBS Automotive. In addition, GPV, BioMar and HydraSpecma all made capacity-expanding investments.

The Group's overall working capital grew from DKK 6,969 million at 31 December 2022 to DKK 7,225 million at 31 December 2023. The increase was mainly attributable to BioMar, which at the end of 2023 had reduced its supply chain financing relative to the previous year, and to HydraSpecma whose working capital was affected by acquired business operations. On the other hand, the two Fibertex businesses both reduced their working capital.

The net interest-bearing debt increased by DKK 549 million during the year to stand at DKK 6,339 million at 31 December 2023. Still, the financial gearing remains at a level where the Group considers its capital resources to be fully adequate to support the continuing operations and the anticipated expansion. In October 2023, Schouw & Co. successfully refinanced a significant part of its debt through the international Schuldschein market, thereby hedging the part of the Group's debt maturing in March and April 2024.

Group developments

During the past couple of years, the companies of the Schouw & Co. Group have worked intensively to align their businesses to a world of ever more volatile market conditions. Being able to react quickly to amended terms and conditions requires significant adaptability and commitment. The Group's industrial and geographic diversification makes this a complex task, but at the same time, it spreads risk and leads to good development opportunities.

Thanks to the Group's financial strength, the portfolio companies are able to build good positions with access to production capacity and supplies. Growth and development based on a long-term perspective and a 'best owner' philosophy are high priorities at Schouw & Co., as illustrated by recent years' investments in production capacity combined with major strategic acquisitions.

The following is a brief review of business developments of the portfolio companies for 2023.

BioMar reported flat revenue based on marginally lower volumes, but with some internal changes, mainly

from the Salmon to the LatAm Division. The reported EBITDA for the final months of the year was considerably better than expected, and the full-year EBITDA was up by 23%. On the other hand, the associates and joint ventures suffered an earnings decline that was mainly due to a negative fair value adjustment of the biomass in Salmones Austral.

GPV lifted its revenue by 76%, driven primarily by the combination with the EMS company Enics, which in 2022 was only consolidated for the fourth quarter. After a successful integration of the combined operations, the reported EBITDA for the final part of the year proved considerably better than expected, and full-year EBITDA was up by 60%.

HydraSpecma reported a 17% revenue improvement driven mainly by the wind division acquired from Ymer Technology effective from 1 February 2023. The company's reported full-year EBITDA was up by 6%, even with costs incurred to ensure a good integration process of the acquired activities.

Borg Automotive reported a moderate revenue improvement of

3% driven by an increase in sales of remanufactured products that combined with higher prices offset the effect of relatively challenging market terms applying to goods for resale. The company's reported full-year EBITDA was down by 15% year on year, in part due to the competitive market for goods for resale.

Fibertex Personal Care reported a 23% revenue decline driven by a combination of lower prices of raw materials and reduced volume sales. However, the company managed to keep EBITDA at last year's level thanks to reduced production costs, higher margins on its US-based print operations and lower energy prices, which offset the lower volumes and the effects of the increasingly competitive Asian market.

Fibertex Nonwovens reported a 5% revenue improvement driven mainly by an increase in volume sales that offset reduced selling prices caused by lower prices of raw materials. The reported full-year EBITDA improved by 53% year on year due to a good product mix coupled with lower energy prices and a positive effect from price developments for raw materials.

Events after the balance sheet date

Other than as set out elsewhere in this annual report, Schouw & Co. is not aware of events occurring after 31 December 2023 which are expected to have an effect on the Group's financial position or outlook.

Dividend

The Board of Directors recommends to the Annual General Meeting that the dividend for 2023 be raised to DKK 1.6 per share, an amount equal to 2.9% of the market capitalisation at 31 December 2023. As a result, total dividend payments will amount to DKK 408 million, equal to a payout ratio of 44% after tax.



Schouw & Co. is a responsible long-term owner creating growth through transformation. We build the companies of tomorrow by putting people first.

Jens Bjerg Sørensen, President & CEO

Outlook

Stable outlook despite global uncertainty

The companies of the Schouw & Co. Group are well-positioned to tackle the international competition and have both the commitment and the ability to exploit the varying market opportunities. There are many changes to the global economy and major geopolitical tensions all causing uncertainty, but we expect to maintain EBITDA for 2024 in line with the 2023 figures.

Outlook for 2024

The year 2023 proved to be more stable than anticipated early on. However, that does not imply a stable outlook for 2024. There are many changes to the global economy and major geopolitical tensions all causing uncertainty in several of the international markets of importance to Schouw & Co. sales.

The companies of the Schouw & Co. Group stand prepared for potentially sudden and frequent changes to practical market terms. Having the commitment to react quickly to changing circumstances is important, but a company must also have

the ability to adapt, and that generally requires having flexible production capacity. In 2023, Schouw & Co. continued to invest to build capacity and international positioning for its portfolio companies through organic and acquisitive investment totalling more than DKK 1.5 billion. All investments made to support transformative and long-term strategic developments.

Schouw & Co. expects in 2024 to maintain the high level of business activity of 2023 despite the persistent market uncertainties. The current outlook is for business

activity to soften in the first half of the year, in part due to value chain adjustments, while performance in the second half could well improve on sound underlying demand.

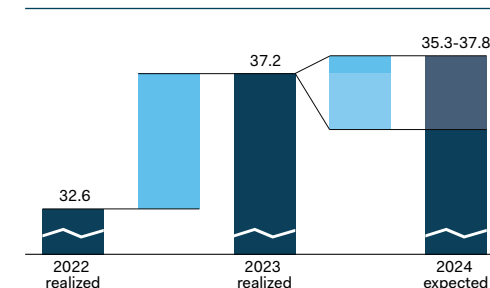
The following is a brief review of the revenue and EBITDA forecasts for the individual companies in 2024:

BioMar expects to maintain a high level of business activity, although varying market conditions and volatile raw material prices may, as always, affect the revenue developments substantially. BioMar expects to generate earnings in line with

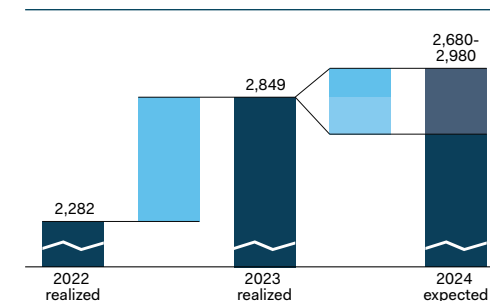
the 2023 figure and for the share of profit from associates to be closer to normal levels.

GPV has made a conservative forecast of demand for the first half of 2024, but expects that demand could grow stronger in the second half. On that background, GPV expects to report a considerable drop in revenue relative to 2023. However, based on well-managed efficiency and additional positive effects from the combination with Enics, GPV expects to generate EBITDA in line with the 2023 figure.

Revenue
DKKbn



EBITDA
DKKm



HydraSpecma expects to maintain a high level of activity in 2024, but will probably see certain shifts between customer segments as well as some degree of uncertainty as to the effects of any adjustments made to the value chain during the first half of the year. Overall, HydraSpecma expects revenue and EBITDA in line with the 2023 figures.

Borg Automotive expects to see sound demand for remanufactured products and positive effects from the ramped-up efforts to drive goods for resale that combined can contribute to revenue improvements in 2024. The increase in business activity is also expected to strengthen EBITDA.

Fibertex Personal Care continues to face extremely competitive markets in Asia. Business activity is expected to soften, and considering the outlook for tough price competition in Asia and reduced average prices of raw materials, the company lowers its revenue forecast relative to 2023. Fibertex Personal Care expects the 2024 EBITDA to be substantially lower than the 2023 figure.

Fibertex Nonwovens expects an increase in business activity in 2024, in part due to an increase in produc-

tion capacity in the North American market. As a result, Fibertex Nonwovens expects an increase in revenue and a substantial improvement of EBITDA in 2024.

Schouw & Co. Group's overall guidance

Schouw & Co. generates a substantial part of its revenue by converting raw materials or by processing procured components. As a result, changes in prices of materials and foreign exchange rates may have a significant impact on revenue, even though the underlying activity may be unchanged. Similarly, changes in revenue resulting from changes in prices of materials will not necessarily trickle down to earnings.

In a company announcement of 19 January 2024, Schouw & Co. released its preliminary full-year guidance. Since then, price forecasts for certain raw materials and components have changed slightly, resulting in a marginal downward adjustment of the guided 2024 revenue range. However, there is still high volatility in the prices of a number of raw materials and other materials, which can have a significant impact on revenue forecast throughout the year.

Overall, the Schouw & Co. Group now projects full-year 2024 consolidated revenue in the DKK 35.3-37.8 billion range compared with DKK 37.2 billion in 2023.

Schouw & Co. provides consolidated earnings guidance at EBITDA level based on an aggregation of individual portfolio company forecasts, but actual portfolio company EBITDA results may deviate from these individual forecasts. Accordingly, the actual guidance is expressed through consolidated EBITDA, which for 2024 is in the range of DKK 2,680-2,980 million, which is in line with the preliminary EBITDA range announced on 19 January.

Depreciation and amortisation charges are expected to increase from DKK 1,121 million in 2023 to approximately DKK 1,150 million in 2024, due to investments and acquisitions made. As a result, the Group guides for consolidated 2024 EBIT in the range of DKK 1,530-1,830 million.

Associates and joint ventures, most of which form part of the BioMar business, are expected to contribute a combined share of profit after tax of approximately DKK 70 million

in 2024, which is consistent with a relatively more normal level than the 2023 figure.

Given the current level of interest rates, consolidated financial items for 2024 are expected to be an expense of approximately DKK 425 million before any foreign exchange or other adjustments. In 2023, consolidated net financial items were a total expense of DKK 369 million including positive exchange rate adjustments, etc. of DKK 13 million.

Revenue (DKKm)	2024 expected	2023 actual	2022 actual
BioMar	17,500-18,500	17,878	17,861
GPV	9,100-9,700	10,450	5,923
HydraSpecma	2,900-3,200	2,972	2,536
Borg Automotive	1,900-2,100	1,876	1,815
Fibertex Personal Care	1,600-1,800	1,891	2,454
Fibertex Nonwovens	2,300-2,500	2,158	2,060
Other/eliminations	-	-15	-13
Total revenue	35,300-37,800	37,210	32,637

Profit for the year (DKKm)	2024 expected	2023 actual	2022 actual
BioMar	1,210-1,290	1,250	1,013
GPV	700-760	743	465
HydraSpecma	300-340	323	306
Borg Automotive	170-200	153	180
Fibertex Personal Care	160-200	262	269
Fibertex Nonwovens	200-240	169	111
Other	-60-50	-52	-61
EBITDA	2,680-2,980	2,849	2,282

PPA depreciation/amortisation	-160	-155	-130
Other depreciation/amortisation	-990	-966	-864
EBIT	1,530-1,830	1,727	1,288

Associates and JVs	70	8	130
Net financial items	-425	-369	-114
Total profit before tax	1,175-1,475	1,367	1,304

Amortisation, depreciation and capex

Reduced investing needs in 2024

The companies of the Schouw & Co. Group are generally well-invested and have the capacity and potential to capitalise on any market opportunities that may arise. The Group had a high level of investing activity in 2023, including both company acquisitions and capex investments. The level of capex investments is expected to be slightly lower than seen in recent years.

Depreciation

Schouw & Co. generally describes its financial results and guidance at EBITDA level. However, the Group believes in the importance of reporting developments further down the income statement and so also discloses each portfolio company's depreciation/amortisation and impairment charges. Details of depreciation/amortisation for the individual portfolio companies are shown in the table.

Total PPA-related depreciation and amortisation from the acquisition of businesses in 2023 amounted to DKK

155 million and related to BioMar, GPV, HydraSpecma and Borg Automotive. In 2024, PPA-related depreciation and amortisation is expected to amount to about DKK 160 million.

Other depreciation/amortisation and impairment charges are expected to increase from DKK 966 million in 2023 to about DKK 990 million in 2024 due to ongoing additions and disposals. Other depreciation/amortisation and impairment charges in 2023 were slightly higher than expected because BioMar wrote off goodwill relating to Viet-Uc by DKK 36 million, while changes to foreign

exchange rates have generally had the effect of reducing those charges.

Capex

Investing for growth and development is a high priority for Schouw & Co., including in particular for capacity-expanding investments in the Group's portfolio companies, and for the past many years, the Group has maintained a high level of investing activity in order to ensure it had modern and efficient production facilities. The Group also makes ongoing investments, such as for energy-optimising purposes and for transitioning to more sustainable processes.

In fact, 2023 was also a year of a high level of investment, given company acquisitions of DKK 684 million and net capex investments of DKK 858 million. The latter amount was slightly lower than expected at the beginning of the year due to timing differences for certain investments, among other things. The difference from the total investment for the year of DKK 1,521 million was mainly due to dividends received from associates.

In other words, the Group's businesses are generally well-invested, and capex investments in 2024 are expected to be slightly lower than the 2023-figure.

Capacity expansion

Due to the nature of the operations run by the Schouw & Co. Group, large capacity-expanding investments will often trigger a massive increase of production capacity. When such large facilities are commissioned, capacity will often be phased in gradually, meaning that the company may not fully operate at the desired capacity utilisation and current results may not necessarily reflect the full potential of its overall assets.

At Schouw & Co., a decision to make an investment of such magnitude will always be based on an assessment

of anticipated demand at the time the added capacity becomes operational, combined with a strategic assessment of the general market prospects in subsequent years. Obviously, on a long investment horizon, actual developments may prove to be different from any assessment made at the time of the investment decision.

DKKm	PPA depreciation/ amortisation		Other depreciation/ amortisation and impairment		Total depreciation/ amortisation and impairment	
	2024	2023	2024	2023	2024	2023
BioMar	45	46	335	344	380	390
GPV	45	43	285	268	330	311
HydraSpecma	30	29	105	94	135	123
Borg Automotive	39	36	36	38	75	74
Fibertex Personal Care	1	1	119	124	120	125
Fibertex Nonwovens	0	0	109	97	109	97
Other	0	0	1	1	1	1
Total	160	155	990	966	1,150	1,121



**Schouw & Co.
exercises long-term
and developing
ownership of leading
B2B businesses.**

Jørgen Dencker Wisborg, Chairman of the Board of Directors of Schouw & Co.

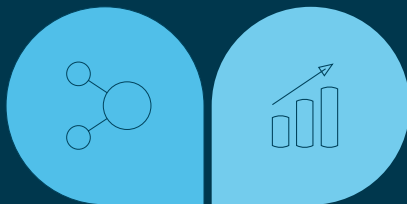
Focus on transformation

Transformation is key at Schouw & Co. in our efforts to develop leading Danish industrial businesses through long-term active ownership. There is no set formula for how transformation should unfold. It will always depend on the specific company, the specific opportunities available and what is the best way to create value.

Transformation covers a range of different factors

Drive step change

- Implement major acquisitions
- Drive industry consolidation
- Build a foundation for long-term growth



Accelerate growth

- Invest for new capacity
- Establish new market positions
- Develop products and services



Ensure innovation

- Optimise business models
- Accelerate product development
- Future-proof value propositions



Push boundaries

- Focus on digital transformation
- Develop managements and organisations
- Responsible approach to sustainability



Our purpose at Schouw & Co.



Schouw & Co. is a responsible long-term owner creating growth through transformation. We build the companies of tomorrow by putting people first.

Strategic targets

Schouw & Co. applies strategic targets at both group and company levels. Our strategic ambition for 2025 is to generate revenue of more than DKK 40 billion and EBITDA of more than DKK 3 billion.

Group level



Return

ROIC more than 15%

Current status Average ROIC excluding goodwill of 13% over the past five years



Gearing

NIBD/EBITDA preferably 1-2.5x

Current status Average NIBD/EBITDA of 1.7x over the past five years



Dividend

Constant or rising dividends

Current status Dividend raised three times and total dividend payments of DKK 1.9 billion over the past five years

Company level



Growth

Significant growth every year

Current status Average growth rate of 15% per year over the past five years



Earnings

On a par with the best

Current status Generally, all portfolio companies are in the top tier of their respective industries



Responsible conduct

Innovative products and producing responsibly

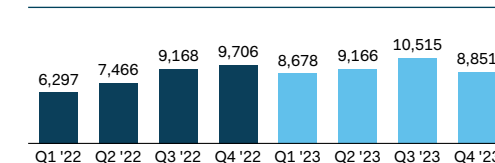
Current status All portfolio companies have defined strong ESG objectives for the period to 2030

Quarterly financial highlights

(DKKm)	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23
INCOME STATEMENT								
Revenue	6,297	7,466	9,168	9,706	8,678	9,166	10,515	8,851
Contribution margin	879	1,039	1,139	1,242	1,083	1,228	1,463	1,330
EBITDA	364	564	677	676	511	666	909	763
Depreciation, amortisation and impairment losses	215	220	230	329	267	261	275	319
EBIT	149	344	448	347	244	406	634	444
Profit after tax in associates and JVs	12	40	49	30	0	38	0	-29
Net financial items	78	-29	-69	-93	-81	-129	-79	-81
Profit before tax	238	355	427	284	163	314	555	334
Tax on profit for the period	-49	-73	-97	-93	-53	-89	-134	-100
Profit for the period	190	282	330	191	109	225	421	234
CASH FLOWS								
Cash flows from operating activities	-632	467	-121	605	-96	354	1,490	29
Cash flow from investing activities	-294	-486	-260	-460	-580	-271	-157	-512
Cash flows from financing activities	881	58	440	-2	665	-160	-1,111	239
BALANCE SHEET								
Intangible assets	3,534	3,774	3,844	4,267	4,622	4,571	4,589	4,505
Property, plant and equipment	5,314	5,549	5,761	6,093	6,106	6,126	6,170	6,169
Other non-current assets	1,718	1,718	1,791	1,854	1,855	1,773	1,950	1,949
Cash and cash equivalents	457	496	567	712	693	603	828	584
Other current assets	11,440	12,923	14,385	15,519	15,745	16,430	16,204	14,690
Total assets	22,463	24,459	26,347	28,445	29,020	29,503	29,741	27,896
Equity	10,851	10,905	11,410	11,237	11,243	10,958	11,503	11,556
Interest-bearing liabilities	4,491	4,989	5,551	6,680	7,412	7,599	6,712	7,107
Other liabilities	7,121	8,566	9,386	10,529	10,365	10,945	11,526	9,233
Total equity and liabilities	22,463	24,459	26,347	28,445	29,020	29,503	29,741	27,896
Average no. of employees	11,083	11,566	11,720	14,250	15,314	15,740	15,662	15,275
FINANCIAL DATA								
Contribution margin	14.0%	13.9%	12.4%	12.8%	12.5%	13.4%	13.9%	15.0%
EBITDA margin	5.8%	7.6%	7.4%	7.0%	5.9%	7.3%	8.6%	8.6%
EBIT margin	2.4%	4.6%	4.9%	3.6%	2.8%	4.4%	6.0%	5.0%
ROIC excluding goodwill	12.1%	11.5%	11.3%	11.2%	11.4%	11.3%	12.4%	12.8%
ROIC including goodwill	9.9%	9.4%	9.3%	9.3%	9.5%	9.5%	10.4%	10.7%
Working capital	5,528	5,688	6,403	6,969	7,408	7,465	6,710	7,225
Net interest-bearing debt	3,845	4,307	4,804	5,790	6,550	6,825	5,714	6,339

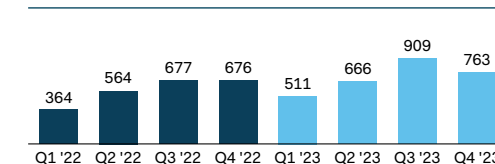
Revenue

DKKm



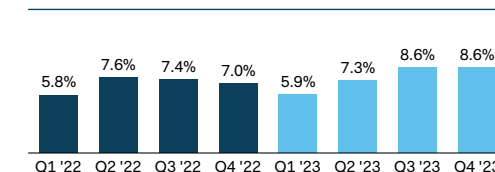
EBITDA

DKKm



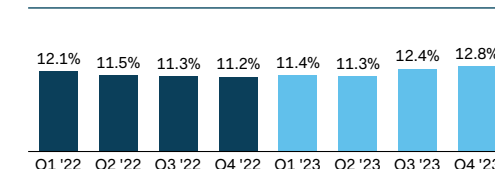
EBITDA margin

per cent



ROIC excluding goodwill

per cent



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Schouw & Co.'s business model is to own a diversified portfolio of companies operating in various industries. While there are no operational synergies between the companies, they share a common modus operandi, and managing matters such as financing centrally provides major financial benefits. All portfolio companies hold a leading position in their industry or niche.

OUR BUSINESSES



BioMar is one of the world's largest manufacturers of quality feed for the fish and shrimp farming industries. The core business areas are feed for salmon and trout as well as shrimp, sea bass and European bass. Innovation is an integral part of BioMar's business model, coupled with a focus on sustainability, which forms a key aspect of global aquaculture today.





As one of the world's largest manufacturers of quality feed for fish and shrimp, BioMar is strongly and firmly positioned in a long-term, attractive growth industry.

Carlos Diaz, CEO of BioMar

Market

Aquaculture plays a key role in the food supply of the future, as fish farming is the best way to secure a more sustainable approach to increasing the supply of fish and avoid overfishing the oceans. There is a global need for healthy and sustainable sources of protein, and according to FAO, the UN Food and Agriculture Organization, the global production of fish in 2030 is expected to be about 15% higher than the current output. Already, more than 50% of the world's fish and shrimp are raised in aquaculture, which is the fastest growing food production industry.

Feed plays a very significant role in aquaculture, being the predominant factor in determining the nutritive content and thereby the state of health of a fish or a shrimp. Feed is also a major factor in the climate impact of fish and shrimp farming, as feed ingredients have the greatest climatic impact. Continuous investment in R&D is thus essential when it comes to producing healthy and sustainable fish and shrimp for human consumption.

For many years, BioMar has been a leading player in terms of ongoing product development and in working with new, innovative and more sustainable ingredients. With its cus-

tomised products for a broad range of species combined with a presence in Europe, Latin America and Asia, BioMar has a strong, central position in the market.

Geography

BioMar is headquartered in Aarhus, Denmark, and the company's operations are divided into divisions. The Salmon Division covers salmon feed from feed factories in Norway, Scotland, Chile and Australia.

The remaining feed operations are divided geographically into: The EMEA Division with factory sites in Denmark, France, Spain, Greece and Türkiye; the LatAm Division with fac-

tory sites in Ecuador and Costa Rica; and the Asia Division with factory sites in China and Vietnam. BioMar also operates a Tech Division that is focused on technology for developing more efficient and sustainable intelligent feed solutions.

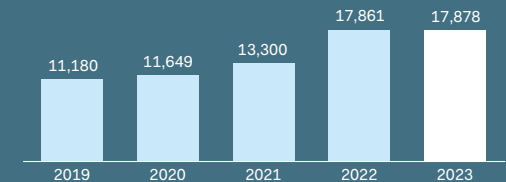
Ownership – past and present

In 2005, Schouw & Co. took a 68.8% majority interest in BioMar, then a listed company. BioMar became a wholly-owned subsidiary following a merger in 2008.

Revenue performance from 2022 to 2023

+0.1%

Revenue performance (DKKkm)



BioMar

Strong end to the year drove record high EBITDA

A strong Q4 performance drove a record-high full-year EBITDA, which turned out substantially better than had been expected thanks in particular to improvements in the Salmon Division. On the other hand, the share of profit from associates fell short of expectations. BioMar expects the strong financial results to continue in 2024, and the share of profit from associates is expected to recover.

Financial performance

Volumes sold in the fourth quarter fell by 7% year on year, following the record-high volume sales in Q3 2023. Strong growth in shrimp feed sales in Ecuador partly offset the effect of reduced volumes during the quarter in Norway and in the Mediterranean region. As a result, total volumes sold in 2023 were down 1% compared with 2022.

The reported revenue reflected the reduced volume sales as well as lower prices on a number of raw materials, although current prices of fish oil and fish meal are high. The

reported Q4 2023 revenue was DKK 4,214 million, a 15% decline from the same period of 2022. Exchange rate developments during the quarter had a negative impact on revenue of approximately DKK 275 million and were mainly related to the weaker Norwegian krone. Overall revenue for 2023 was DKK 17,878 million and in line with the 2022 figure. Exchange rate developments had a negative impact on the full-year revenue of about DKK 1.1 billion.

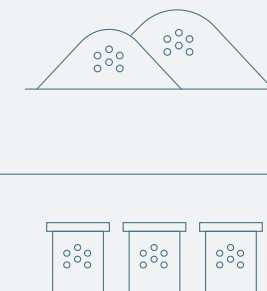
The Salmon Division reported a drop in volume sales in the fourth quarter that was driven by lower volumes,

mainly in Norway but also in Chile. The lower volumes in Norway reflected reduced contract positions, because BioMar has prioritised long-term relationships with fish farmers, but were also due to biological factors and an earlier harvest of fish stock biomass. However, the market momentum was supported by a broad product offering and a focus on commercial excellence, so the division's earnings improved substantially.

The EMEA Division reported volume sales slightly below the level of the fourth quarter of 2022. Its revenue

also declined, mainly driven by the markets of the Mediterranean region, and earnings were slightly below the Q4 2022 figure.

The LatAm Division reported substantial improvements in both volume sales and revenue in the fourth quarter. Earnings improved thanks to stronger contract positions in a market otherwise challenged by low prices on farmed shrimp. BioMar continues to strengthen its offering of products, concepts and services, mainly in the Ecuadorian market where the company has added new production capacity by way of



BioMar (DKKm)	2023 Q4	2022 Q4	FY 2023	FY 2022
Volume, Salmon	229	265	972	1,016
Volume, other species	116	107	466	441
Total volume ('000 tonnes)	345	372	1,437	1,456
Revenue, Salmon	3,085	3,863	13,126	13,510
Revenue, other species	1,129	1,111	4,752	4,350
Total revenue	4,214	4,974	17,878	17,861
EBITDA, Salmon	303	190	842	669
EBITDA, other species	94	104	408	343
Total EBITDA	397	294	1,250	1,013
EBIT	265	149	860	602
CF from operations	-482	312	665	299
Working capital	2,141	1,977	2,141	1,977
ROIC excluding goodwill (%)	22.1%	16.1%	22.1%	16.1%



two extruder lines that are now in operation.

The consolidated part of the Asia Division, which only covers operations in Vietnam, is still under development. Volume sales have increased, but not to the extent anticipated, and earnings from these operations remain impacted by costs incurred for market build-up purposes. Operations in the Tech Division, which was established after the acquisition of AQ1, reported a drop in revenue. While there has been sound market interest in the technology solution, the division is experiencing that customers are to some extent holding back on their investments, as they are feeling the effects of currently low prices of farmed shrimp. The division continues to implement strategic initiatives as well as developing its organisation and building know-how and expertise, resulting in a slight drop in earnings relative to Q4 2022.

Overall EBITDA for Q4 2023 improved by a considerable margin to DKK 397 million from DKK 294 million in Q4 2022, reflecting the contribution margin improvement relative to last year. The FY EBITDA was at a record high of DKK 1,250

million, for a 23% year-on-year improvement which was considerably higher than the most recent forecast.

The shrimp farming operations in Vietnam has for some time faced disease outbreaks and low settlement prices. In combination with the competition it is exposed to from the highly efficient operations in Ecuador, this has severely delayed the developments expected after BioMar's acquisition of the Vietnamese shrimp farming business Viet-Uc. As a result, BioMar has now written off the carrying amount of goodwill by DKK 36 million relating to Viet-Uc. The goodwill arose in connection with the acquisition of the company, as the acquisition price was based on the expected future earnings. BioMar still has positive expectations for the shrimp feed market in Vietnam, but these have been lowered from the original forecast.

Working capital increased from DKK 1,977 million at 31 December 2022 to DKK 2,141 million at 31 December 2023, mainly driven by increased trade receivables, whereas inventories and trade payables were reduced. While the lower revenue in Q4 2023 contributed to

reducing trade receivables, BioMar is experiencing growing pressure from customers for extended credit terms, and is also seeing an increase in late customer payments. BioMar applies supply chain financing programmes intended to reduce commercial risk and to develop and strengthen long-term relations in the supply chain. The use of supply chain financing on the supplier side fell from DKK 980 million at 31 December 2022 to DKK 764 million at 31 December 2023, partly due to new collaboration arrangements with suppliers, which have not yet been incorporated in the supply chain financing programme.

ROIC excluding goodwill improved to 22.1% at 31 December 2023 from 16.1% at 31 December 2022, driven by the stronger earnings and the reduced average invested capital.

Joint ventures and associates

BioMar manufactures fish feed in China and Türkiye through two 50/50 joint ventures with local partners. These activities are not consolidated, but due to their large growth potential, being strongly represented in these markets is very important to BioMar. The two feed businesses reported a combined revenue of DKK 1,844 million (100% basis) and

EBITDA of DKK 179 million for 2023, against revenue of DKK 1,665 million and EBITDA of DKK 120 million in 2022.

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 2023 consolidated financial statements at a DKK 6 million share of profit after tax, compared with a DKK 130 million share of profit after tax in 2022. The considerable decline was largely attributable to a fair value adjustment of the biomass in Salmones Austral.

Business review

BioMar endeavours to be a strong partner to all its stakeholders. BioMar will stay focused over the coming quarterly periods on taking advantage of the downward trends in prices of raw materials where possible. In addition, BioMar will be strongly focused on delivering on the company's sustainability ambitions, which are demanded by customers and consumers, and which are essential for long-term value creation.

Sustainability efforts form an integral part of BioMar's strategy, which includes a focus on the use of alternative raw materials and on generally reducing the climate impact. BioMar's strategy also centres on a commercial excellence programme intended to strengthen customer service and exploit the earnings potential.

BioMar has an ambition to be recognised consistently as an innovative business supplying competitive feed products and related technical services to the professional fish farming community. The group ploughs back 12-15% of operating profit into research and development. The company employs highly-trained specialists and has a long-standing tradition for collaborating with research institutions in several countries, and often fish farming operators become involved in the development processes.

In August 2022, BioMar signed a letter of intent with an Icelandic business partner for establishing feed production in Iceland. Aquaculture has evolved strongly in Iceland in recent years with a significant focus on sustainability. Efforts to explore the business opportunities and negotiations with the potential

partner on the project have now been concluded with the result that BioMar will be exploring other opportunities for establishing its own operations in Iceland.

Outlook

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

BioMar is well positioned in the market, with a high level of quality and a strong focus on sustainability and advanced fish farming technology. In the short term, demand for feed is likely to be affected by current market conditions, including the substantial volatility in prices of raw materials and by the selling prices of farmed fish and shrimp. In shrimp farming, due to the short farming period relative to salmon farming, demand for feed is easily affected by volume adjustments in farming operations.

BioMar is currently investing to upgrade its global ERP platform. The substantial investments made weighs on earnings both in 2023 and in coming years, but will also bring BioMar to a next level of digitalisation, more transparency and global excellence processes.

BioMar expects to generate full-year 2024 revenue of about DKK 17.5-18.5 billion, but changing market conditions and volatile prices of raw materials may as always impact the revenue forecast substantially. Given the current outlook, the company expects 2024 EBITDA in the range of DKK 1,210-1,290 million.

The non-consolidated associates and joint ventures are recognised at a share of profit after tax. The share of profit after tax, which in 2023 was severely affected by a negative fair value adjustment of the biomass in Salmones Austral, is expected to improve to around DKK 70 million in 2024.



We are dedicated to innovating aquaculture. BioMar's purpose is rooted in our heritage and commitment to aquaculture. We provide sustainable and high-yielding quality feed for a wide range of fish and shrimp species worldwide.

Carlos Diaz, CEO, BioMar



GPV is a leading European EMS (Electronics Manufacturing Services) business. GPV produces complex solutions within the areas of electronics, mechanics, cable harnessing and mechatronics (combination of electronics, mechanical technology and software) for its range of international industrial customers. GPV's solutions are used in customer end products in the market segments of Industrials, Measurement & Control, BuildingTech, Transport, CleanTech, MedTech and HighTech Consumer.





Under Schouw & Co. ownership, GPV has evolved into one of the largest European EMS companies and a main driver of innovation.

Bo Lybæk, CEO of GPV

Market

Electronics play an ever more prominent role in society, whether in everyday life or in industry and manufacturing. In these sectors, the integration of electronics, increased data usage and increased automation will serve to make everyday life easier, optimise manufacturing processes, reduce resource consumption and increase quality of life. In the production of advanced electronics, increased specialisation results in a tendency for many businesses to focus on their core services and to outsource the manufacturing of electronics to dedicated EMS partners such as GPV.

GPV's market is in the high-mix segment, which is generally characterised by highly complex manufacturing processes. GPV supplies many different products to customers in the mentioned market segments in which electronics play an increasingly important role. Many of these products provide direct or indirect support for the green transition for use in work to optimise processes, reduce energy consumption, etc.

The most important aspect of GPV's operations is the actual production of electronics, and the company has the necessary technologies available in Europe, Asia and North America. Electronics production is supple-

mented by mechanical products manufactured at GPV's factories in Denmark and Thailand and by cable harnessing products produced at the factories in Austria and Slovakia.

In addition, GPV's value proposition to its customers also includes a wide range of key services, including assisting in product development and design, prototyping, production maturation and setting up test procedures, box build and system integration as well as testing and aftersales services.

Geography

Head office in Vejle, Denmark, and manufacturing facilities in Denmark,

Sweden, Finland, Estonia, Switzerland, Germany, Austria, Slovakia, Sri Lanka, Thailand, Malaysia, China and Mexico.

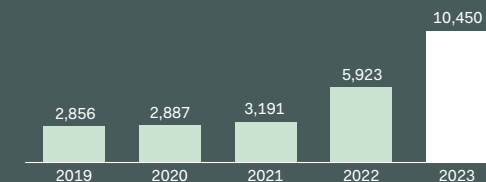
Ownership – past and present

GPV was founded in 1961 and became a part of the Schouw & Co. Group in 2016. The company has subsequently expanded through combinations with a number of complementary businesses, and today, GPV is the second-largest European-headquartered EMS company and in the global Top-25. Schouw & Co. holds an 80% ownership interest in GPV.

Revenue performance from 2022 to 2023

+76%

Revenue performance (DKKm)



GPV

Successful integration of combined operations

EBITDA for the fourth quarter was substantially better than expected, and GPV closed out a good year with the successful integration process following the combination with Swiss company Enics. The supply situation has generally improved, but component prices are expected to remain high in 2024. Revenue expected to move lower in 2024, especially in the first half, while the full-year EBITDA forecast is expected to be in line with the 2023 figure.

Financial performance

GPV reported Q4 2023 revenue of DKK 2,530 million, a 4% decline from DKK 2,624 million in Q4 2022. Revenue developments were driven by minor changes to demand from a number of specific customers, but also by generally softer customer demand during the quarter. High prices of components and materials continued to add to revenue, while also squeezing margins. Full-year revenue increased from DKK 5,923 million in 2022 to DKK 10,450 million in 2023. The substantial improvement was mainly driven by

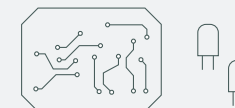
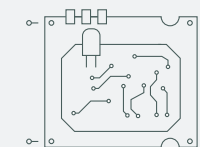
the combination with Swiss company Enics, which in 2022 was only consolidated in the fourth quarter, but consistently strong demand from a number of existing GPV customers also contributed.

The Q4 2023 EBITDA was DKK 178 million against DKK 181 million in Q4 2022, which was better than expected. As a result, the reported FY 2023 EBITDA was up by 60% to DKK 743 million, even with costs incurred during the year to ensure a good integration process of the combined activities from Enics.

The combination with Enics and the resulting revenue increase obviously had an effect on EBITDA. Part of the added revenue was achieved because the combined company succeeded in delivering much of the outstanding orders that were previously impacted by component shortages. Other contributing factors were effective cost management and high capacity utilisation at GPV's factories.

Working capital increased from DKK 2,566 million at 31 December 2022 to DKK 2,620 million at 31

December 2023. While this is a modest increase, GPV managed to reverse the negative working capital trend, reducing working capital by DKK 168 million in the course of the fourth quarter. ROIC excluding goodwill was reduced from 11.5% at 31 December 2022 to 10.9% at 31 December 2023.



GPV (DKKm)	2023 Q4	2022 Q4	2023 Full year	2022 Full year
Revenue	2,530	2,624	10,450	5,923
EBITDA	178	181	743	465
EBIT	97	103	432	292
CF from operations	272	-41	351	-281
Working capital	2,620	2,566	2,620	2,566
ROIC excluding goodwill (%)	10.9%	11.5%	10.9%	11.5%

Business review

The integration of GPV and Enics was kicked off immediately after the combination in October 2022. From the outset, the integration process was structured under the heading One.New.Leader. The objective throughout the process was to build a mutual understanding in-house and to ensure a common approach to customers and suppliers under the GPV brand. The integration process for the planned areas had a good momentum, and the integration process is considered complete at the end of the fourth quarter of 2023. As a result, tasks that remain form part of the ordinary day-to-day operations. During the final part of the year, focus was on drawing up a joint budget for 2024 and to perform an ordinary strategic review. The updated strategy for the combined GPV for the period to 2028 continues to indicate a solid potential.

Meeting customer demands is a key priority for GPV. To ensure adequate flexibility, the company made a number of investments in 2023 to expand capacity and accelerate automation, primarily in the major expansion projects at two factories, one in Thailand and one in Sri Lanka. At the end of March 2023, GPV took delivery of the

newly constructed mechanics facility in Thailand, which began operations immediately thereafter, following which the next phase of GPV's expansion in Thailand – stepping up the production of electronics at the former mechanics facility – was kicked off. At the end of the third quarter of 2023, GPV commenced operations at its new electronics factory in Sri Lanka.

In addition, in the second quarter of 2023, GPV initiated an expansion of electronics production in Mexico, and the initial phase of doubling the production area is expected to be completed in early 2024. GPV has also started up a substantial extension of its production facilities in Slovakia, where customers have shown great interest in expanding the collaboration.

The work to optimise the global production platform has led to the closing of the existing factory in Malaysia. The factory site is expected to shut down during the first half of 2024, and a provision for the expected costs of the closure was made in the financial statements for 2023. The anticipated benefits of having a lower cost base, increased efficiency and higher capacity utilisation indicates a relatively short

payback period, and the closure is an inherent part of harvesting synergies from the combination with Enics.

Following the change, GPV will have production facilities across 12 countries on three continents. The company is the second-largest European-headquartered EMS company and in the Top-25 globally.

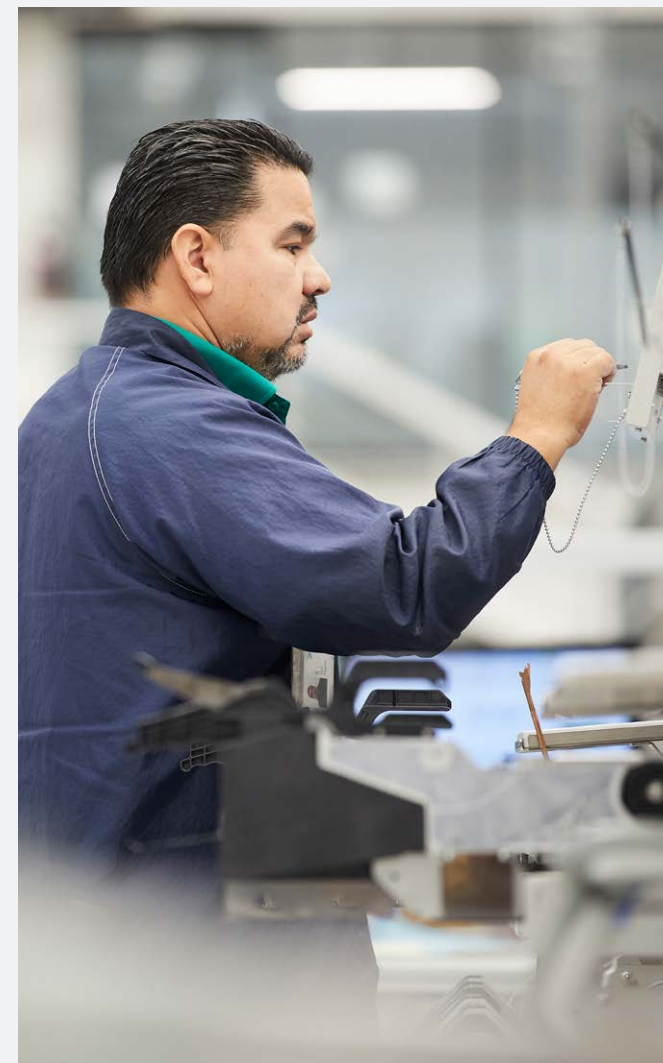
Outlook

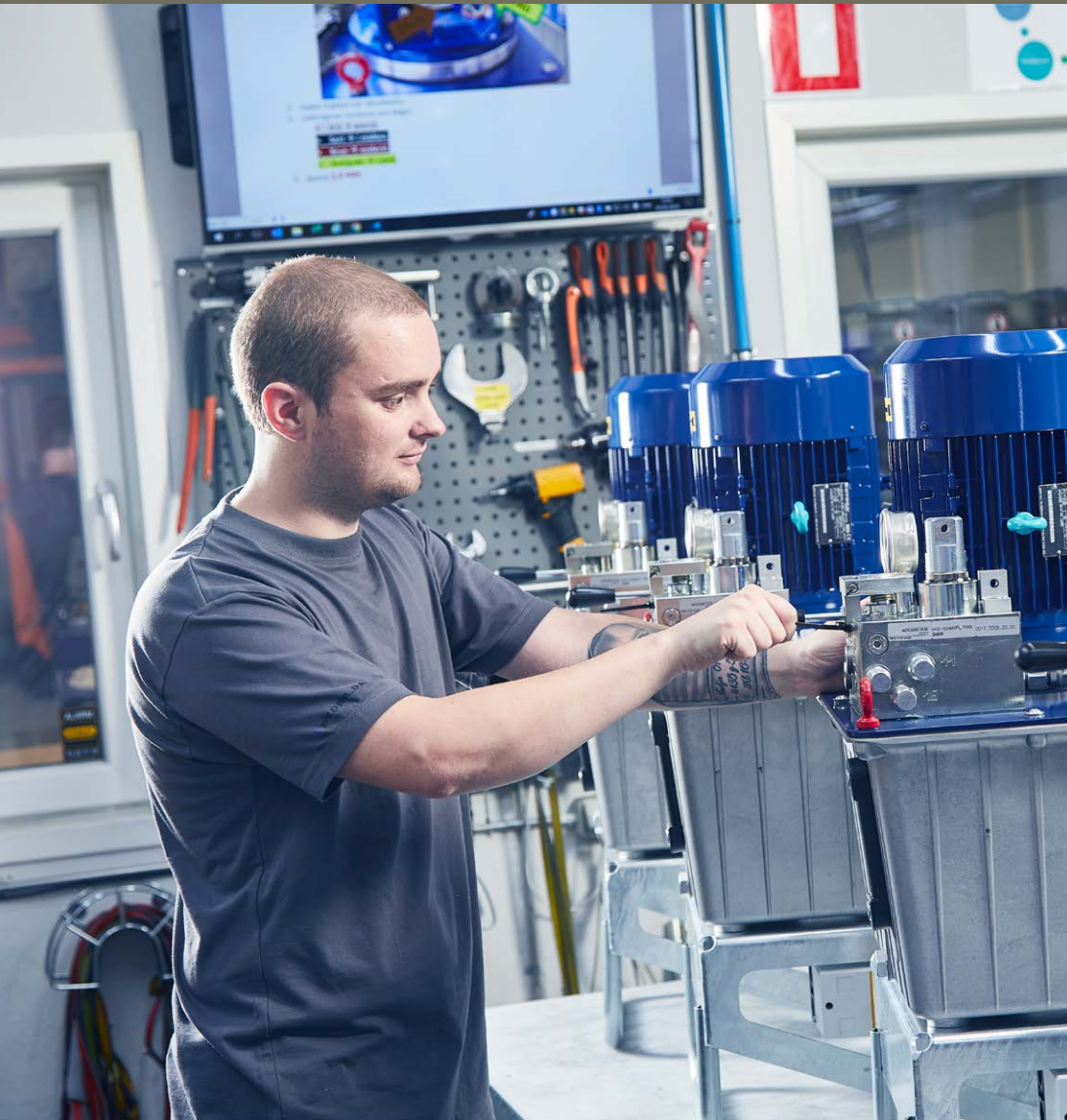
GPV reported very good financial results for 2023 that to a large extent were driven by the high level of business activity. GPV is facing a relatively slow start to 2024, as a number of customers are scaling back or postponing their orders. In particular, customers are adapting to the market situation, including by reducing inventories in their supply chains, amidst a general improvement in the supply situation.

The general availability of components and materials is expected to continue to improve, but substantial lead times remain for a number of key electronic components, and component prices are expected to remain high in 2024.

The overall expectations are for a slightly lower level of activity in the

first half of 2024 compared with the past year. Business activity is expected to recover in the second half of 2024, but the actual strength of demand remains to be seen. On that background, GPV expects to generate revenue in the DKK 9.1-9.7 billion range and EBITDA in the range of DKK 700-760 million in 2024.





Hydra Specma

HydraSpecma is a market-leading specialist supplier of hydraulic solutions and components to the aftermarket and OEMs with roots in the Nordic region. HydraSpecma generates value through its production and fast delivery of hydraulic and electric solutions and products, by having the most comprehensive product range in the market and by providing technical advisory services. The products form part of wind turbines, lorries, contractors' equipment and agricultural machinery.





Since becoming a Schouw & Co. portfolio company in 1988, HydraSpecma has consistently focused on long-term profitable growth.

Morten Kjær, CEO of HydraSpecma

Market

Hydraulic solutions are the basic tools of the Power & Motion business area. Transmission of extreme power is essential in a broad range of technical applications, such as contractors' equipment and cranes, in agriculture and forestry and in other areas where heavy machinery can generate power and motion. In mobile hydraulic solutions, power is typically generated by diesel engines, and their systems use a number of different components, such as hoses, fittings and valves. Increasingly, focus is on electrification of power generation in an attempt to limit the use of fossil fuels and to reduce climate impact.

HydraSpecma supplies entire electric solutions as well as hybrid solutions in which certain parts of a system are electrified.

Cooling solutions are basically based on liquid that is moved through cooling matrices, thereby reducing the temperature in the system. Cooling systems contribute to more efficient operations, which reduces energy consumption.

HydraSpecma supplies complete customised solutions and systems as well as components for the entire "Power & Motion" segment. The company serves a broad range of industries, from the wind turbine

sector to the vehicle and shipping industries. HydraSpecma is a supplier to large OEM customers as well as to the aftermarket, and its customer-facing organisational structure consists of three divisions: Renewables, Global OEM and Nordic OEM/IAM (the Nordic OEM and industrial aftermarket). HydraSpecma is present in international markets with a broad product range in order to be close to its customers and able to supply the needed products and services fast and efficiently.

Geography

Head office in Skjern, Denmark. Production units in Denmark, Sweden,

Finland, Norway, Poland, the UK, the Netherlands, China, India, the USA and Brazil.

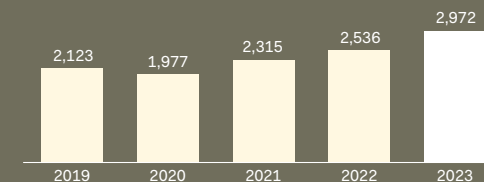
Ownership – past and present

Hydra-Grene A/S was founded as an independent business in 1974 and has been a wholly-owned part of the Schouw & Co. Group since 1988. Specma AB was founded in 1918 and has formed part of HydraSpecma since 2016. In the first quarter of 2023, HydraSpecma acquired the wind division from Swedish industrial group Ymer Technology, strengthening its position as a system developer and supplier to the wind turbine segment.

Revenue performance from 2022 to 2023

+17%

Revenue performance (DKK m)



HydraSpecma

Considerable improvements after successful acquisition

HydraSpecma reported a substantial revenue improvement in 2023, mainly thanks to acquired operations. The company reported healthy earnings improvements, even after incurring costs to ensure a smooth integration process. The company expects to maintain business activity in 2024 at the 2023-level, based on expected progress in Renewables and increased activity in the Marine and Defence segments offsetting softening activity in other areas.

Financial performance

Business activity in HydraSpecma in 2023 was impacted by several opposing factors, with the acquired operations in the Renewables division contributing the most and the Global OEM division maintaining a high level of business activity. On the other hand, difficult market conditions caused subdued business activity in the Nordic OEM and industrial aftermarket, in part due to the war in Ukraine as sanctions against Russia had a very severe impact on the Finnish market.

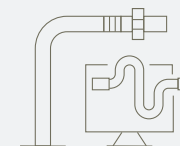
As a result, HydraSpecma reported Q4 2023 revenue of DKK 729 million, a 12% increase from DKK 653 million in Q4 2022. This brought full-year 2023 revenue to DKK 2,972 million, a 17% increase from DKK 2,536 million in 2022.

Reported Q4 2023 EBITDA was DKK 74 million, a slight decline from the same period of 2022. The full-year 2023 EBITDA was up by 6% to DKK 323 million from DKK 306 million in 2022. In the mid-range of HydraSpecma's most recent forecast, the earnings were supported

by acquired operations, despite costs incurred to ensure smooth and value-creating integration process for the acquired entities. Earnings were also supported by efficiency improvements driven by strong capacity utilisation and investments to accelerate automation and increase production capacity.

Working capital increased by DKK 120 million from DKK 814 million at 31 December 2022 to DKK 934 million at 31 December 2023. The increase in working capital was relatively smaller than the increase

in revenue and was mainly driven by the acquired operations and the higher level of business activity. ROIC excluding goodwill fell from 17.6% at 31 December 2022 to 13.4% at 31 December 2023, mainly reflecting an increase in working capital and the investment in a new production facility in Poland.



HydraSpecma (DKKm)	2023 Q4	2022 Q4	FY 2023	FY 2022
Revenue	729	653	2,972	2,536
EBITDA	74	79	323	306
EBIT	45	55	200	211
CF from operations	75	113	191	190
Working capital	934	814	934	814
ROIC excluding goodwill (%)	13.4%	17.6%	13.4%	17.6%

Business Development

Effective from 1 February 2023, HydraSpecma acquired Swedish industrial group Ymer Technology's wind division. Immediately following the acquisition, work began to integrate the acquired business activities and HydraSpecma's existing wind-related operations in the newly-established Renewables division. The key focus of the integration process has been to create a common platform that will enable HydraSpecma to be seen by its customers and suppliers as one combined company. In order to ensure a smooth integration, the company set up an integration office to handle the process. Following a job well done, the integration office was dissolved at the end of 2023, and all its tasks are now part of the day-to-day operations.

During the first half of 2024, the acquired companies in India, China and Denmark will be combined with existing HydraSpecma units in those areas. The combinations are being made to optimise operations and increase efficiency. A focus in the overseas markets will be on increasing the share of local procurement, both to optimise sourcing and to limit CO₂ emissions. As part of the

combination of the units in India, HydraSpecma has commenced a 2,000 m² expansion of the company's existing production facilities in Oragadam outside Chennai.

Construction of the new production facility in Poland is now finished, and all activities have been relocated from the old site, which will now be put up for sale. The new 16,000 m² factory site, located in Stargard next to the existing factory is designed to be carbon neutral on an annual basis once all solar panels have been installed.

HydraSpecma has set up an actual R&D department in the Renewables division to design customer-specific systems, enhance existing solutions as well as develop proprietary solutions that it will seek to patent and which can form part of future customer solutions. HydraSpecma will also continue through its Centre of Excellence to build on its competencies in electrification and software development for more sustainable customer solutions.

Outlook

HydraSpecma is generally experiencing that customers are indicating considerable uncertainty regarding future demand, and more often sees

major changes, both up and down, in customer forecasts. HydraSpecma expects overall business activity in 2024 to be at the 2023-level. The forecast is based very much on growth in the Renewables division, where the company is well positioned in terms of its product platforms with positive prospects, although demand in the Renewables market has generally softened for 2024.

The strong business activity in the Global OEM division is expected to soften, but to remain at a relatively high level. Global customers in the vehicles segment have by and large eliminated their order backlogs, so activity levels are expected to fall to normalised levels. The decline is not expected to be offset by new business opportunities to existing and new customers, nor by the increase in activity in the Marine or Defence segments.

HydraSpecma expects to sustain activity levels in the Nordic OEM and industrial aftermarket, based on anticipated improvements in Sweden and Denmark that can offset the effect of national OEM customers' reduced business activity and the difficult market situation in Finland.

The improvements all along the supply chain, including reduced lead times, will make HydraSpecma more agile and better able to absorb the changes in order inflows and customer forecasts. However the current situation in the Gulf of Aden could have negative spillover effects by way of longer transport periods and thus higher costs.

Against this background, HydraSpecma expects to generate FY 2024 revenue of DKK 2.9-3.2 billion and EBITDA in the DKK 300-340 million range.





BORG AUTOMOTIVE

Borg Automotive is Europe's largest independent automotive remanufacturing business. The company's principal business activity is to remanufacture defective parts and sell them in the B2B market under a circular business model. Borg Automotive offers a full product range by also supplying new products to complement remanufactured items. Borg Automotive has a strong market position, and remanufacturing is a business area offering a wide range of environmental and resource benefits.





Borg Automotive is built on a circular business model with resource-saving solutions that enable us to extend a car's lifespan.

Kim Kruse Andersen, CEO of Borg Automotive

Market

With about 250 million cars on the European roads and an average age per vehicle of more than 11 years, there is a great need to ensure spare parts for a growing fleet. The proportion of electric and hybrid cars on the roads is growing, but these also need spare parts. About half of the items in Borg Automotive's product range can be used whether a vehicle has an electric motor or a combustion engine. The transition is in progress, both in the industry at large and at Borg Automotive, where they expand their product assortment on a regular basis to accommodate new needs.

Borg Automotive offers a broad product range. Most of the products have been remanufactured, which means parts are remanufactured on the basis of an existing product and therefore have less of an environmental impact and in a process requiring fewer resources and materials. The company's business model applies a return system combined with remanufacturing and is a good example of a circular business model.

Borg Automotive covers most of the European car fleet through its broad assortment of remanufactured automotive spare parts, which includes starters, alternators, brake

callipers, air-condition compressors, EGR valves, steering racks, steering pumps and turbochargers.

The company supplements its assortment of remanufactured spare parts with a large assortment of new parts, including many wearing parts that are not suitable for remanufacturing. This assortment of goods for resale, which was added through the acquisition of SBS Automotive includes mechanical and hydraulic brake spare parts, steering components and wheel bearing sets, suspension and transmission components, clutch components and electrical components.

Geography

Headquartered in Silkeborg, Denmark. Production or large distribution facilities in Poland, the UK, Spain and Germany.

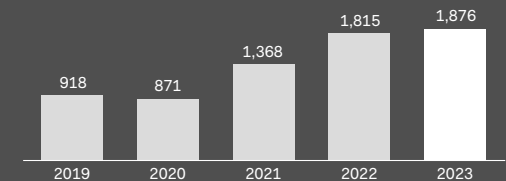
Ownership – past and present

Borg Automotive was founded in 1975 and has been a part of the Schouw & Co. Group since 2017. Growth through acquisitions is part of the strategy. Borg Automotive acquired the Spanish remanufacturing business TMI in 2020 and added the trading company SBS Automotive in 2021.

Revenue performance from 2022 to 2023

+3.3%

Revenue performance (DKKbn)



Borg Automotive

Solid sales of remanufactured products

Improved sales of remanufactured products and increased price levels drove Q4 revenue growth. Final closing of acquisition of trading company SBS Automotive, and accelerated efforts to working several European markets. Revenue and EBITDA growth expected for 2024.

Financial performance

Borg Automotive reported an increase in sales of remanufactured products in Q4 2023, as the number of units sold increased by 29%. Revenue was supported by higher price levels, but due to a drop in sales of goods for resale, the reported revenue amounted to DKK 433 million for the quarter for an 8% increase on the year-earlier period. As a result, overall revenue for the year to date grew by 3% to DKK 1,876 million from DKK 1,815 million in the same period of last year.

Borg Automotive reported Q4 2023 EBITDA of DKK 35 million against

DKK 42 million in Q4 2022, which was in line with expectations. The Q4 earnings were adversely affected by non-recurring costs of approximately DKK 10 million related to closing of the acquisition of SBS Automotive. Overall EBITDA for 2023 amounted to DKK 153 million against DKK 180 million in 2022. The decline was due exclusively to a drop in earnings on goods for resale.

Working capital amounted to DKK 655 million at 31 December 2023, a year-on-year increase of DKK 37 million relative to 31 December 2022 that was mainly driven by higher inventory levels. ROIC excluding

goodwill fell from 14.4% at 31 December 2022 to 10.4% at 31 December 2023, due to the reduced earnings.

Business Development

Through the acquisition of SBS Automotive in 2021, Borg Automotive added a trading company dealing in automotive spare parts that complements its traditional remanufacturing operations. Remanufactured products make up the core of Borg Automotive's business and bring in most of its revenue. The company sells its remanufactured products under four different brands: the international brand Lucas and the company's three private label brands:

Elstock, DRI and TMI. The recently added goods for resale are sold under the NK or Eurobrakes brands.

As a result of Russia's invasion of Ukraine in February 2022, trade with Russia was discontinued. This decision significantly set back the acquired trading activities in SBS Automotive, and sales efforts had to be stepped up in other markets to compensate. While these intensified sales efforts have paid off in several European markets over the past year, fully offsetting the disappearance of a significant market naturally takes time. Hence, securing a strong market position by offering the market



Borg Automotive (DKKm)	2023 Q4	2022 Q4	FY 2023	FY 2022
Revenue	433	402	1,876	1,815
EBITDA	35	42	153	180
EBIT	16	24	79	104
CF from operations	35	4	76	-150
Working capital	655	618	655	618
ROIC excluding goodwill (%)	10.4%	14.4%	10.4%	14.4%

both remanufactured units and new products remains Borg Automotive's strategic ambition.

The deal to acquire SBS Automotive was concluded in 2021 on the basis of an earn-out model. The final value of SBS Automotive was determined in the fourth quarter of 2023, and the final payment reflected the provision previously made.

Borg Automotive's target is to cover 90% of all passenger cars in the market, and a total of 467 new product references were added to the product programme in 2023 as part of the ongoing development of the overall market proposition.

Based on an assessment of the environmental impact of refabricated automotive spare parts, Borg Automotive now publishes comparative life cycle assessments of its eight product groups. These life cycle assessments were prepared by Linköping University in accordance with ISO 14040 and ISO 14044, and the results clearly indicate a reduced environmental impact from the use of refabricated auto spare parts compared with new parts. For example, remanufacturing of auto spare parts typically emits 60% less

CO₂ equivalents than the production of new parts and typically consumes 40% less energy.

At the end of the year, Borg Automotive moved to a newly-constructed head office in Silkeborg, Denmark. The 2,700 m² facility houses with space for up to 120 employees provides a much needed expansion of the company's administrative facilities as well as a larger showroom and larger commercial facilities. Equipped with heat pumps and a solar plant, the new building is expected to be carbon-neutral on an annual basis.

Outlook

Borg Automotive experienced growing demand for remanufactured products in the European aftermarket in the second half of 2023. Business in goods for resale also developed favourably, but in a highly competitive market, and in order to compensate for the loss of the Russian market, Borg Automotive needs to continue its intense efforts to strengthen its position in other European markets.

Borg Automotive expects to be able to achieve additional synergies in 2024 from the acquisition of the trad-

ing company SBS Automotive that can contribute to developing the overall business in a positive direction.

Against this background, Borg Automotive expects to generate revenue of DKK 1.9-2.1 billion and EBITDA in the DKK 170-200 million range in 2024.





FIBERTEX PERSONAL CARE

Fibertex Personal Care is among the world's largest manufacturers of spunmelt nonwovens for the personal care industry, manufacturing mainly diapers, sanitary towels and incontinence products. Operations also include printing on nonwovens for the personal care industry. Both business areas offer customised solutions, and the products are subject to tough requirements in terms of safety, health and comfort.





Fibertex Personal Care develops and produces innovative products for the global personal care industry.

Mikael Staal Axelsen, CEO of Fibertex Personal Care

Market

Diapers, sanitary towels and incontinence products are typical necessities; that is, articles that are difficult to do without. In other words, demand for the products is relatively stable, and they are used all over the world. The general economic developments and gains in standards of living are the factors generating growth and expanding the market. Growth has historically been strongest in Asia, where the adoption of disposable diapers manufactured from nonwoven materials is significantly lower than in Europe and the USA. Asia is also experiencing the biggest improvements in income and

standards of living, and a long-term increase in the use of nonwovens is expected in the region.

Nonwovens is a non-woven material made from plastics. It has a range of applications and is characterised by being light and soft, and it can be manufactured using fewer resources and at lower costs than other materials.

Among the world's ten largest manufacturers of nonwovens for personal care, Fibertex Personal Care has a global market share of over 5%. The company operates manufacturing facilities in Europe and Asia, as well

as specialised print production facilities in Europe and the USA. Fibertex Personal Care is a leader in innovation, service and quality with a great focus on sustainability, including through the use of certified, recycled and bio-based materials, which is expected to increase.

Customers use nonwovens to manufacture hygiene products, which are then distributed to consumers via supermarkets, public institutions and web shops. Customers are medium-sized and multinational brand names.

Geography

Head office in Aalborg, Denmark. Nonwovens manufacturing facilities in Denmark and Malaysia and printing facilities in Germany and the USA.

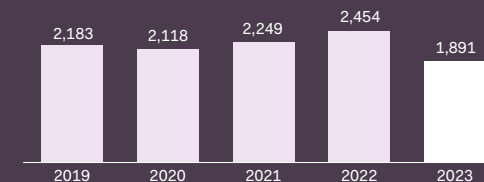
Ownership – past and present

Fibertex was founded in 1968 and acquired by Schouw & Co. in 2002. The Personal Care activities have been a part of Fibertex since 1998 and were hived off as an independent portfolio business directly under Schouw & Co. in 2011.

Revenue performance from 2022 to 2023

– **23%**

Revenue performance (DKKkm)



Fibertex Personal Care

Strong earnings despite challenging market conditions

As expected, Fibertex Personal Care reported a drop in revenue in 2023 due to reduced prices of raw materials and reduced volume sales. The company managed to keep EBITDA in line with last year's figure due to lower production costs, stronger print operations and lower energy prices. Business activity expected to soften in 2024 and revenue forecast lowered. EBITDA is expected to be lower in 2024 than in 2023.

Financial performance

Fibertex Personal Care generated revenue of DKK 447 million in Q4 2023, a year-on-year decline of 23% from DKK 582 million in Q4 2022. Full-year revenue was DKK 1,891 million, also down 23% from DKK 2,454 million in 2022. For both the fourth quarter and the full-year, the drop in revenue was mainly due to lower prices of raw materials and the resulting lower selling prices combined with an 8% drop in volumes sold compared to last year.

The reported Q4 2023 EBITDA was DKK 52 million against DKK 93

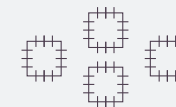
million in Q4 2022, which was slightly better than expected. The decline in quarterly EBITDA was mainly due to a reduced positive effect of prices of raw materials in Q4 2023 than in Q4 2022. For the full-year 2023, Fibertex Personal Care reported EBITDA of DKK 262 million, compared with DKK 269 million in 2022. The slight year-on-year decline in 2023 was due to reduced production costs, higher margins for the US-based print operations as well as lower energy prices, which offset reduced volumes and the effects of the much more competitive Asian market.

Fibertex Personal Care reduced its working capital from DKK 414 million at 31 December 2022 to DKK 349 million at 31 December 2023, mainly as a result of having less capital tied up in trade receivables and inventories. As a result of the reduced LTM working capital, ROIC excluding goodwill improved to 9.1% at 31 December 2023 from 7.4% at 31 December 2022.

Business Development

The Asian market for nonwovens is still affected by excess capacity as Asian manufacturers have

invested heavily in recent years to ramp up their production capacity to support the continuing growth in the personal care market as well as the special requirements that arose in connection with the coronavirus pandemic. The demand relative to the pandemic is no longer present, creating a noticeable imbalance between supply and demand and a resulting pressure on selling prices. This imbalance is exacerbated by a lower birth rate in China, which directly impacts the sale of diapers, the item constituting the single largest use of nonwovens.



Fibertex Personal Care (DKKm)	2023 Q4	2022 Q4	FY 2023	FY 2022
Revenue	447	582	1,891	2,454
EBITDA	52	93	262	269
EBIT	20	55	137	128
CF from operations	33	101	234	206
Working capital	349	414	349	414
ROIC excluding goodwill (%)	9.1%	7.4%	9.1%	7.4%

Fibertex Personal Care has also invested to expand capacity with a new production line in Malaysia that has yet to commence operations. The excess production capacity in Asia will remain a challenge for some time, but that will not change the fact that the market is still expected to see underlying growth, which will absorb the idle capacity over time. Fibertex Personal Care is investing to secure its market position in the region, including by strengthening reliability of supply to customers by establishing local warehouse facilities across the region. The first facility, located in Vietnam, has already been established and more are expected to follow.

The European market, on the other hand, is more consolidated. Whereas sales of diapers are stagnant, diaper pants are gaining a growing share of the market, and as this type of diaper involves proportionately more non-wovens material, total consumption is rising.

Fibertex Personal Care has launched a new bonding pattern for non-wovens giving the company a unique opportunity to apply its expertise within both nonwovens and print products. The new pattern has a

soft feel without compromising the strength of the material, and as an added feature, the patterns and figures printed on the material appear sharper and more uniform compared to standard nonwoven material.

Providing an innovative and more sustainable product in its combined offering to customers, Fibertex Personal Care is the first company in the world to introduce a nonwoven material weighing just 5 grams per m². The lightest nonwoven materials in diapers today typically weigh 8-10 grams per m². The lower weight significantly reduces raw material consumption, reduces transport volumes and CO₂ emissions in the value chain, thus helping the company achieve its ambitious ESG targets.

Fibertex Personal Care has expanded its print operations to include printing on laminated materials and on both breathable and non-breathable film materials, thus strengthening its leading position in diaper materials printing. The company's print operations have grown into an increasingly important part of its overall business in recent years, thanks mainly to the capacity investments made in the North American market.

Furthermore, Fibertex Personal Care has invested in small digital printers in both Germany and the USA, thereby becoming able to develop new value-creating services for its customers. For example, small volume production for testing purposes and digital approval of the print design are now part of the service package offered under the company's Innovo Print brand.

Outlook

Fibertex Personal Care expects business activity to soften in 2024 relative to 2023. The company will have additional output capacity available in Malaysia during 2024, but the challenging competitive market in Asia is expected to limit the effect. However, Fibertex Personal Care expects that its investments in new technology will bolster its competitive position and enable it to retain its market position.

Average prices of raw materials in 2024 are expected to be lower than 2023 prices. Combined with the prospects of tough price competition in Asia and reduced volume sales, this makes Fibertex Personal Care expect to generate full-year 2024 revenue in the DKK 1.6-1.8 billion range, but as always changes in

raw materials prices and foreign exchange rates may impact revenue.

Similarly, the full-year EBITDA will depend on developments in prices of raw materials and foreign exchange rates, but Fibertex Personal Care's current forecast is for EBITDA in the DKK 160-200 million range.





Fibertex Nonwovens is among the world's leading manufacturers of specialised nonwovens. Nonwovens are fibre sheets produced on high-tech processing facilities with various purpose-specific post-processings. The processed materials have a broad range of different applications, including in cars, in the construction industry and for filtration solutions. In addition, Fibertex Nonwovens produces textiles for special-purpose disposable wipes for hygiene, cleaning and other purposes.





Nonwovens is a versatile material that Fibertex Nonwovens uses to create value-adding applications through innovation and product development.

Jørgen Bech Madsen, CEO of Fibertex Nonwovens

Market

In cars, nonwovens are used to reduce weight and thereby lower carbon emissions, but nonwovens are also used as an acoustic fabric, as it absorbs sound and thereby increases comfort. In the construction sector, nonwoven materials are used to prolonging the life of roads and bridges, and the material can be used to construct energy-efficient liquid and air filter solutions in cars, for industrial filtration and in ventilation systems, for example.

In the disposable wipes segment, nonwovens form part of products for industrial cleaning, while the focus in the healthcare sector is on disin-

fection solutions, and here Fibertex Nonwovens supplies a number of products, including special-purpose disinfectant wipes.

Customers demand sustainable solutions, and thanks to new technology, Fibertex Nonwovens is able to produce wipes from non-synthetic fibre, replacing the use of synthetic fibre. Recently, Fibertex Nonwovens launched a range of products based on organic cotton for use in, for example, feminine hygiene and skin care products.

Fibertex Nonwovens has increasingly focused on circular solutions, and the company aims to increase

the proportion of recycled plastics in production, which means using much fewer resources and lowering greenhouse gas emissions substantially.

Geography

Head office in Aalborg, Denmark. Production facilities in Denmark, France, the Czech Republic, Türkiye, the USA, South Africa and Brazil.

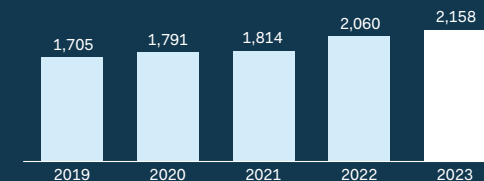
Ownership – past and present

Fibertex was founded in 1968 and acquired by Schouw & Co. in 2002. The company previously included the Personal Care activities, which were hived off as an independent portfolio company in 2011.

Revenue performance from 2022 to 2023

+4.8%

Revenue performance (DKK M)



Fibertex Nonwovens

Sharp improvements expected for 2024

Fibertex Nonwovens reported a revenue increase for 2023. A sound product mix combined with reduced energy prices and a positive effect from price developments for raw materials were the factors behind a strong EBITDA performance. Healthy demand in several product areas combined with ramped-up production capacity raises prospects of substantial revenue and EBITDA improvements in 2024.

Financial performance

Fibertex Nonwovens reported Q4 2023 revenue of DKK 504 million, a 6% increase from DKK 473 million in Q4 2022. The revenue improvement was mainly driven by an increase in volumes sold, which more than offset the effects of reduced selling prices caused by lower prices of raw materials. Moreover, revenue was affected by adverse foreign exchange developments. The increase in volume sales was driven by stronger sales to the European construction industry combined with increased sales of wipes and similar products in the USA. The automotive industry

also restored some of its growth momentum in the fourth quarter on the back of a slight downturn on the previous quarter. Full-year revenue for 2023 was DKK 2,158 million, a 5% improvement from DKK 2,060 million in 2022.

The reported Q4 2023 EBITDA was DKK 39 million against DKK 9 million in Q4 2022, which was as expected. The US operations detracted from the overall earnings performance due to an imbalance between costs and selling prices and with costs incurred in connection with major organisational changes and extensive product

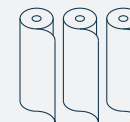
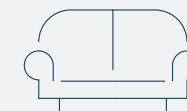
development. On the other hand, energy costs were much lower than in the fourth quarter of last year. The reported EBITDA for 2023 was DKK 169 million, up from DKK 111 million in 2022.

Working capital fell from DKK 593 million at 31 December 2022 to DKK 550 million at 31 December 2023. The reduction was driven in particular by reduced inventories of raw materials and finished goods. ROIC excluding goodwill improved from 1.0% at 31 December 2022 to 3.8% at 31 December 2023, mainly due to the higher earnings. The improved, yet still

unsatisfactory, return was naturally impacted by the massive investments made in new technology and as yet uncommissioned production capacity.

Business Development

Fibertex Nonwovens has invested to expand its global production capacity in recent years. This has been instrumental in enabling Fibertex Nonwovens to capitalise on the business opportunities unfolding in the wake of the coronavirus pandemic, which, however, were followed by a prolonged period of extremely challenging market conditions.



Fibertex Nonwovens (DKKm)	2023 Q4	2022 Q4	2023 Full year	2022 Full year
Revenue	504	473	2,158	2,060
EBITDA	39	9	169	111
EBIT	15	-16	72	11
CF from operations	38	107	83	-7
Working capital	550	593	550	593
ROIC excluding goodwill (%)	3.8%	1.0%	3.8%	1.0%



By continually investing in innovation and sustainable solutions, Fibertex Nonwovens has built competitive strength at its factories, and the company continues to see a strong potential for profitable growth, especially for products for more specialised applications. In order to accommodate such future demand, Fibertex Nonwovens launched an investment programme in 2021, which is intended to provide a platform for strong future growth and significantly improved earnings in the years ahead. The programme is mainly for two production lines applying the spun-lacing technology, where the fibres of the non-woven textiles are entangled using high-speed jets of water.

The first of these two production lines has been installed at the company's site in Greenville, South Carolina, and the final adjustments were made in the fourth quarter. As a result, the production line has started commercial production from the beginning of 2024 and already the company is seeing considerable market interest for the products it will manufacture. The second line will be installed in Europe at a later date.

Developing new products and business concepts is essential in

securing profitable and sustainable developments for Fibertex Nonwovens. Production and capacity-enhancing measures are introduced at the company's factory sites on an ongoing basis as part of high-priority efforts to build a more competitive business. Fibertex Nonwovens pursues a development strategy based on the following:

- Develop competitive products and solutions benchmarked for product characteristics, environmental matters and costs
- Develop and commercialise innovative products and value-added products offering a substantial growth and value potential for existing and new customers, including by patenting innovations from collaborations.
- Secure cost-efficient and competitive product and technology processes in combination with efficient and successful qualification and implementation of new products at customer sites.

Development efforts are strategically managed from Denmark, but are driven by Fibertex Nonwovens' local

R&D centres. Most development efforts are performed in close cooperation with selected customers, but strategic development projects also involve suppliers of new technology as well as universities.

Outlook

Fibertex Nonwovens felt the effects in 2022 of an unfortunate combination of shrinking demand and escalating costs. The challenging situation also had an impact on 2023, although several terms and conditions improved during the year. However, the current situation does not change the expectations of sound growth in most market segments over the coming years. Fibertex Nonwovens has the right technology and a promising pipeline and is therefore well positioned in the international competition. The short-term goal for 2024 is to build volume while securing sustainable earnings power, so the company will be in a position to implement its plans for the coming years and capitalise on the full potential of the capacity-expanding investments made.

Early in the year, the level of activity will still be marked by balanced demand, primarily due to the uncertainty prevailing in terms of the global

economy and the geopolitical tensions. Overall, Fibertex Nonwovens expects to increase its volume sales relative to 2023. It plans to do so through the ramped-up production capacity, which enables the company to accommodate North American customers' demand for materials for wipes. In addition, demand for materials is expected to pick up for the European automotive industry and for materials for filtration solutions and med-tech products.

Against this background, Fibertex Nonwovens expects to generate full-year 2024 revenue of DKK 2.3-2.5 billion and EBITDA in the range of DKK 200-240 million.

Portfolio company financial highlights — full year

FULL YEAR	BioMar		GPV		HydraSpecma		Borg Automotive		Fibertex Personal Care		Fibertex Nonwovens		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
INCOME STATEMENT														
Revenue	17,878	17,861	10,450	5,923	2,972	2,536	1,876	1,815	1,891	2,454	2,158	2,060	37,210	32,637
Contribution margin	1,855	1,629	1,282	813	760	688	437	456	387	390	381	323	5,103	4,300
EBITDA	1,250	1,013	743	465	323	306	153	180	262	269	169	111	2,849	2,282
Depreciation, amortisation and impairment losses	390	410	311	173	123	95	74	76	125	140	97	99	1,121	994
EBIT	860	602	432	292	200	211	79	104	137	128	72	11	1,727	1,288
Profit after tax in associates and JVs	6	130	0	0	2	0	0	0	0	0	0	0	8	130
Net financial items	-212	-23	-167	-68	-40	-13	-4	-52	-24	-10	-107	-35	-369	-114
Profit before tax	654	709	266	224	162	199	75	53	114	119	-35	-24	1,367	1,304
Tax on profit/loss for the year	-171	-154	-99	-65	-34	-42	-11	-26	-22	-29	-8	13	-376	-311
Profit before non-controlling interests	484	556	167	159	128	157	64	27	91	90	-43	-11	991	993
Non-controlling interests	-22	-23	0	0	0	-1	0	0	0	0	0	0	-56	-33
Profit for the year	461	532	167	159	128	156	64	27	91	90	-44	-11	935	960
CASH FLOWS														
Cash flows from operating activities	665	299	351	-281	191	190	76	-150	234	206	83	-7	1,777	319
Cash flow from investing activities	-207	-447	-237	-424	-646	-69	-260	-59	-63	-55	-107	-442	-1,521	-1,499
Cash flows from financing activities	-562	156	-125	826	502	-120	180	200	-173	-145	-11	516	-367	1,377
BALANCE SHEET														
Intangible assets ¹	1,376	1,480	1,045	1,069	619	203	259	297	62	64	119	128	4,505	4,267
Property, plant and equipment	1,716	1,743	1,036	983	484	346	216	166	1,196	1,318	1,500	1,517	6,169	6,093
Other non-current assets	1,188	1,311	398	266	155	105	153	126	17	21	14	18	1,949	1,854
Cash and cash equivalents	184	299	231	251	74	29	12	14	12	11	72	105	584	712
Other current assets	6,709	6,864	4,792	5,305	1,486	1,262	1,269	1,282	589	678	885	924	14,690	15,519
Total assets	11,172	11,697	7,500	7,874	2,818	1,945	1,908	1,885	1,874	2,091	2,590	2,692	27,896	28,445
Equity	3,116	3,181	2,372	2,248	980	755	576	485	1,007	1,079	864	936	11,556	11,237
Interest-bearing liabilities	3,729	3,635	2,727	2,602	1,226	693	665	456	519	601	1,369	1,404	7,107	6,680
Other liabilities	4,327	4,881	2,402	3,024	611	497	667	944	348	412	358	352	9,233	10,529
Total equity and liabilities	11,172	11,697	7,500	7,874	2,818	1,945	1,908	1,885	1,874	2,091	2,590	2,692	27,896	28,445
Average no. of employees	1,613	1,532	8,583	5,498	1,452	1,269	2,018	2,111	709	781	1,094	1,069	15,488	12,278
FINANCIAL DATA														
EBITDA margin	7.0%	5.7%	7.1%	7.8%	10.9%	12.1%	8.2%	9.9%	13.9%	10.9%	7.8%	5.4%	7.7%	7.0%
EBIT margin	4.8%	3.4%	4.1%	4.9%	6.7%	8.3%	4.2%	5.7%	7.3%	5.2%	3.3%	0.6%	4.6%	3.9%
ROIC excluding goodwill	22.1%	16.1%	10.9%	11.5%	13.4%	17.6%	10.4%	14.4%	9.1%	7.4%	3.8%	1.0%	12.8%	11.2%
ROIC including goodwill	16.2%	11.7%	10.2%	10.6%	11.5%	16.0%	7.1%	9.6%	8.5%	7.0%	3.6%	0.9%	10.7%	9.3%
Working capital	2,141	1,977	2,620	2,566	934	814	655	618	349	414	550	593	7,225	6,969
Net interest-bearing debt	2,531	2,507	2,391	2,266	1,100	655	635	427	508	590	1,292	1,277	6,339	5,790

1) Excluding consolidated goodwill in Schouw & Co.

Portfolio company financial highlights

— Q4

Q4	BioMar		GPV		HydraSpecma		Borg Automotive		Fibertex Personal Care		Fibertex Nonwovens		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
INCOME STATEMENT														
Revenue	4,214	4,974	2,530	2,624	729	653	433	402	447	582	504	473	8,851	9,706
Contribution margin	567	444	292	325	184	183	109	108	84	120	93	62	1,330	1,242
EBITDA	397	294	178	181	74	79	35	42	52	93	39	9	763	676
Depreciation, amortisation and impairment losses	132	145	82	78	30	24	19	18	32	39	24	25	319	329
EBIT	265	149	97	103	45	55	16	24	20	55	15	-16	444	347
Profit after tax in associates and JVs	-31	30	0	0	2	0	0	0	0	0	0	0	-29	30
Net financial items	-61	56	-28	-38	-9	-10	7	-101	3	2	-33	-28	-81	-93
Profit before tax	173	235	68	65	37	45	23	-77	23	57	-18	-44	334	284
Tax on profit/loss for the year	-65	-47	-16	-22	-8	-11	0	-13	-1	-20	-2	23	-100	-93
Profit before non-controlling interests	108	188	52	43	30	34	23	-90	23	37	-19	-20	234	191
Non-controlling interests	-5	-5	0	0	0	0	0	0	0	0	0	1	-16	-13
Profit for the year	103	184	52	43	30	34	23	-90	23	37	-20	-20	219	179
CASH FLOWS														
Cash flows from operating activities	-482	312	272	-41	75	113	35	4	33	101	38	107	29	605
Cash flow from investing activities	-83	-69	-25	-236	-136	-29	-213	-18	-24	-17	-29	-89	-512	-460
Cash flows from financing activities	385	-177	-237	454	50	-79	163	-5	-38	-113	-20	45	239	-2
BALANCE SHEET														
Intangible assets ¹	1,376	1,480	1,045	1,069	619	203	259	297	62	64	119	128	4,505	4,267
Property, plant and equipment	1,716	1,743	1,036	983	484	346	216	166	1,196	1,318	1,500	1,517	6,169	6,093
Other non-current assets	1,188	1,311	398	266	155	105	153	126	17	21	14	18	1,949	1,854
Cash and cash equivalents	184	299	231	251	74	29	12	14	12	11	72	105	584	712
Other current assets	6,709	6,864	4,792	5,305	1,486	1,262	1,269	1,282	589	678	885	924	14,690	15,519
Total assets	11,172	11,697	7,500	7,874	2,818	1,945	1,908	1,885	1,874	2,091	2,590	2,692	27,896	28,445
Equity	3,116	3,181	2,372	2,248	980	755	576	485	1,007	1,079	864	936	11,556	11,237
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Other liabilities	4,327	4,881	2,402	3,024	611	497	667	944	348	412	358	352	9,233	10,529
Total equity and liabilities	11,172	11,697	7,500	7,874	2,818	1,945	1,908	1,885	1,874	2,091	2,590	2,692	27,896	28,445
Average no. of employees	1,614	1,546	8,324	7,578	1,488	1,273	2,021	2,009	708	757	1,100	1,069	15,275	14,250
FINANCIAL DATA														
EBITDA margin	9.4%	5.9%	7.0%	6.9%	10.2%	12.0%	8.1%	10.5%	11.7%	16.1%	7.8%	1.8%	8.6%	7.0%
EBIT margin	6.3%	3.0%	3.8%	3.9%	6.1%	8.4%	3.7%	6.0%	4.4%	9.4%	3.0%	-3.4%	5.0%	3.6%
ROIC excluding goodwill	22.1%	16.1%	10.9%	11.5%	13.4%	17.6%	10.4%	14.4%	9.1%	7.4%	3.8%	1.0%	12.8%	11.2%
ROIC including goodwill	16.2%	11.7%	10.2%	10.6%	11.5%	16.0%	7.1%	9.6%	8.5%	7.0%	3.6%	0.9%	10.7%	9.3%
Working capital	2,141	1,977	2,620	2,566	934	814	655	618	349	414	550	593	7,225	6,969
Net interest-bearing debt	2,531	2,507	2,391	2,266	1,100	655	635	427	508	590	1,292	1,277	6,339	5,790

1) Excluding consolidated goodwill in Schouw & Co.

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GROUP INFORMATION

Board of Directors



Chairman
Jørgen Dencker Wisborg

Born 1962. Elected to the Board in 2009. Current term expires in 2024.

MSc, Aarhus School of Business and LEAP, Leadership Programme, Insead, France. Professional board member with special expertise in management and sales as well as in strategy, business development, financial reporting, treasury and finance. Member of the company's audit committee and chairman of the company's nomination and remuneration committee.

Directorships

Chairman: Blue Water International A/S, Blue Water Holding A/S, Blue Water Property A/S, Blue Water Shipping A/S, Danoil II ApS, Danoil Exploration A/S.

Deputy chairman: Per Aarsleff A/S, Per Aarsleff Holding A/S.

Board member: BioMar Group A/S, Borg Automotive A/S, Fibertex Nonwovens A/S, Fibertex Personal Care A/S, GPV Group A/S, GPV International A/S, HydraSpecma A/S.

Executive management: Rotensia ApS.

Shares held in Schouw & Co.

Holds 15,000 shares in Schouw & Co. (End 2022: 15,000 shares)

Independence as a board member

Jørgen Dencker Wisborg is not considered to be independent, having served more than 12 years on the Board.



Deputy Chairman
Kenneth Skov Eskildsen

Born 1973. Elected to the Board in 2018. Current term expires in 2024.

Business training from Aarhus Business College and managing director of Givisco A/S. Mr Eskildsen has special expertise in international business relations, accounting and economics as well as sales and production, including specifically in foods. Member of the company's nomination and remuneration committee.

Directorships

Chairman: Coronet Cake Company ApS, Eliza Chokolade ApS, Givisco Ejendomme A/S, Givisco Services

A/S, Grocon Holding ApS, MTK GmbH, TC Brød ApS.

Board member: Almondy AB, Almondy Fastighets AB, Carletti A/S, Carletti Fastigheter AB, Daniatech ApS, Daniatech Holding ApS, Dina Food ApS, Givisco A/S, Humlum A/S, Jacobsen Bakery Ltd A/S, Jens Eskildsen og Hustru Mary Antonie Eskildsens Mindefond, JFKA Invest ApS, Kakes A/S, Leighton Foods A/S, Nykers A/S, OK Snacks A/S, Switsbake Int AB, Vorgod Bageri A/S.

Executive management: Givisco A/S, Givisco Bakery A/S, Grocon Holding ApS, JFKA Invest ApS, Porto ApS.

Shares held in Schouw & Co.

Holds 381,990 shares in Schouw & Co. (End 2022: 381,990 shares)

Independence as a board member

Kenneth Skov Eskildsen is not considered to be independent, due to his affiliation with the main shareholder Givisco A/S.



Board member
Kjeld Johannesen

Born 1953. Elected to the Board in 2003. Current term expires in 2024.

Business diploma (HD), Marketing economics, Copenhagen Business School and a professional board member. Mr Johannesen has special expertise in management, production and sales as well as in strategy, business development and international business relations. Member of the company's nomination and remuneration committee.

Directorships

Chairman: KP Invest Herning A/S, Spar Nord Bank A/S.

Executive management: CLK 2016 Holding ApS, Kjeld Johannesen Holding ApS.

Shares held in Schouw & Co.

Holds 22,000 shares in Schouw & Co. (End 2022: 22,000 shares)

Independence as a board member

Kjeld Johannesen is not considered to be independent, having served more than 12 years on the Board.



Shares held in Schouw & Co.

Holds 3,237 shares in Schouw & Co. (End 2022: 3,237 shares)

Independence as a board member

Agnete Raaschou-Nielsen is considered to be independent.

Board member

Agnete Raaschou-Nielsen

Born 1957. Elected to the Board in 2012 and is not standing for reelection in 2024.

PhD, University of Copenhagen and a professional board member. Ms Raaschou-Nielsen has special expertise in business development and acquisitions, macroeconomics, emerging markets, as well as international production, sales and marketing. Member of the company's audit committee.



Board member

Hans Martin Smith

Born 1979. Elected to the Board in 2017. Current term expires in 2024.

MSc (Economics), Aarhus University and CFO of Vestas Wind Systems A/S. Mr Smith has special expertise in finance, business development, strategy, M&A, capital markets and investor relations. Chairman of the company's audit committee.

Directorships

Board member: Vestas Ventures A/S.

Executive management: Vestas Wind Systems A/S.

Shares held in Schouw & Co.

Holds 1,950 shares in Schouw & Co. (End 2022: 600 shares)

Independence as a board member

Hans Martin Smith is considered to be independent.



Board member

Søren Stæhr

Born 1967. Elected to the Board in 2022. Current term expires in 2024.

LL.M., Aarhus University and Master of Laws, King's College, London. Attorney and partner of Gorrissen Federspiel Law Firm. Special expertise in structuring and organising international trade, M&A transactions and investments, in establishing and operating joint ventures, consortia and the like, and expertise in ESG-related matters.

Directorships

Board member: Givesco Bakery A/S, Købmand Th. C. Carlsens Mindefond.

Shares held in Schouw & Co.

Holds 1,265 shares in Schouw & Co. (End 2022: 1,265 shares)

Independence as a board member

Søren Stæhr is not considered to be independent due to his affiliation with the main shareholder Givesco A/S and his affiliation to a law firm which acts as an adviser to the company.

Executive Management



President & CEO
Jens Bjerg Sørensen

Born 1957. Appointed in 2000.

Business graduate, Niels Brock Business College, Business diploma (HD), Marketing Economics, Copenhagen Business School, IEP – Insead Executive Programme, Insead, France.

Directorships

Chairman: A. Kirk A/S, BioMar Group A/S, Borg Automotive A/S, Danfoss A/S, F. Salling Holding A/S, F. Salling Invest A/S, Fibertex Nonwovens A/S, Fibertex Personal Care A/S, GPV Group A/S, GPV International A/S, HydraSpecma A/S, Købmand Herman Sallings Fond.

Deputy chairman: Salling Group A/S.

Board member: Aida A/S, Ejendomsselskabet FMJ A/S, F.M.J. A/S, Købmand Ferdinand Sallings Mindefond.

Executive management: Jens Bjerg Sørensen Datterholding 1 ApS, Jens Bjerg Sørensen Holding ApS.

Shares held in Schouw & Co.

Holds 56,000 shares in Schouw & Co. (End 2022: 56,000 shares)



Vice President
Peter Kjær

Born 1956. Appointed in 1993.

BSc, Electronic Engineering, Engineering College of Aarhus, Business diploma (HD), Marketing Economics, Aarhus School of Business, MBA from IMD, Lausanne, Switzerland.

Directorships

Chairman: Den Gamle By, Incuba A/S.

Board member: A. Espersen A/S, Beck Pack Holding ApS, Beck Pack Systems A/S, Direktør J.P.A. Espersen og hustru, fru Dagny Espersens Fond, HydraSpecma A/S, Insepa A/S.

Shares held in Schouw & Co.

Holds 26,500 shares in Schouw & Co. (End 2022: 26,500 shares)

These pages list directorships in other companies and other relevant management positions held. Shareholdings include each board member's or executive's shares in Schouw & Co. and those held by their related parties.

Management bodies at Schouw & Co.

The Board of Directors of Schouw & Co. consists of not less than four and not more than seven shareholder-elected members who elect a chairman and a deputy chairman from among their number. Board members are elected for a term of four years and are eligible for re-election. The Board of Directors of Schouw & Co. also serves as the board of directors of Direktør Svend Hornslyds Legat.

The Board of Directors is responsible for the overall management of the company, which includes appointing the members to the Executive Management, laying down guidelines for and exercising control of the work performed by the Executive Management, organising the company's business in a responsible manner, defining the company's business concept and strategy and evaluating the adequacy of the company's capital contingency programme. The Board of Directors has set up an audit committee and a nomination and remuneration committee.

Ordinary board meetings are scheduled at least six months in advance. Board meetings are normally attended by all members of the Board and of the Executive Management. In 2023, the Board of Directors held a total of six meetings and a board seminar. In 2023,

one board member was absent from a single board meeting, while another board member was unable on a single occasion to attend a full board meeting.

The Board of Directors carries out an annual self-assessment, applying a structured model. The Board of Directors performed its most recent self-assessment in December 2023, and it concluded that the Board works well as a unit and that, overall, it has the competencies necessary for it to perform its duties.

The members of the Executive Management of Schouw & Co. are Jens Bjerg Sørensen, President & CEO, and Peter Kjær, Vice President. The Executive Management is in charge of the day-to-day management of the company both at parent company and group level and complies with the guidelines and directions issued by the Board of Directors.

Additional reporting on the composition of the management bodies and their committees as well as committee functions is provided in the statutory report on corporate governance prepared in accordance with section 107b of the Danish Financial Statements Act, which is available from the company's website at www.schouw.dk/en/cg

Investor information

Capital and share structures

The shares of Aktieselskabet Schouw & Co. are listed in the large cap segment on Nasdaq Copenhagen under the short name SCHO and the ISIN code DK0010253921.

The company has 25,500,000 issued shares of DKK 10 nominal value, equal to a total share capital of DKK 255,000,000 nominal value. Each share carries one vote, no share carries any special rights and no restrictions apply as to the transferability of the shares.

The Board of Directors reviews the company's capital and share structures at least once a year, giving priority to retaining a high equity ratio in order to ensure the

necessary financial versatility. At its most recent review in December 2023, the Board of Directors found the company's capital and share structures to be appropriate and adequate relative to the company's plans and expectations. At the annual general meeting to be held in April 2024, the Board of Directors will propose to reduce the share capital by 500,000 shares, equal to a nominal value of DKK 5,000,000, by cancelling treasury shares to the effect that going forward the share capital will consist of 25,000,000 shares with a nominal value of DKK 10 each for a total nominal share capital of DKK 250,000,000.



Treasury shares and share buyback programme

In 2023, Schouw & Co. acquired 63,800 treasury shares at an aggregate price of DKK 34 million under the Group's share buyback programme, which was launched under the safe harbour rules on 15 November 2023 and will run until 1 March 2024. In addition, Schouw & Co. sold a net number of 108,000 treasury shares in connection with the Group's share-based incentive programme.

As a result, the company held 2,037,976 treasury shares, equal to 7.99% of the share capital at the end of 2023. The market value of the holding of treasury shares was DKK 1,127 million at 31 December 2023. The portfolio of treasury shares is recognised at DKK 0.

Register of shareholders

The company's registrar is:

Computershare A/S
Lottenborgvej 26D, 1. sal
DK-2800 Kgs. Lyngby, Denmark

Dividend policy

Schouw & Co. aims to pay stable or growing dividends, always with due consideration for the company's earnings and any potential major investments or acquisitions.

The Board of Directors proposes that the dividend be raised by DKK 1 per share for the 2023 financial year to DKK 16 per share.

16

per share (DKK)

Incentive programmes

Since 2003, Schouw & Co. has operated a share-based incentive programme comprising the Executive Management and senior managers of the Group, including the executive managements of subsidiaries.

The share-based incentive programme was renewed in May 2023, and in a subsequent minor increase, Schouw & Co. awarded a total of 473,000 options to 34 individuals.

The share options vest over a period of three years and are exercisable during a 13-month period following the publication of Schouw & Co.'s annual report for the 2025 financial year at a strike price of DKK 567.60 plus a 2% premium per annum from the date of grant until the date of exercise. The exercise price is adjusted by deduction of ordinary dividends, which cannot exceed the accrued interest.

The overall guidelines for incentive programmes can be found in the company's remuneration policy as approved by the company's shareholders in general meeting and which is available from the company's website, www.schouw.dk.

Financial calendar for 2024



Annual general meeting



Expected distribution of dividend for the 2023 financial year



Release of interim report Q1 2024



Release of interim report Q2 2024



Release of interim report Q3 2024

Company announcements

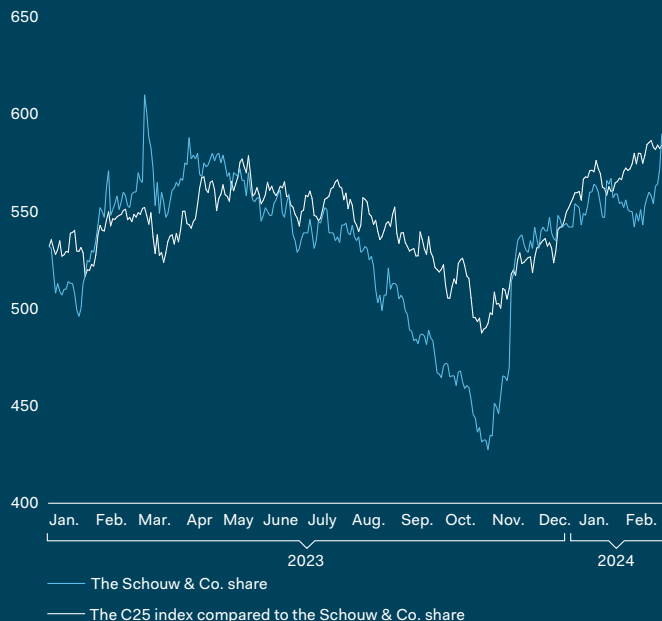
Schouw & Co. issued updates on its ongoing share buyback programme during 2023 and also released the following company announcements. All announcements are available at the company's website, www.schouw.dk.

- 24.01.2023 #02** Strong results for 2022 and additional progress anticipated for 2023
- 03.03.2023 #03** Annual report 2022: A stronger foundation for the future
- 06.03.2023 #04** Notification of transactions with shares in Schouw & Co.
- 09.03.2023 #05** Indberetning af transaktioner med aktier i Schouw & Co.
- 14.03.2023 #06** Notice of the Annual General Meeting of Schouw & Co.
- 13.04.2023 #07** Annual general meeting of Schouw & Co.
- 04.05.2023 #08** Interim report – First quarter of 2023
- 12.05.2023 #09** Continuation of incentive programme
- 15.08.2023 #10** Interim report for the second quarter of 2023 containing inside information
- 15.08.2023 #11** Interim report – Second quarter of 2023
- 07.11.2023 #12** Schouw & Co. raises full-year EBITDA guidance on strong third quarter performance
- 14.11.2023 #13** Interim report – Third quarter of 2023
- 14.11.2023 #14** Schouw & Co. to initiate share buy-back programme of up to DKK 75 million
- 15.11.2023 #15** Notification of transactions with shares in Schouw & Co.
- 20.12.2023 #21** Schouw & Co.'s financial calendar 2024

Share price performance

The Schouw & Co. share closed the year at a price of DKK 553 (official year-end price), compared with DKK 524 per share at 31 December 2022, corresponding to an increase of 6% including payment of a dividend of DKK 15 per share.

Accordingly, the total market capitalisation of the company's listed share capital amounted to DKK 14,102 million at the close of the financial year, against DKK 13,362 million at the close of 2022. Adjusted for the holding of treasury shares, the company's market capitalisation was DKK 12,975 million at 31 December 2023.



Investor relations policy

Schouw & Co. aims to create value and achieve results to match the best of our industry peers.

The company strives to provide reliable information and to maintain professional relations with shareholders and the market so as to ensure that investors will always be able to make an assessment of the Group's true values. Schouw & Co. complies with the duty of disclosure rules applying to listed Danish companies.

The company's IR policy is available (in English) on the company's website, www.schouw.dk.

Any queries of an investor relations nature should be e-mailed to: ir@schouw.dk or to the company at: schouw@schouw.dk.

www.schouw.dk

The company's website contains press releases and company announcements, as well as more detailed information on the Group. Interested parties are also invited to subscribe to the company's news service.

Shareholder structure

12,000

Schouw & Co. has some 12,000 registered shareholders. Of these, the following are listed in the Company's register in accordance with section 56 of the Danish Companies Act:

28.09%

Givesco A/S

14.82%

Direktor Svend Hornsylds Legat

7.99%

Aktieselskabet Schouw & Co.
(at 31 December 2023)

Members of the Board of Directors and the Executive Management of Schouw & Co. and their connected persons held a total of 425,442 and 82,500 shares, respectively, in the company at 31 December 2023.



Risks

The Board of Directors of Schouw & Co. reviews at least once a year the overall risks the Group faces. Diversifying the conglomerate by operating in different business areas and geographies is a substantial component of the Group's risk hedging strategy. The business-specific risks relate in particular to BioMar and GPV, the two largest of the portfolio companies.

Risk areas	What is the risk?	How is the risk mitigated?	
Global macroeconomics	The purchasing power of customers and end customers is strongly subject to macroeconomic trends.	Volume sales in BioMar and Fibertex Personal Care as well as considerable parts of the sales of the other companies are only slightly sensitive to cyclical fluctuations. However, a deterioration of global economic conditions may put earnings under pressure.	
Geopolitical aspects	Local conditions, political regimes or tensions may affect production matters and sales.	The risk is diversified, given the fact that the Group sells its products in more than 100 countries and operates production facilities in 30 countries. Some countries matter more than others, and conditions in countries of special importance may cause derived global effects in the value chain.	
Investment opportunities	It may become harder to identify attractive capacity-enhancing investments and company acquisitions.	Diversification ensures good opportunities for capacity expansion and for generating acquisitive growth. Identifying the most attractive opportunities has never been easy.	
Cybercrime	Malicious attacks on IT systems or vulnerabilities resulting from increasing digitalisation.	The IT systems used by the Group's six portfolio companies are not interconnected. The Group is strongly focused on IT security, investing on an ongoing basis to identify and mitigate IT threats.	
Climate	Causing climate impact and being a carbon emitter may become expensive in the future.	The geographic diversification of our operations reduces the implications of local and regional natural disasters and weather phenomena. The Group's largest source of energy is electric power, a steadily increasing proportion of which comes from renewable sources.	

Risk areas	What is the risk?	How is the risk mitigated?	
Currency	Fluctuating foreign exchange rates have a direct effect on the statement of comprehensive income and the balance sheet.	The large extent of same-currency production and sales provide a natural hedge. As most of its operations are based outside Denmark, the Group is exposed to foreign exchange risk when translating amounts from local currency into Danish kroner.	
Financing and interest rates	Rising interest rates mean higher capital costs and reduces capital availability.	Debt is managed centrally, and the parent company and the companies are jointly liable for debts, which are primarily raised through four major banks. The Group has a strategic goal of having a ratio of consolidated interest-bearing debt/EBITDA at a maximum of 2.5x.	
Customer dependency	Major customers have considerable bargaining strength.	All companies of the Group operate in B2B markets and serve relatively large customers., but no single customer accounts for more than 5% of the Group's consolidated revenue.	
Raw materials and energy	Rising prices of raw materials and energy may put earnings under pressure.	The Group's businesses rely to a certain extent on specific raw materials and components and are thus sensitive to large price fluctuations. Costs of raw materials, components and energy can to a considerable extent be passed on to customers.	

Low risk
 High risk

Corporate social responsibility and corporate governance

The ESG report for the Schouw & Co. Group contains the Group's statutory reporting on corporate responsibility, data ethics, the EU Taxonomy and responsible tax. The corporate governance requirements are addressed in the statutory report on this matter. The statutory report on diversity and is provided in a separate section of the Management's report, but is also addressed in the company's ESG report.

Corporate responsibility

Schouw & Co. has a defined ambition to be a responsible and long-term owner that charts the corporate responsibility of the Group's businesses through active ownership.

Schouw & Co. has prepared an ESG-report for 2023 describing the Group's work on ESG (Environment, Social & Governance) matters, including the common strategic framework within the Group and common initiatives as well as each company's actions and achievements during the year. The 2023 ESG report is available on the company's website at: www.schouw.dk/en/cg.

Report pursuant to section 99a

The company's ESG report for 2023 constitutes the Group's report on corporate responsibility for the 2023 financial year provided in accordance with section 99a of the Danish Financial Statements Act. The ESG Report contains a description of our business model and policies on corporate responsibility, including climate and the environment, social issues, human rights, labour conditions and anti-corruption as well as actions and achievements within these areas. The report also contains the statutory risk assessment and description of due diligence processes.

Report pursuant to section 99d

Schouw & Co. has a policy on data ethics as part of its general internal guidelines. The policy serves to provide guidance on the Group's general view on data ethics issues. The Group's policy on data ethics is available on the company's website, www.schouw.dk/en/cg, and is described in further detail in the company's 2023 ESG Report.

Responsible approach to tax

Schouw & Co. has a tax policy that reflects the Group's long-standing practice as a responsible taxpayer complying with local and international tax rules governing all types

of taxes and duties. The Group's tax policy is available on the company's website, www.schouw.dk/en/cg, and is described in further detail in the company's 2023 ESG Report.

Corporate Governance

Schouw & Co. complies with the rules applying to companies listed on Nasdaq Copenhagen, which include a code on corporate governance as set out in "Corporate Governance Recommendations".

The Board of Directors and the Executive Management consider corporate governance as a natural part of running a responsible business. Corporate governance considerations and the interaction with the company's stakeholders is a constant priority, and Schouw & Co. believes it complies in all material respects with the intentions of "Corporate Governance Recommendations".

Report pursuant to section 107b

Schouw & Co. has prepared a statutory corporate governance report (in Danish) for the 2023 financial year, as required under section 107b of the Danish Financial Statements Act, which can be found in its entirety on the company's website at www.schouw.dk/en/cg.

The report consists of three parts:

- A report on the company's work to comply with the Recommendations on corporate governance.
- A description of the main elements of the Group's internal control and risk management systems in connection with the financial reporting process.
- A description of the composition of the company's management bodies, committees established and their functions.

Remuneration report

Schouw & Co. has prepared a Remuneration Report for the 2023 financial year, which can be found in its entirety on the company's website at www.schouw.dk/en/cg.



ESG Report 2023
www.schouw.dk/en/cg

Diversity

Schouw & Co. prepares a statutory report on diversity pursuant to sections 99b and 107d of the Danish Financial Statements Act and to section 139c of the Danish Companies Act. In addition to this report found in Management's report, diversity is also addressed on a group basis in the company's ESG report.

Diversity at Schouw & Co.

Schouw & Co. is an international group with a natural level of diversity. In order to make the best use of the competencies and talent available, Schouw & Co. prioritises ensuring diversity throughout the Group and ensuring diversity at all management levels of the Group. Schouw & Co. has a diversity policy with defined targets, which is available on the website: www.schouw.dk/en/cg. The purpose of this policy is to increase and safeguard value creation in Schouw & Co. by focusing on increasing the relevant diversity in the company and at its management levels.

The subsidiaries subject to the updated requirement of the Danish Financial Statements Act have effective from 2023 adopted corresponding policies with their own targets for

diversity and gender composition in management.

As set out in Schouw & Co.'s diversity policy, the purpose of the company's targets and efforts on diversity is to ensure a corporate culture that supports diversity. The company wants relevant diversity to be reflected at all levels of the organisation and considers diversity a strength that makes a positive contribution to growth, risk management and value creation.

The policy specifies the company's responsibility to promote a large degree of gender diversity in management. Schouw & Co. wants to be an attractive and stimulating workplace that attracts and retains the most qualified employees and to offer equal career opportunities for all employees – regardless of gender.

Targets for the gender composition of management

Schouw & Co.'s diversity policy is supplemented by an annex defining the specific targets laid down by the Board of Directors for the proportion of the underrepresented gender in management. As a long-term goal, Schouw & Co. wants to achieve equal gender distribution on the company's Board of Directors and its other management levels. An equal gender distribution is considered to be each gender making up at least 40% of the individual management layers.

Furthermore, the company's Board of Directors has defined short-term targets for the shareholder-elected proportion of the underrepresented gender on the company's Board of Directors and the proportion of the underrepresented gender at the company's other management levels.

The target for the underrepresented gender on the Board of Directors of Schouw & Co. is for the underrepresented gender to make up at least two out of a maximum of seven shareholder-elected members of the Board of Directors, corresponding to a representation of at least 29%.

The target for the proportion of the underrepresented gender at the company's other management levels is for at least 33% representation of the underrepresented gender by 2025.

Action taken and status on objectives

In 2023, the Group launched a process to identify potential candidates for the Board of Directors. Emphasis was placed on a number of criteria, as specified in "Competency profile for the Board of Directors of Schouw & Co.", in addition to considerations of gender diversity. The process has a yet not led to a change in the composition of the shareholder-elected board members. Accordingly, at 31 December 2023, the Board of Directors was still

composed of six members, of whom one was a women, corresponding to 17%.

No action was initiated, nor were any changes made in 2023 to the company's other management levels, which means the one in five members of the first and second management levels under the Board of Directors is a women, corresponding to 20%.



Aktieselskabet Schouw & Co.	2023	2022
Supreme governing body:		
Total number of members	6	6
Percentage of under-represented gender	17%	17%
Target percentage	29%	29%
Target year	2025	2025
Other management levels:		
Total number of members	5	5
Percentage of under-represented gender	20%	20%
Target percentage	33%	33%
Target year	2025	2025

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CONSOLIDATED FINANCIAL STATEMENTS

Statements of income and comprehensive income

1 January – 31 December

Note	Income statement	2023	2022
1, 2	Revenue	37,210	32,637
3	Operating expenses	-34,386	-30,355
4	Other operating income	39	26
4	Other operating expenses	-14	-26
	EBITDA	2,849	2,282
5	Depreciation, amortisation and impairment losses	-1,121	-994
	EBIT	1,727	1,288
13	Profit after tax in associates	-36	80
13	Profit after tax in joint ventures	45	50
17	Financial income	157	215
18	Financial expenses	-526	-328
	Profit before tax	1,367	1,304
22	Tax on profit/loss for the year	-376	-311
	Profit for the year	991	993
	Shareholders of Schouw & Co.	935	960
	Non-controlling interests	56	33
	Profit for the year	991	993
35	Earnings per share (DKK)	39.78	40.59
35	Diluted earnings per share (DKK)	39.76	40.58

Note	Statement of comprehensive income	2023	2022
	Items that cannot be reclassified to the income statement:		
	Actuarial gains/losses on defined benefit pension liabilities	-28	40
22	Tax on other comprehensive income	5	-9
	Total items that cannot be reclassified to the income statement	-23	31
	Items that can be reclassified to the income statement:		
	Foreign exchange adjustments of foreign subsidiaries	-228	100
	Value adjustment of hedging instruments for the year	34	30
	Hedging instruments transferred to operating expenses	-38	1
	Hedging instruments transferred to financials	-5	0
	Hyperinflation restatements	18	45
	Other comprehensive income from associates and joint ventures	-37	-13
	Other adjustments to other comprehensive income	3	3
22	Tax on other comprehensive income	1	-26
	Total items that can be reclassified to the income statement	-254	140
	Other comprehensive income after tax	-277	171
	Profit for the year	991	993
	Total recognised comprehensive income	713	1,164
	Attributable to:		
	Shareholders of Schouw & Co.	679	1,113
	Non-controlling interests	35	52
	Total recognised comprehensive income	713	1,164

Cash flow statement

1 January – 31 December

Note	2023	2022
	2,849	2,282
9	-377	-1,548
	-44	9
	191	-19
	2,619	724
24	-389	-136
	-452	-269
	1,777	319
25	-48	-38
25	-819	-1,068
	8	5
15	-684	-414
	-1	0
	29	10
	-6	0
	0	6
	-1,521	-1,499

Note	2023	2022
19	-289	-240
25	-902	-92
	1,677	2,569
	-494	-207
20	-9	2,030
	0	12
	-377	-374
	-75	-292
	94	0
	-367	1,377
	-111	196
	712	490
	-17	25
	584	712

Balance sheet · Assets and liabilities

at 31 December

Note	Assets	2023	2022
10	Intangible assets	4,505	4,267
11	Property, plant and equipment	6,169	6,093
12	Lease assets	846	694
13	Investments in associates	417	498
13	Equity investments in joint ventures	198	182
26	Securities	92	92
23	Deferred tax	203	189
14	Receivables	193	199
	Total non-current assets	12,623	12,214
6	Inventories	8,003	9,043
7	Receivables	6,321	6,181
	Prepayments	169	240
24	Income tax receivable	197	56
	Cash and cash equivalents	584	712
	Total current assets	15,274	16,231
	Total assets	27,896	28,445

Note	Liabilities and equity	2023	2022
21	Share capital	255	255
	Hedging reserve	3	9
	Exchange-adjustment reserve	-127	121
	Hyperinflation adjustment reserve	53	45
	Retained earnings	10,064	9,535
	Proposed dividend	408	383
	Equity attributable to parent company shareholders	10,656	10,348
	Non-controlling interests	900	889
	Total equity	11,556	11,237
23	Deferred tax	488	480
27	Pension liabilities	78	48
28	Other payables	160	165
29	Liability regarding put options	545	483
19	Interest-bearing debt	5,089	5,842
	Non-current liabilities	6,360	7,017
19	Interest-bearing debt	2,018	838
8	Trade payables and other payables	7,039	8,492
	Customer prepayments	191	275
	Prepayments	28	17
29	Liability regarding put options	396	388
24	Income tax	309	180
	Current liabilities	9,981	10,191
	Total liabilities	16,341	17,208
	Total equity and liabilities	27,896	28,445

Notes without reference: Impairment testing (note 16), Contingent liabilities (note 30), Guarantees (note 31), Financial risk (note 32), Categories of financial assets and liabilities (note 33), Fees to auditors appointed by the general meeting (note 34), Related party transactions (note 36), Events after the balance sheet date (note 37) and New financial reporting regulations (note 38).

Statement of changes in equity

	Share capital	Hedge transaction reserve	Translation reserve	Hyperinflation adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Equity
Equity at 1 January 2022	255	-13	45	0	9,582	383	10,252	397	10,649
Profit and other comprehensive income in 2022									
Profit for the year	0	0	0	0	578	383	960	33	993
Other comprehensive income	0	22	77	45	9	0	153	18	171
Total recognised comprehensive income	0	22	77	45	587	383	1,113	52	1,164
Transactions with owners:									
Share-based payment		0	0	0	32	0	32	0	32
Tax re. share-based payment		0	0	0	0	0	0	0	0
Distributed dividends		0	0	0	27	-383	-356	-18	-374
Value adjustment of put option		0	0	0	-496	0	-496	0	-496
Addition of non-controlling interests and capital contributions		0	0	0	96	0	96	458	554
Purchase of treasury shares		0	0	0	-292	0	-292	0	-292
Total transactions with owners during the year	0	0	0	0	-634	-383	-1,017	441	-576
Equity at 31 December 2022	255	9	121	45	9,535	383	10,348	889	11,237
Profit and other comprehensive income in 2023									
Profit for the year		0	0	0	527	408	935	56	991
Other comprehensive income		-6	-249	9	-10	0	-256	-21	-277
Total recognised comprehensive income		-6	-249	9	517	408	679	35	713
Transactions with owners:									
Share-based payment		0	0	0	34	0	34	0	34
Tax re. share-based payment		0	0	0	0	0	0	0	0
Distributed dividends		0	0	0	30	-383	-353	-24	-377
Value adjustment of put option		0	0	0	-70	0	-70	0	-70
Sale of treasury shares		0	0	0	94	0	94	0	94
Purchase of treasury shares		0	0	0	-75	0	-75	0	-75
Total transactions with owners during the year	0	0	0	0	12	-383	-371	-24	-395
Equity at 31 December 2023	255	3	-127	53	10,064	408	10,656	900	11,556

Notes · Basis of preparation of the consolidated financial statements

The structure of the Schouw & Co. consolidated financial statements is consistent with that applied last year. In this annual report, the notes have been grouped into five sections. Each section contains comments with a description of the Group's accounting policies. Only material items are presented in the primary statements. Both quantitative and qualitative factors are used in determining whether or not an item is deemed to be principal.

The names of HydraSpecma, Borg Automotive, Fibertex Personal Care and Fibertex Nonwovens may in the following text be abbreviated HS, Borg, FPC and FIN, respectively,

Accounting policies

The Schouw & Co. annual report for the year ended 31 December 2023 has been prepared in accordance with IFRS accounting standards (IFRS) as adopted by the EU and additional disclosure requirements pursuant to the Danish Financial Statements Act. The annual report is presented in Danish kroner.

Recognition and measurement

Schouw & Co. has implemented the standards and interpretations which are effective from 2023. The consolidated accounting policies are consistent with those of last year.

iXBRL reporting

The Annual Report for 2023 is presented in accordance with the applicable requirements of the European Single

Electronic Format (ESEF). The iXBRL tagging was performed in accordance with the ESEF taxonomy included in the ESEF Regulation and developed on the basis of the IFRS taxonomy issued by IFRS. Where financial statement items in the annual report are not defined in the ESEF taxonomy, an extension has been made to the taxonomy. Apart from extensions related to subtotals, extensions to the taxonomy are linked to elements of the ESEF taxonomy. The annual report filed with the Danish authorities consists of a special technical zip file containing an XHTML document.

Roundings and presentation

In the preparation of the annual report, the Schouw & Co Group uses minimum amounts of DKK 1,000 in the measurement of underlying data. As the annual report is generally presented in millions of Danish kroner, all amounts provided have been rounded, for which reason some additions may not add up.

Consolidated financial statements

The financial statements of the Group consolidate the financial statements of Schouw & Co. and subsidiaries controlled by Schouw & Co. Control is achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise. Enterprises in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or controlling 20% or more, but less than 50%, of the voting rights. Factors used to determine whether or not the

Group has control include de facto control and potential voting rights exercisable at the balance sheet date.

Non-controlling interests are recognised in consolidated enterprises that are not wholly owned by the Group.

Joint arrangements are activities or companies in which the Group has joint control through collaborative agreements with one or more parties. Joint control implies that unanimous decisions on the relevant activities are required by the parties sharing the controlling influence.

Joint arrangements are classified either as joint ventures or as joint operations. A joint operation refers to activities where the parties have direct rights to assets and direct obligations for liabilities, whereas a joint venture means activities for which the parties only have rights to the net assets.

Schouw & Co. has joint operations consisting of fish feed activities in Costa Rica. This company is consolidated on a pro-rata basis. Schouw & Co. also has joint ventures, including BioMar's operations in Türkiye and China. These businesses are recognised in a single line at the proportionate share of the profit or loss after tax attributable to the Group.

The consolidated financial statements have been prepared by aggregating the financial statements of the parent company, the individual subsidiaries and joint operations prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, intra-

group balances and dividends and realised and unrealised gains on transactions between the consolidated companies are eliminated. Unrealised gains on transactions with associates and joint ventures are eliminated in proportion to the Group's share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Foreign currency translation

A functional currency is determined for each of the reporting enterprises of the Group. The functional currency is the currency used in the primary economic environment in which the reporting entity in question operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognised in the income statement under financial income or financial expenses.

On consolidation of enterprises with functional currencies other than Danish kroner, the income statements are translated at the exchange rates at the transaction date with the exception of the income statements of the Group's wholly or partly owned companies in Türkiye, which are translated at exchange rates at the balance sheet date in accordance with the rules on adjustment for hyperinflation. The balance sheets of the Group's foreign entities are translated at the exchange rate ruling at the balance sheet date. The average exchange rate for each individual month is used as the transaction date exchange rate. Exchange differences arising on the translation of the opening equity of such enterprises at the exchange rates ruling at the balance sheet date and on the translation of the income statements from the exchange rates ruling at the transaction date to the exchange rates ruling at the balance sheet date are recognised in other comprehensive income in the exchange adjustment reserve under equity.

Foreign exchange adjustment of balances that are considered as part of the overall net investment in enterprises with functional currencies other than Danish kroner, are recognised directly in other comprehensive income in the exchange adjustment reserve under equity. Similarly, exchange gains and losses on the part of loans and derivative financial instruments effectively hedging the net investment in such enterprises are recognised in other comprehensive income in the exchange adjustment reserve under equity.

On consolidation of associates and joint ventures with functional currencies other than Danish kroner, the pro-rata share of the results is translated at the exchange rates ruling at the transaction date, and the share of equity including goodwill is translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the translation of the share of the opening equity of

foreign associates at exchange rates ruling at the balance sheet date and on the translation of the share of the results for the year from average exchange rates to the exchange rates ruling at the balance sheet date are recognised in other comprehensive income in the exchange adjustment reserve under equity.

Derivative financial instruments

Derivative financial instruments are measured at fair value and recognised in the balance sheet under other receivables or other payables, respectively. The fair value of derivative financial instruments is calculated on the basis of current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments that effectively hedge the fair value of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the value of the hedged asset or hedged liability. Hedging of future cash flows under agreements are treated as hedging of the fair value of a recognised asset or a recognised liability.

Changes in the part of the fair value of derivative financial instruments effectively hedging future cash flows are recognised in other comprehensive income in the reserve for hedging transactions under equity. On realisation of the hedged transaction, any gains or losses relating to such hedge transactions are transferred from other comprehensive income and recognised in the same item as the hedged item.

Changes in the fair value of derivative financial instruments effectively hedging net investments in foreign subsidiaries or associates are recognised in other comprehensive income in the exchange adjustment reserve under equity.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised as interest income or expenses and similar items in the income statement as they occur.

Equity

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify as hedges of future cash flows and for which the hedged transaction has yet to be realised. The exchange adjustment reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on financial instruments considered to be a part of the net investment or as hedging of the net investment. The hyperinflation adjustment reserve includes the accumulated effect of the translation of non-monetary items in Türkiye.

Treasury shares

The purchase and sale sums of treasury shares and dividends thereon are taken directly to retained earnings under equity. Proceeds from the sale of treasury shares in Schouw & Co. in connection with the exercise of share options are taken directly to equity.

Dividend

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Definitions of financial ratios

The financial ratios in the annual report are defined as follows:

Return on equity	$\frac{\text{Profit for the year excluding minorities}}{\text{Avg. equity excluding non-controlling interests}}$
ROIC excluding goodwill	$\frac{\text{EBITA}}{\text{Avg. invested capital excluding goodwill}}$
ROIC including goodwill	$\frac{\text{EBITA}}{\text{Avg. invested capital including goodwill}}$
Equity ratio	$\frac{\text{Equity at year end}}{\text{Total liabilities and equity at year end}}$
Earnings per share (EPS)	$\frac{\text{Profit for the year excluding minorities}}{\text{Average number of shares in circulation}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Profit for the year excluding minorities}}{\text{Diluted average number of shares in circulation}}$
Net asset value per share	$\frac{\text{Equity at year end excluding non-controlling interests}}{\text{Number of shares at year end excluding treasury shares}}$
Price/net asset value (P/NAV)	$\frac{\text{Market capitalisation, end of period}}{\text{Equity at year end excluding non-controlling interests}}$
Market capitalisation	$\text{Number of shares excluding treasury shares, multiplied by share price}$

Financial ratios

Schouw & Co.'s consolidated financial statements apply the following Alternative Performance Measures (APM) not defined by IFRS: EBIT, EBITA, EBITDA, working capital, net interest-bearing debt and invested capital both with and without goodwill. These Alternative Performance Measures are used in the daily Group controlling and in the communication with Group stakeholders.



APM:

Income statement ratios	2023	2022	Change
Profit before tax	1,367	1,304	
Financial expenses	526	328	
Financial income	-157	-215	
Profit/loss after tax in associates and joint ventures	-8	-130	
EBIT	1,727	1,288	34.1%
EBIT	1,727	1,288	
Amortisation of intangible assets	203	151	
Impairment of intangible assets	42	61	
EBITA	1,972	1,500	31.5%
EBITA	1,972	1,500	
Depreciation of property, plant and equipment	601	547	
Impairment of property, plant and equipment	8	3	
Depreciation of lease assets	267	233	
Impairment of lease assets/reversed impairment	0	-1	
EBITDA	2,849	2,282	24.8%

Balance sheet ratios	2023	2022	Change
Inventories	8,003	9,043	
Trade receivables	5,868	5,748	
Other current receivables (non-interest bearing)	420	406	
Other non-current operating receivables	3	26	
Prepayments	169	240	
Trade payables	-5,422	-6,562	
Core liabilities	-277	-280	
Other current liabilities (non-interest bearing)	-1,319	-1,356	
Customer prepayments	-191	-275	
Other non-current operating liabilities	-1	-2	
Deferred income (current)	-28	-17	
Working capital	7,225	6,969	3.7%
Interest-bearing debt	7,107	6,680	
Other non-current receivables (interest-bearing)	-151	-152	
Other current receivables (interest bearing)	-33	-26	
Cash and cash equivalents	-584	-712	
Net interest-bearing debt (NIBD)	6,339	5,790	9.5%
Working capital	7,225	6,969	
Intangible assets	4,505	4,267	
Goodwill	-2,921	-2,817	
Property, plant and equipment	6,169	6,093	
Lease assets	846	694	
Non-current provisions	-40	-39	
Prepayments (non-current)	-45	-54	
Current provisions	-91	-163	
Invested capital (ex. goodwill)	15,648	14,952	4.7%
Invested capital (ex. goodwill)	15,648	14,952	
Goodwill	2,921	2,817	
Invested capital (including goodwill)	18,570	17,769	4.5%

Notes · Significant accounting estimates

Significant accounting estimates

In preparing the financial statements, management makes a number of assessments and estimates and determines assumptions necessary for calculating the carrying amount of certain assets and liabilities.

The estimates made and assumptions applied are based on factors such as historical experience and other factors that management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Due to the risks and uncertainties the Group is subject to, actual outcomes may deviate from estimates made. It may be necessary to revise previous estimates as a result of changes to the assumptions on which such estimates were based or due to new information or subsequent events.

Inventories

The uncertainty involved in estimating inventories is related to the assessment of obsolescence and lack of marketability. Goods considered to be obsolete or to have impaired marketability are written down to net realisable value. As the Schouw & Co. Group consists of companies of a diverse nature, the process of estimating net realisable value of inventories varies from company to company.

The uncertainty involved in estimating inventories for the Schouw & Co. Group is predominantly related to the Group's companies GPV, HydraSpecma and Borg

Automotive. See note 6 to the consolidated financial statements for more information.

GPV generally produces to order and its inventories predominantly consist of electronics components and metal sourced and/or manufactured to meet customer needs. For its component inventory, GPV applies a general model of writing down goods after they have been in stock for a certain period of time. The company reviews its impairment model on a regular basis, and in the Group's best estimate, the model provides an appropriate and fair presentation of the net realisable value of inventories. GPV has aligned the impairment model applied by the former GPV before the acquisition of Enics and the model applied by Enics before the company was acquired in the fourth quarter of 2022. Adjustments of the two impairment models resulted in a further writedown of DKK 65 million in 2023.

HydraSpecma applies a general impairment model of automatically writing down goods after they have been in stock for a certain period of time. The company reviews its impairment model on a regular basis, and in the Group's best estimate, the model provides an appropriate and fair presentation of the net realisable value of inventories.

Borg Automotive remanufactures used components – called cores – such as alternators, starters, brake callipers, etc. When a remanufactured component is sold, Borg also takes a deposit which gives the customer the right to return a similar core.

Borg Automotive has an obligation to accept the returned core, and eventually the market for the type of cores in question will shrink, and Borg Automotive will be left with unusable cores. As a result, Borg Automotive has relatively large impairment losses on the part of its inventory relating to cores.

Borg Automotive applies an impairment model which is based on expected future sales. In the Group's best estimate, the model provides an appropriate and fair presentation of the net realisable value of inventories.

Trade receivables

Trade receivables are considered a significant accounting estimate.

Management applies estimates when assessing whether receivables at the balance sheet date are recoverable. For the Schouw & Co. Group, the largest risks of losses on trade receivables have historically related to customers of BioMar. BioMar sells a significant part of its products in markets in South America, and in southern and central Europe. Historically, the largest debtor risks have been for customers in Chile and in southern Europe, especially Greece. The Group has substantial receivables with certain customers in these geographical areas. Thorough analyses have been made of the credit quality of these debtors, and management believes that adequate provisions for losses on debtors had been made at 31 December 2023. See note 7 to the consolidated financial statements for more information.

Acquisitions

Acquisitions are accounted for by recognising the acquired enterprise's assets, liabilities and contingent liabilities at fair value. The principal assets are generally intangible assets, including goodwill, as well as inventories and property, plant and equipment. The intangible assets most often identified are the value of customers, brands and know-how. Intangible assets are valued at the present value of expected future cash flows related to the asset. Depending on the nature of the item, the determination of the fair value of the acquired company's assets, liabilities and contingent liabilities may be subject to uncertainty and may subsequently be adjusted. See note 15 to the consolidated financial statements for more information.

The wind division of Ymer Technology was acquired in 2023. In connection with the acquisition, intangible assets of DKK 454 million including goodwill were identified. Also in connection with the acquisition of Ymer, values of DKK 3 million in excess of the carrying amounts of property, plant and equipment and of DKK 15 million in excess of carrying amounts of inventories were identified. With the exception of the goodwill identified, deferred tax was calculated on the identified excess values at the acquisition of Ymer.

Three new acquisitions were made in 2022, the largest of which was clearly the acquisition of Enics. In connection with the acquisition of Enics, intangible assets of DKK 640 million including goodwill were identified. Also in connection with the acquisition of Enics, values of DKK 16 million in excess of the carrying amounts of property, plant and equipment and of DKK 24 million in excess of carrying

amounts of inventories were identified. With the exception of the goodwill identified, deferred tax was calculated on the identified excess values at the acquisition of Enics.

Goodwill

Goodwill is tested annually for impairment, and other intangible assets are tested if there is evidence of impairment.

An assessment is made as to whether the cash-generating unit to which the asset relates will be able to generate sufficient cash flows in future to support the carrying amount of the asset.

Assessments are made of the estimated cash flows for the next many years and of the long-term growth rate and a reasonable discount rate reflecting the risk inherent to the asset or cash-generating unit, all of which is inherently subject to uncertainty.

BioMar recognised a writedown of DKK 36 million in View-Uc in 2023. Goodwill was also written down by DKK 55 million in Viet-Uc in 2022.

See note 16 to the consolidated financial statements for more information.

Deferred tax assets

The calculation of deferred tax assets is based on estimates of the extent to which prior-year losses can be utilised against future earnings. For Danish companies, tax assets have been capitalised at a tax rate of from 22%. The Group has operations and is liable for tax in many different countries. The calculation of tax payable for the year and the computation of taxable income involves making significant estimates regarding tax assets/liabilities and provisions for uncertain tax positions. However, in some

instances the tax treatment in the relevant tax jurisdictions has not been finalised This may result in discrepancies between calculated tax and actual tax payments.

Deferred tax, including prior-year tax losses, is recognised at the tax rate expected to apply taking into account current local tax rules. Tax losses are capitalised to the extent management believes they can be used within a few years. Such estimates are made at least once a year on the basis of budgets and business plans for the following years. Accordingly, those estimates are inherently subject to a degree of uncertainty. Another factor considered is the distribution of taxable income on the basis of the companies' transfer pricing policies.

See note 23 to the consolidated financial statements for more information.

Liability regarding put options

In connection with the acquisition of Alimentsa (BioMar Ecuador), the parties agreed that the non-controlling shareholder would have a put option on the non-controlling shareholder's ownership interest in the company. The option runs to 2027. Until the time of exercise, the liability will be calculated as expected average EBITDA for the three years prior to exercise multiplied by a multiple.

In connection with the acquisition of Enics, an agreement was reached allowing the non-controlling shareholder to exercise an option during the period after the release of the 2026 and 2027 annual reports. Until the time of exercise, the liability will be calculated as the expected average EBITDA for the two years prior to exercise, multiplied by a multiple and adjusted for normalisation of the working capital and the interest-bearing debt at the time of exercise.

In particular in connection with the put option relating to Enics, the future earnings in GPV may be subject to uncertainty, including the development of working capital and the interest-bearing debt.

At 31 December 2023, the liability relating to the acquisition of Alimentsa was calculated at DKK 396 million, and the liability relating to the acquisition of the non-controlling interest in GPV was calculated at DKK 545 million. See note 29 to the consolidated financial statements for more information.

Significant accounting estimates – note reference

Note	Page	Name of note	Uncertainty assessment
6	82	Inventories	■ ■ ■ ■ ■
7	83	Trade receivables	■ ■ ■ ■ ■
15	96	Acquisitions	■ ■ ■ ■ ■
16	97	Impairment testing	■ ■ ■ ■ ■
23	107	Deferred tax (asset)	■ ■ ■ ■ ■
29	114	Liability regarding put options	■ ■ ■ ■ ■

Scale of 1 to 4

- ■ ■ ■ ■ = Assessment subject to little uncertainty
- ■ ■ ■ ■ = Assessment subject to relatively little uncertainty
- ■ ■ ■ ■ = Assessment subject to medium uncertainty
- ■ ■ ■ ■ = Assessment subject to considerable uncertainty

Notes · EBITDA, working capital and cash flows

This section of the annual report contains notes relating to the Group's primary operations, including a breakdown by operating segments.

The following notes are presented in this section:

1. Segment reporting
2. Revenue
3. Operating expenses
4. Other operating income and expenses
5. Depreciation, amortisation and impairment losses
6. Inventories
7. Receivables (current)
8. Trade payables and other payables
9. Changes in working capital affecting cash flows

Comments

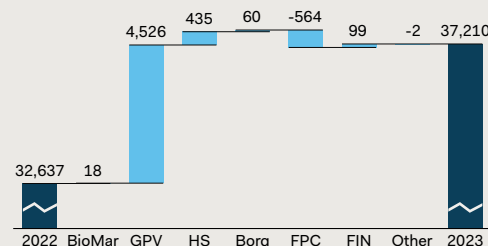
Revenue

Consolidated revenue was up by 14% in 2023 relative to the previous year. Organic revenue was up by 3%, while acquired revenue accounted for 15% of consolidated revenue. On the other hand, changes to foreign exchange rates reduced revenue by 4%, equal to approximately DKK 1.5 billion. The acquired revenue derived mainly from GPV's acquisition of Enics, which was recognised for three months only in 2022, but also from HydraSpecma's acquisition of Ymer, while BioMar's acquisition of AQ1 in 2022 also had a slight effect. With the exception of Fibertex Personal Care, all companies reported organic growth in 2023.

BioMar reported an DKK 18 million increase in revenue, but underlying the change is a 1% drop in volumes sold, while rising prices of raw materials lifted selling prices by about 6%. On the other hand, lower foreign exchange rates, particularly versus Norwegian kroner, caused a similar drop in revenue of about 6%.

GPV reported 76% revenue growth, most of which (75%) was due to the acquisition of Enics. The foreign exchange translation effect reduced revenue by 3%, while increased sales had a positive effect of 4%.

Changes in revenue, 2022 to 2023



HydraSpecma reported 17% revenue growth, deriving from the Ymer acquisition. Foreign exchange translation had a negative impact of 4% on HydraSpecma, while increased sales and higher selling prices lifted revenue growth by 3%.

Borg Automotive reported 3% revenue growth, based on opposing developments in sales of remanufactured goods and goods for resale. The sale of remanufactured goods improved, whereas revenue from goods for resale fell sharply.

Fibertex Personal Care reported a 23% revenue decline due partly to reduced volume sales and partly due to reduced prices of raw materials with effects feeding through to selling prices.

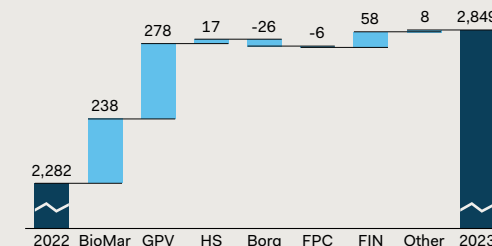
Fibertex Nonwovens lifted its revenue by 5% on volume sales similar to the level of 2022. As a result, the revenue increase was generally due to higher selling prices.

EBITDA

EBITDA was up by DKK 567 million, or by almost 25%. The EBITDA improvement was mainly driven by GPV, BioMar and Fibertex Nonwovens, while Borg Automotive reported a drop in EBITDA. Foreign exchange translation had a 5% negative impact on EBITDA, while company acquisitions made a 16% improvement. Adjusted for acquisitions and translation effects, EBITDA was up by 14%.

BioMar reported a DKK 238 million, or 23%, increase in EBITDA. The increase was 30% when adjusted for negative translation effects, which were mainly from the company's large business unit in Norway. The improvements in BioMar were mainly from the Salmon Division, but also from its Danish operations, which last year were heavily impacted by a writedown of trade receivables in Russia.

Changes in EBITDA, 2022 to 2023



GPV lifted EBITDA by DKK 278 million in 2023. The improvement derived mainly from the acquisition of Enics, and foreign exchange translation effects were only slightly negative. The former GPV made very strong advances in 2022, which combined with continued challenges in terms of component availability means EBITDA was flat from 2022 to 2023. Overall, the process to integrate Enics was successful and the acquired units have generally performed well. GPV reported very strong financial results for 2023, driven by performance in the units in China and Slovakia, whereas the units in Sweden, Mexico and the cable harnessing operations in Austria had a relatively difficult year.

HydraSpecma reported a DKK 17 million, or 6%, increase in EBITDA. The acquisition of the wind division from Ymer Technology contributed to a 12% improvement, while negative foreign exchange translation effects reduced revenue by 3%. Earnings from the existing wind-related operations

declined during the year, as several projects were scaled down or postponed. This impacted earnings in the companies in China and India, in particular.

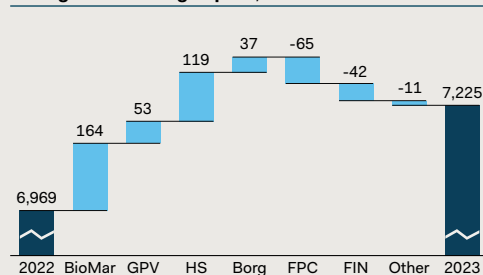
Borg Automotive reported a DKK 26 million revenue decline, equal to 15%. A small part of the decline was due to foreign exchange translation effects, but the main reason was reduced activity in the trading business acquired. In 2022, supply chain challenges from Asia to Europe resulted in an inventory build-up, and after supply chains normalised in 2023, lower prices of a number of products have resulted in price pressures in the market. Sales of remanufactured units were up by 5%, leading to improved earnings.

Fibertex Personal Care reported a slight drop in earnings resulting from reduced volume sales in both the nonwovens and the print operations. Energy costs fell in 2023 from the 2022 levels, and Fibertex Personal Care also managed to implement production efficiencies. Fibertex Nonwovens reported a DKK 58 million, or 53%, increase in EBITDA. The US operations are still not a positive contributor to earnings, while earnings improved in France, Brazil and South Africa.

Working capital

The Group's working capital increased from DKK 6,969 million at 31 December 2022 to DKK 7,225 million at 31 December 2023. HydraSpecma's acquisition of the wind division from Ymer Technology increased working capital by DKK 77 million. Several of the Group's businesses were strongly focused on reducing inventory levels, reducing inventories to DKK 8,003 million from DKK 9,043 million at 31 December 2022. In the same period, total trade payables have been reduced by DKK 1,140 million to DKK 5,422 million at 31 December 2023.

Changes in working capital, 2022 to 2023



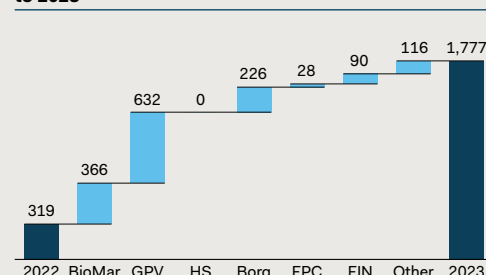
Cash flow statement

Cash flows from operations for the year before interest and tax improved from DKK 724 million in 2022 to DKK 2,619 million in 2023. The improvement consisted of a DKK 567 million increase in EBITDA and a change in working capital to a negative DKK 377 million from a negative DKK 1,548 million in 2022. Interest payments were DKK 254 million higher and tax payments were DKK 183 million higher in 2023, increasing total cash flows from operating activities to DKK 1,777 million, from DKK 319 million in 2022. As shown in the chart, all portfolio companies reported improving cash flows from operating activities, especially BioMar and Borg Automotive.

Cash flows from investing activities were an outflow of DKK 1,521 million compared with DKK 1,499 million in 2022. The Group invested DKK 819 million in new production facilities, of which DKK 229 million derived mainly from capacity expansions completed in Sri Lanka and Thailand. BioMar invested DKK 201 million, not in a major single investment but in a number of small projects at various factory sites. HydraSpecma invested DKK 166 million, much of it to build a new factory in Poland. Fibertex Nonwovens invested DKK 105 million, most of it to complete a

capacity-expanding project in the USA. One new company was acquired during the year (HydraSpecma's acquisition of the wind division from Ymer Technology) and a payment was made regarding Borg Automotive's acquisition of SBS. A total of DKK 684 million was spent on company acquisitions in 2023.

Changes in cash flows from operating activities, 2022 to 2023



Cash flows from operating activities for the year amounted to DKK 1,777 million, and DKK 1,521 million was used for investing purposes. Debt financing was reduced by DKK 9 million. A total of DKK 353 million of the cash flows for the year was used to pay dividends to the company's shareholders in April 2023. In addition, the Group purchased and sold treasury shares in relation to its share option programme, purchased treasury shares under a share buy-back programme and paid dividends to non-controlling shareholders for a total of DKK 5 million. Net of amounts used for investing and financing purposes, the company had a total cash outflow for 2023 of DKK 111 million, compared to a cash inflow in 2022 of DKK 196 million.

Accounting policies

Segment reporting

Segment reporting is consistent with the internal management reporting. Schouw & Co. is an industrial conglomerate consisting of a number of sub-groups operating in various industries and independently of the other sub-groups. Currently, six sub-groups are classified as independent reporting segments. The reporting segments are presented separately and without aggregation of operating segments.

Included in the reporting segments are revaluations of assets and liabilities made in connection with Schouw & Co.'s acquisition of the segment in question and consolidated goodwill arising as a result of an acquisition. The operational impact of amortisation and impairment losses on the above revaluations or goodwill is also included in the profit or loss presented for each reporting segment.

Geographical segment information indicates the group's revenue and assets by national market.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if transfer of risk to the buyer has taken place before year-end and if the income can be reliably measured.

Although a sales agreement for the sale of finished goods and goods for resale often contains more than one performance obligation, such obligations are treated as one combined performance obligation because delivery typically takes place at the same point in time.

The sale of services mainly consists of Fibertex Personal Care's print business. Print services typically involve a

delivery obligation recognised in revenue on a straight-line basis during the period the service is provided.

The terms of payment set out in the Group's sales agreements with customers depend on the underlying performance obligation and on the underlying customer relationship. For the sale of goods for which control passes at a specific point in time, the terms of payment will typically be from one to three months.

Revenue also comprises the market value of cores and adjustments of the provision for cores in connection with the sale of remanufactured automotive parts by the Borg Automotive group.

Revenue is measured excluding VAT and other taxes and duties charged on behalf of third parties. All discounts granted are deducted from revenue.

Operating expenses

Operating expenses comprise costs incurred for the manufacture and sale of goods, primarily cost of sales, consumables, energy consumption and transportation of goods. Operating expenses furthermore comprise wages and salaries and expenses for the company's administration and management. Also recognised in operating expenses are estimated changes in the value of inventories and changes in bad debt provisions as well as product development and research costs.

Employee benefits

Equity-settled share options are measured at fair value at the grant date and their value is recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity as a shareholder transaction.

On initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, adjustment is made for changes to the estimated number of vested options, to the effect that the total amount recognised is based on the actual number of vested options.

The fair value of options granted is estimated using a valuation model that takes into account the terms and conditions of the options granted.

Costs relating to the option programme are calculated on the basis of the Black & Scholes model and are expensed under staff costs on a straight-line basis over the vesting period.

Other operating income and expenses

Other operating income and costs comprise items secondary to the primary activities of the enterprises and consists of the following:

- Gains or losses on the disposal of intangible assets, property plant and equipment and leased assets.
- Government grants include grants and funding of development work and grants for investments, etc.

Investment grants in the form of certain tax-privileged schemes in individual countries are recognised in the balance sheet under receivables and as deferred income under liabilities. Grants are recognised in the income statement under other operating income as the underlying investments are depreciated. The receivable is reduced as the grant is received and the deferred income item is reduced as the grant is recognised in the income statement.

Depreciation, amortisation and impairment losses

The item comprises depreciation and impairment of property, plant and equipment and lease assets and amortisation and impairment of intangible assets.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs. The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and indirect production costs. Indirect costs of production include indirect materials and labour as well as maintenance of and depreciation and impairment of the machines, factory buildings and equipment used in the manufacturing process as well as factory management and administrative expenses. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in the expected selling price. Biological inventories are recognised at fair value less estimated selling costs.

Receivables

Receivables are measured at amortised cost. Provisions for bad debts are made in accordance with the simplified expected credit loss-model, under which total losses are recognised immediately in the income statement at the same time as the receivable is recognised in the balance sheet in the amount of the lifetime expected credit loss on the receivable. Impairment write-downs on receivables are recognised in the income statement under operating expenses.

Prepayments

Prepayments include expenses paid in respect of subsequent financial years. Deferred income comprises payments received relating to income in subsequent financial years, including investment grants.

Other payables

Other payables comprise core liabilities where the company has an obligation to repurchase cores for refabrication of automotive spare parts.

Contingent consideration (earn-out) agreed in connection with company acquisitions and paid to the seller if certain conditions are met, is recognised at fair value and considered part of the total consideration for acquiring the company. Changes in fair value of the contingent consideration are recognised in the income statement under financial items.

Cash flow statement

The cash flow statement shows the cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash as well as the cash and cash equivalents at the beginning and end of the year.

Cash flows from acquisitions and divestments of enterprises are shown separately under cash flows from investing activities. In the cash flow statement, cash flows concerning acquired companies are recognised from the date of acquisition, while cash flows concerning divested companies are recognised until the date of divestment.

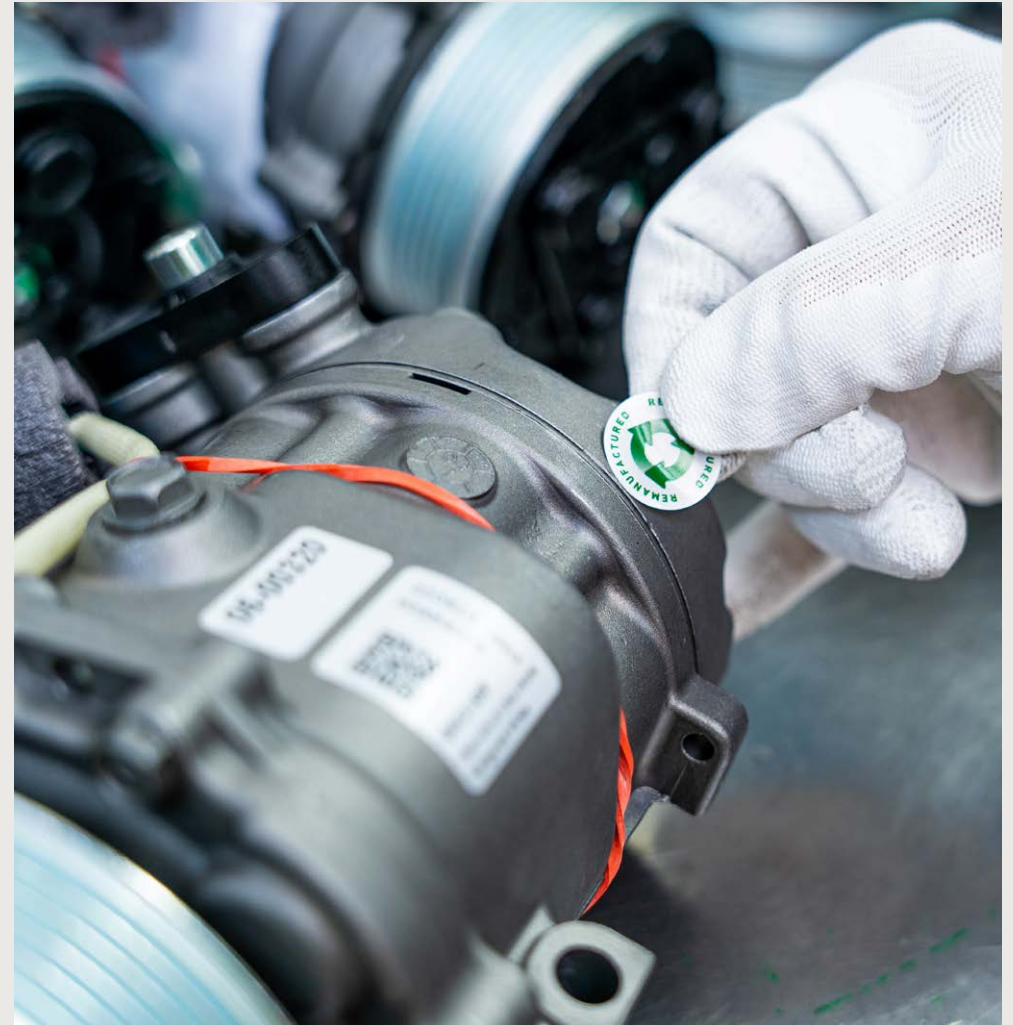
Cash flows in currencies other than the functional currency are translated at average exchange rates unless these differ materially from the exchange rate ruling at the transaction day.

Cash flows from operating activities are calculated according to the indirect method as EBITDA adjusted for non-cash operating items, changes in working capital, interest paid and income taxes paid.

Cash flows from investing activities comprise payments made in connection with the acquisition and divestment of companies and operations and the purchase and sale of intangible assets, property, plant and equipment and other non-current assets, including loans to customers, as well as the purchase and sale of securities not recognised under cash and cash equivalents. Dividends from associates are included in cash flows from investing activities.

Cash flows from financing activities include payments to and from shareholders and related expenses as well as the raising of loans, repayments on interest-bearing debt, including lease debt, and the purchase and sale of treasury shares.

Cash and cash equivalents include cash at bank and in hand as well as securities with a maturity of less than three months at the time of acquisition that can immediately be converted into cash and that involve insignificant risk of value fluctuations.



1

Segment reporting

Reporting segments 2023	BioMar	GPV	HydraSpecma	Borg Automotive	Fibertex Personal Care	Fibertex Nonwovens	Reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	17,878	10,449	2,972	1,876	1,877	2,158	37,210	0	0	37,210
Intra-group revenue	0	1	0	0	14	0	15	13	-28	0
Segment revenue	17,878	10,450	2,972	1,876	1,891	2,158	37,225	13	-28	37,210
EBITDA	1,250	743	323	153	262	169	2,901	-52	0	2,849
Depreciation, amortisation and impairment losses	390	311	123	74	125	97	1,120	1	0	1,121
EBIT	860	432	200	79	137	72	1,781	-53	0	1,727
Share of profit in associates and JVs	6	0	2	0	0	0	8	0	0	8
Tax on profit/loss for the year	-171	-99	-34	-11	-22	-8	-345	-31	0	-376
Profit for the year	484	167	128	64	91	-43	891	100	0	991
Segment assets	11,602	7,500	2,818	2,424	1,922	2,622	28,888	17,770	-18,762	27,896
Of which goodwill	1,526	361	300	516	99	120	2,921	0	0	2,921
Equity investments in associates and JVs	603	0	11	0	0	0	615	0	0	615
Segment liabilities	8,056	5,129	1,838	1,332	867	1,726	18,947	7,115	-9,721	16,341
Working capital	2,141	2,620	934	655	349	550	7,249	-24	0	7,225
Net interest-bearing debt	2,531	2,391	1,100	635	508	1,292	8,457	-2,118	0	6,339
Cash flows from operating activities	665	351	191	76	234	83	1,601	145	31	1,777
Capital expenditure	231	233	169	53	63	107	856	2	0	858
Acquisitions (divestments)	1	0	478	207	0	0	685	0	0	685
Average no. of employees	1,613	8,583	1,452	2,018	709	1,094	15,469	19	0	15,488

Based on management control and financial management, Schouw & Co. has identified six reporting segments, which are BioMar, GPV, HydraSpecma, Borg Automotive, Fibertex Personal Care and Fibertex Nonwovens. 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.

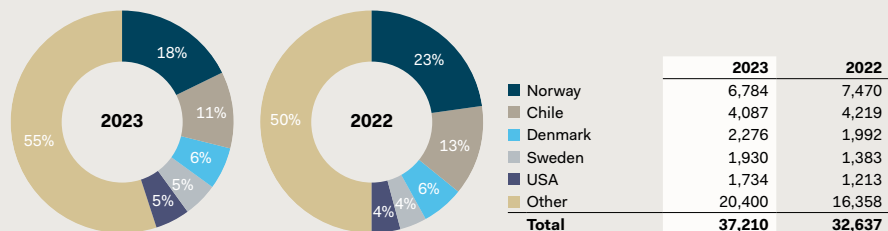
The data on revenue by geography are based on customers' geographical location, while data on property, plant and equipment and lease assets by geography are based on the geographical location of the assets. The specification shows individual countries that account for more than 5% of the Group in terms of revenue or assets. As Schouw & Co.'s consolidated revenue is generated in some 100 different countries, a very large proportion of revenue derives from the 'Other' category. Intangible assets are not classified by geography, as the value of neither customers nor goodwill can be precisely allocated to specific countries.

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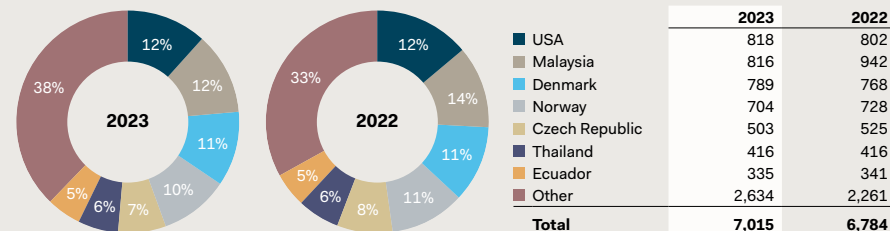
Segment reporting (continued)

Reporting segments 2022	BioMar	GPV	HydraSpecma	Borg Automotive	Fibertex Personal Care	Fibertex Nonwovens	Reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	17,861	5,923	2,536	1,815	2,442	2,060	32,637	0	0	32,637
Intra-group revenue	0	0	0	0	13	0	13	12	-25	0
Segment revenue	17,861	5,923	2,536	1,815	2,454	2,060	32,650	12	-25	32,637
EBITDA	1,013	465	306	180	269	111	2,343	-61	0	2,282
Depreciation, amortisation and impairment losses	410	173	95	76	140	99	993	1	0	994
EBIT	602	292	211	104	128	11	1,349	-62	0	1,288
Share of profit in associates and JVs	130	0	0	0	0	0	130	0	0	130
Tax on profit/loss for the year	-154	-65	-42	-26	-29	13	-301	-10	0	-311
Profit for the year	556	159	157	27	90	-11	977	16	0	993
Segment assets	12,127	7,874	1,945	2,401	2,139	2,724	29,210	16,713	-17,478	28,445
Of which goodwill	1,599	349	133	516	99	121	2,817	0	0	2,817
Equity investments in associates and JVs	670	0	10	0	0	0	680	0	0	680
Segment liabilities	8,515	5,626	1,190	1,401	1,013	1,755	19,500	6,365	-8,657	17,208
Working capital	1,977	2,566	814	618	414	593	6,983	-13	0	6,969
Net interest-bearing debt	2,507	2,266	655	427	590	1,277	7,721	-1,931	0	5,790
Cash flows from operating activities	299	-281	190	-150	206	-7	258	35	26	319
Capital expenditure	248	247	55	52	55	442	1,099	2	0	1,101
Acquisitions (divestments)	211	180	15	8	0	0	414	0	0	414
Average no. of employees	1,532	5,498	1,269	2,111	781	1,069	12,260	17	0	12,278

Revenue by country



Property, plant and equipment and lease assets by country



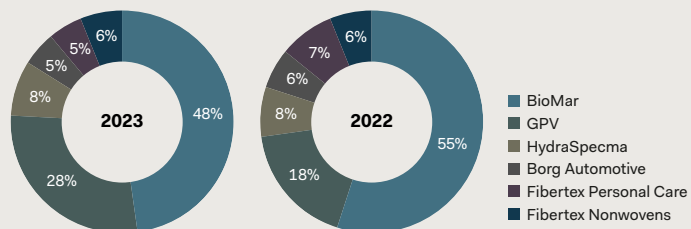
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Revenue

	2023	2022
Revenue by type of product/service:		
Sale of goods	36,680	31,935
Sale of biological assets	201	284
Sale of services	324	410
Royalties	4	7
Total revenue	37,210	32,637

The sale of biological assets relates to BioMar's sale of fish from the LetSea research centre
The sale of services relates to Fibertex Personal Care's sale of print services.

Revenue by business activity/subsidiary



3

Operating expenses

	2023	2022
Cost of sales, including write-down of inventories, net	-27,133	-24,066
Staff costs	-4,109	-3,159
Repairs and maintenance	-311	-264
Energy costs	-565	-630
Freight costs	-795	-929
Other costs	-1,474	-1,307
Total operating expenses	-34,386	-30,355

Operating expenses include research and development costs of DKK 140 million (2022: DKK 130 million).

Staff costs are specified as follows:

	2023	2022
Remuneration to the Board of Directors of Schouw & Co.	-5	-5
Wages and salaries	-3,401	-2,641
Defined contribution pension plans	-205	-146
Defined benefit pension plans	-22	-8
Other social security costs	-437	-332
Share-based payment	-38	-32
Total staff costs	-4,109	-3,164
Of which capitalised under non-current assets	18	5
Staff costs recognised in the income statement	-4,091	-3,159
Average no. of employees	15,488	12,278

Key members of management are defined as the Executive Management.

Determination of remuneration to the Board of Directors and the Executive Management

Aktieselskabet Schouw & Co. has a remuneration policy describing guidelines for the remuneration to members of the company's Board of Directors and Executive Management. A remuneration report has been prepared for 2023, describing remuneration to members of the company's Board of Directors and Executive Management. The remuneration policy and the Remuneration Report are available from the company's website.

The remuneration to board members consists of a fixed basic fee, which in 2023 amounted to DKK 400,000. The base fee for 2024 is proposed to remain unchanged. Total fees to the Board of Directors amounted to DKK 5.2 million (2022: DKK 4.8 million). Remuneration to the Board of Directors includes a fee for serving on committees of DKK 0.8 million (2022: DKK 0.8 million) and fees from subsidiaries of DKK 0.9 million (2022: DKK 0.6 million).

The Executive Management of Schouw & Co. received total remuneration of DKK 23.4 million (2022: DKK 21.6 million). Jens Bjerg Sørensen received total remuneration of DKK 17.3 million (2022: DKK 16.0 million), of which share-based payment amounted to DKK 3.4 million (2022: DKK 2.9 million). Peter Kjær received total remuneration of DKK 6.1 million (2022: DKK 5.6 million), of which share-based payment amounted to DKK 1.3 million (2022: DKK 1.0 million).

3

Operating expenses (continued)

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 date of grant (2023: DKK 567.60) plus a premium (2023: 2.00%) from the date of grant until the date of exercise. The exercise price is adjusted by deduction of ordinary dividends, which cannot exceed the accrued interest. Costs relating to the option programme are calculated on the basis of the Black & Scholes model and are expensed under staff costs on a straight-line basis over the vesting period. The 2023 grant is described in more detail in company announcement no. 9/2023 of 12 March 2023.

Outstanding options	Executive management	Other	Total
Granted in 2019	47,000	265,000	312,000
Granted in 2020	60,000	310,000	370,000
Granted in 2021	40,000	363,000	403,000
Granted in 2022	62,000	385,000	447,000
Total outstanding options at 31 December 2022	209,000	1,323,000	1,532,000
Granted in 2023	70,000	403,000	473,000
Reduction as per Remuneration Policy	-813	0	-813
Lapsed (from 2019 grant)	-47,000	-265,000	-312,000
Exercised (from 2020 grant)	-15,000	-222,000	-237,000
Total outstanding options at 31 December 2023	216,187	1,239,000	1,455,187

The expected volatility is calculated as 12 months' historical volatility based on average prices. If the option holders have not exercised their share options within the period specified, the share options will lapse without any compensation to the holders. Exercise of the share options is subject to the holders being in continuing employment during the above-mentioned periods. If the share option holder leaves the company's employ before a share option vests, the holder may in some cases have a right to exercise the share options early during a four-week period following Schouw & Co.'s next following profit announcement. In the event of early exercise, the number of share options will be reduced proportionately.

The following assumptions were applied in calculating the fair value of outstanding share options at the date of grant:

Fair value assumptions	2023 grants	2022 grants	2021 grants	2020 grants
Expected volatility	25.03%	24.82%	31.60%	22.21%
Expected term	47 mo.	49 mo.	49 mo.	48 mo.
Expected dividend per share	DKK 15	DKK 14	DKK 14	DKK 13
Risk-free interest rate	2.66%	-0.17%	-0.54%	-0.97%
Other information on option programmes:				
Exercise price (DKK) ¹	577.53	527.07	678.19	523.42
Fair value (DKK) per option ²	96.55	68.35	125.37	44.1
Total fair value in DKKm ²	45.6	30.6	50.5	16.3
Exercisable from	March 2026	March 2025	March 2024	March 2023
Exercisable until	April 2027	April 2026	April 2025	March 2024

- 1) On exercise after four years (at the latest possible date)
 2) At date of grant

4

Other operating income and expenses

	2023	2022
Gains on disposal of property, plant and equipment and intangible assets	9	4
Government grants	16	9
Other operating income	13	13
Total other operating income	39	26
Loss on disposal of property, plant and equipment and intangible assets	-6	-3
Other operating expenses	-8	-22
Total other operating expenses	-14	-26

Fibertex Personal Care recognised a DKK 4.8 million investment grant received in Malaysia under government grants in 2023 (2022: DKK 5.1 million). The grant is primarily subject to Fibertex Personal Care Malaysia continuing to generate a taxable profit over the coming years, which is considered very likely. BioMar has received a DKK 3.7 million grant for development projects in the UK, and GPV has received a DKK 3.6 million grant in Slovakia as compensation for high electricity prices. In addition to the above, a number of minor grants were received in China, the USA and South Africa.

5

Depreciation, amortisation and impairment losses

	2023	2022
Amortisation of intangible assets	-203	-151
Impairment, of intangible assets	-6	-6
Depreciation of property, plant and equipment	-601	-547
Impairment of property, plant and equipment	-8	-3
Depreciation of lease assets	-267	-233
Impairment/ reversed impairment, lease assets	0	1
Impairment of goodwill	-36	-55
Total depreciation, amortisation and impairment losses	-1,121	-994

A goodwill impairment charge was recognised in Viet-Uc in 2023 and in 2022. See note 16 – Impairment testing for more information

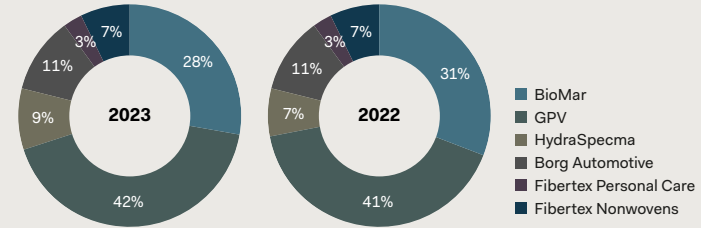
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Inventories

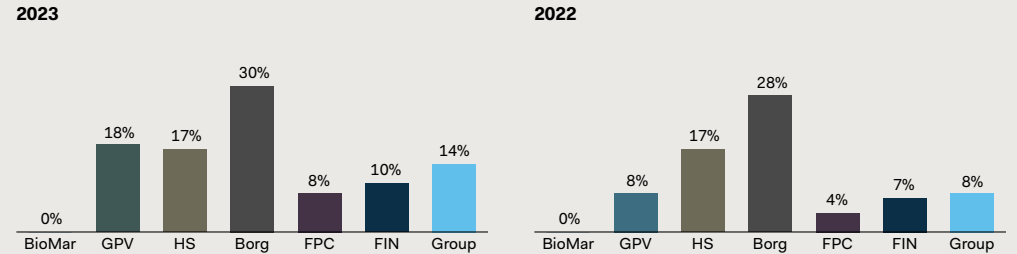
	2023	2022
Raw materials and consumables	5,219	5,928
Work in progress	485	569
Finished goods and goods for resale	2,256	2,308
Biological assets (fish)	43	237
Total inventories	8,003	9,043
Cost of inventories for which impairment losses have been recognised	1,153	780
Accumulated write-down of inventories	-509	-359
Net sales value	643	421

The Group's biological assets consist exclusively of fish used for fish feed experiments.

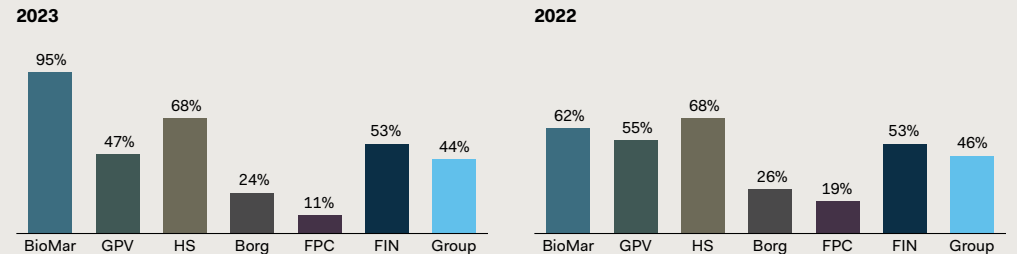
Inventories, end of year by portfolio company:



Proportion of impaired inventory



Impairment rate for impaired inventories

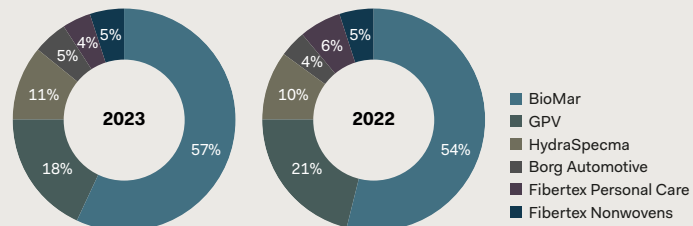


7

Receivables (current)

	2023	2022
Trade receivables	5,868	5,748
Other current receivables	453	432
Total current receivables	6,321	6,181

Trade receivables by portfolio company



2023	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
Trade receivables	4,848	598	319	237	6,003
Impairment losses on trade receivables	-37	-3	-15	-79	-134
Trade receivables, net	4,811	595	304	158	5,868
Proportion of total receivables expected to be settled					97.8%
Impairment rate	0.8%	0.5%	4.6%	33.4%	2.2%

2022	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
Trade receivables	4,894	557	194	299	5,944
Impairment losses on trade receivables	-34	-2	-9	-150	-195
Trade receivables, net	4,859	555	185	149	5,748
Proportion of total receivables expected to be settled					96.7%
Impairment rate	0.7%	0.4%	4.7%	50.1%	3.3%

Impairment losses on trade receivables

	2023	2022
Impairment losses, beginning of period	-195	-163
Foreign exchange adjustments	14	-4
Additions on company acquisitions	0	-7
Impairment losses for the year	-10	-74
Realised loss	57	53
Impairment losses, end of period	-134	-195

7

Receivables – current (continued)

2023	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
High risk of loss	9	1	5	56	71
Medium risk of loss	17	2	10	26	54
Low risk of loss	4	2	0	2	9
Total provision made	30	5	15	84	134

2022	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
High risk of loss	9	1	2	97	109
Medium risk of loss	17	1	2	48	67
Low risk of loss	9	1	6	4	19
Total provision made	34	2	10	149	195

The risk assessment is based on a combination of country risk and market risk as well as a company-specific risk assessment.

The Group has taken out credit insurance for 40% (2022: 41%) of its trade receivables of DKK 5.9 billion. In addition, customers have provided collateral in the amount of DKK 270 million (2022: DKK 253 million). The collateral provided consists mainly of assets such as fish stocks and fish farming equipment.

The Group's portfolio companies closely monitor trade receivables in order to estimate the need to make provisions for bad debts. Provisions for bad debts are determined on the basis of a general impairment model and an individual assessment of the debtor's expected ability to pay with due consideration for any collateral provided by the customer plus any debtor insurance.

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Current trade payables and other payables

	2023	2022
Trade payables	5,422	6,562
Core liability	208	210
Other current debt	1,319	1,356
Contingent consideration (earn-out)	0	200
Provisions	91	163
Total current trade payables and other payables	7,039	8,492

All trade payables and other payables generally fall due within one year.

For a number of years, BioMar has facilitated a supply chain financing programme (reverse factoring) through banks. The purpose of the programme is to develop and ensure long-term relations with strategically important suppliers of raw materials. The supply chain finance programme contributes to ensuring low raw materials prices and financing costs in the value chain. Suppliers participating in the programme have the option of receiving early payment. Under the system, BioMar assigns approved invoices to the bank in a factoring arrangement without recourse. The bank then pays the supplier early while ensuring the best possible credit period for BioMar. Supply chain finance debt of DKK 764 million is recognised in the balance sheet under trade payables (2022: DKK 980 million).

Borg Automotive sells remanufactured automotive spare parts charging a deposit for a product's core component. The system of deposits give the customers an incentive to return the cores, ensuring a flow of raw materials to the company. This produces a core liability that applies for two years. The liability amounted to DKK 277 million at 31 December 2023 (2022: DKK 280 million). Of this amount, DKK 208 million (2022: DKK 210 million) is recognised as current liabilities, while the rest is recognised as other non-current liabilities.

9

Changes in working capital affecting cash flows

	2023	2022
Change in inventories	945	-1,912
Change in receivables	28	-280
Change in trade payables and other payables	-1,350	644
Total changes in working capital	-377	-1,548

Notes · invested capital

This section of the annual report contains notes relating to the Group's invested capital.

The following notes are presented in this section:

- 10. Intangible assets
- 11. Property, plant and equipment
- 12. Lease assets
- 13. Investments in subsidiaries, associates and joint arrangements
- 14. Receivables – non-current
- 15. Acquisitions
- 16. Impairment testing

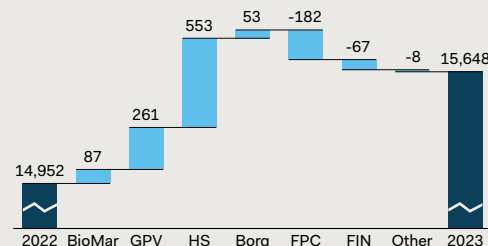
Comments

Invested capital

In 2023, invested capital exclusive of goodwill increased by DKK 696 million or 5% to DKK 15,648 million at the end of the year.

As can be seen from the chart, invested capital increased in HydraSpecma and GPV, in particular, while invested capital decreased in Fibertex Personal Care. The increase in HydraSpecma was mainly from the acquisition of the wind division from Ymer Technology.

Changes in invested capital 2022 to 2023

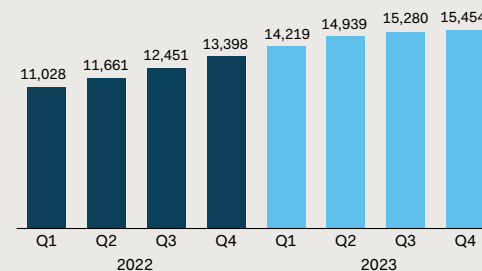


ROIC

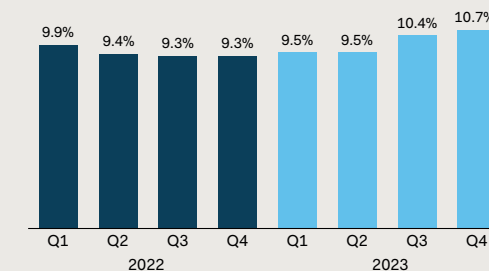
Return on invested capital (ROIC) is measured as Operating profit/loss before amortisation of intangible assets (EBITA) as a percentage of average invested capital. ROIC exclusive of goodwill improved to 12.8% in 2023 from 11.2% in 2022.

The reason for the increase in ROIC was a 15% increase in average invested capital exclusive of goodwill in 2023, whereas EBITA increased by 31%.

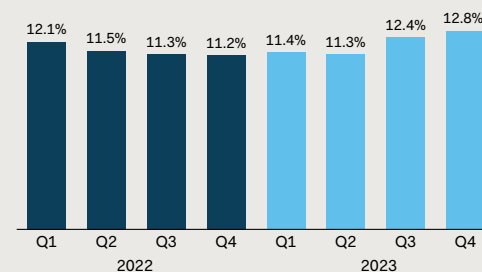
Avg. invested capital excluding goodwill



ROIC including goodwill



ROIC excluding goodwill



Accounting policies

Intangible assets

Goodwill is initially measured in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortised. The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and the in-house financial management.

Intangible assets such as customer relations, brands and technology, acquired in connection with business combinations are measured at cost less accumulated amortisation and impairment. Other intangible assets comprise IT solutions and development projects. Intangible assets are amortised on a straight-line basis over the expected useful lives of the assets, which are as follows:

Customer relations	7-20 years
Brands	10-20 years
Technology	5-15 years
Other intangible assets	3-10 years
Goodwill is not amortised, but is tested for impairment once a year.	

Property, plant and equipment

Land and buildings, plant and machinery, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. For assets produced in-house, cost comprises direct and indirect costs of materials, components, third-party suppliers and labour. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site on which

the asset was used. The cost of a total asset is divided into separate components that are depreciated separately if such components have different useful lives.

Interest expense of constructing a new asset and incurred during the construction period is recognised in the cost of the asset.

Subsequent costs, such as the cost of replacing components of property, plant and equipment, are included in the asset's carrying amount. The replaced components are no longer recognised in the balance sheet, and the carrying amount is transferred to the income statement. All other ordinary repair and maintenance costs are recognised in the income statement when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets/components, which are as follows:

Buildings	10-50 years
Production equipment etc.	4-15 years
Other fixtures and fittings, tools and equipment	3-10 years
Land	not depreciated

The basis of depreciation is calculated in due consideration of the asset's residual value, reduced by any impairment losses. The residual value is determined at the acquisition date and reassessed annually. Where the residual value exceeds the carrying amount, the property ceases to be depreciated.

If the depreciation period or the scrap value is changed, the effect on depreciation going forward is recognised as a change in accounting estimates.

Depreciation is recognised in the income statement in the line item depreciation and amortisation.

Leases

Leases are recognised in the balance sheet as a lease asset (right of use of the lease) and a lease liability. However, leases and lease agreements for minor assets and short-term agreements (of less than one year) are exempt from the recognition requirement. Lease assets are depreciated on a straight-line basis over their expected useful lives, and rent and lease payments are broken down into a principal component reducing the lease debt and an interest component recognised in financial expenses.

Lease assets are depreciated on a straight-line basis over the expected term, which is as follows:

Ships	Up to 15 years
Property	3-10 years
Other assets	Up to 5 years

Many of the property leases have extension options, which are recognised in the lease asset if the Group reasonably expects to exercise the option. Other assets mainly consist of cars, trucks and other production equipment.

The lease liability is calculated as the present value of future lease payments and discounted using the internal rate of return of the lease or an alternative borrowing rate.

Service elements included in the lease are not included in the lease liability, but are disclosed separately.

For purposes of assessing expected lease terms, the Group identifies the non-cancellable lease term of the agreement plus periods comprised by an extension option which management reasonably expects to exercise.

Investments in joint ventures and associates

Joint ventures and associates are recognised in consolidated income statement at the proportionate share of the profit or loss after elimination of the proportionate share of intra-group gains or losses after impairment of goodwill.

Investments in joint ventures and associates are measured in the balance sheet at the proportionate share of the companies' net asset value calculated in accordance with the Group's accounting policies with the deduction or addition of the proportionate share of unrealised intra-group gains and losses and with the addition of the carrying amount of goodwill.

Associates with a negative equity value are recognised at zero.

Receivables from associates are written down to the extent they are deemed to be irrecoverable.

Business combinations

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition. Comparative figures are not adjusted to reflect acquisitions.

The purchase method is applied on acquisitions if the Parent Company gains control of the company acquired. Assets, liabilities and contingent liabilities in companies acquired are measured at their fair value at the date of acquisition. Intangible assets are recognised if they can be separated or if they arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognised.

Any excess of the consideration paid for the business over the fair value of the acquired assets, liabilities and

contingent liabilities is recognised as goodwill under intangible assets. In the event of uncertainty regarding measurement, goodwill may be adjusted until 12 months after the acquisition. Goodwill is not amortised, but is tested for impairment annually. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is transferred to the cash-generating units that will subsequently form the basis of future impairment tests.

On initial recognition, non-controlling interests are either recognised at their fair value or at their pro-rata share of the fair value of the acquired company's identifiable assets, liabilities and contingent liabilities. Accordingly, for the former option, goodwill is recognised relating to non-controlling interests of the acquired business, while for the latter option, goodwill relating to non-controlling interests is not recognised. The method of measuring non-controlling interests is determined on a case-by-case basis and disclosed in the presentation of acquired businesses in the notes to the financial statements.

When put options are issued as part of the consideration for business combinations, the fair value of the option is recognised as a liability. Fair value is determined as the present value of the exercise price of the option. The option is subsequently measured at amortised cost corresponding to the discounted value of the expected future cash flows. Value adjustments are recognised directly in equity.

Contingent consideration agreed in connection with company acquisitions and paid to the seller if certain conditions are met, is recognised at fair value and considered part of the total consideration for acquiring the company. Changes in fair value of the contingent consideration are recognised in the income statement under financial items.

Company divestments

Companies divested or wound up are consolidated in the income statement until the date they are divested or wound up. Comparative figures are not adjusted to reflect divestments.

Any gains or losses on the disposal of subsidiaries, associates or joint ventures are stated as the difference between the sales sum or the proceeds from the winding-up and the carrying amount of net assets, including goodwill, at the date of disposal and expenses for selling or winding-up. On the disposal of subsidiaries, adjustments accumulated in equity through other comprehensive income and which are attributable to the unit are reclassified to the income statement and recognised together with any gains or losses from the disposal.

On the divestment of a subsidiary, the profit/loss is recognised under profit/loss from the divestment of equity investments if the company sold does not represent an independent reporting segment or if its revenue, profit/loss or assets represent less than 10% of consolidated revenue, consolidated profit/loss or consolidated assets.

Profit from the sale of other subsidiaries is recognised in profit from discontinued operations.

Gains on the sale of associates and joint ventures are recognised in Gains on equity divestments.

Impairment testing of non-current assets

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment, initially before the end of the year of acquisition. Development projects in progress are also tested for impairment annually.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit to which goodwill has been allocated and is written down over the income statement to the lower of the recoverable amount and the carrying amount.

The recoverable amount is generally calculated as the net present value of expected future cash flows from the enterprise or activity (cash-generating unit) to which the goodwill relates.

An impairment loss is recognised where the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. Impairment write-downs are recognised in the income statement in the line item depreciation, amortisation and impairment losses. Impairment of goodwill is not reversed. Impairment of other assets is reversed to the extent changes have occurred to the assumptions and estimates leading to the impairment. Impairment is only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been impaired.

The carrying amounts of other non-current assets are tested annually to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less expected costs to sell and the value in use.

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Intangible assets

	Goodwill	Customer relations	Brands	Technology	Other intangible assets	Total
2023						
Cost at 1 January 2023	2,873	1,127	231	596	371	5,198
Foreign exchange adjustments	-35	7	-1	-6	5	-30
Addition on internally generated assets	0	0	0	0	7	7
Addition through separate acquisition	0	0	0	0	42	42
Additions on company acquisitions	172	118	0	140	24	454
Disposals	0	0	0	0	0	0
Transferred/reclassified	0	0	0	0	5	5
Cost at 31 December 2023	3,011	1,251	230	730	454	5,676
Depreciation and impairment at 1 January 2023	-57	-335	-98	-180	-261	-931
Foreign exchange adjustments	3	0	0	1	0	4
Transferred/reclassified	0	0	0	0	0	0
Impairment	-36	0	0	0	-6	-42
Depreciation	0	-90	-22	-53	-37	-203
Amortisation and impairment of assets disposed of	0	0	0	0	0	0
Depreciation and impairment at 31 December 2023	-89	-425	-120	-232	-305	-1,171
Carrying amount at 31 December 2023	2,921	827	110	498	148	4,505

The Group had additions of intangible assets in 2023 in connection with the acquisition of the wind activities from Ymer Technology.

The category other intangible assets consists mainly of IT projects, but also includes various ongoing and completed development projects.

	Goodwill	Customer relations	Brands	Technology	Other intangible assets	Total
2022						
Cost at 1 January 2022	2,537	710	234	450	307	4,238
Foreign exchange adjustments	45	14	-3	14	0	71
Addition on internally generated assets	0	0	0	0	1	1
Addition through separate acquisition	0	0	0	0	38	38
Additions on company acquisitions	291	399	0	133	27	849
Disposals	0	0	0	0	-1	-1
Transferred/reclassified	0	3	0	0	-2	2
Cost at 31 December 2022	2,873	1,127	231	596	371	5,198
Depreciation and impairment at 1 January 2022	-1	-264	-73	-137	-240	-716
Foreign exchange adjustments	0	-5	2	-4	1	-5
Transferred/reclassified	0	0	0	0	-2	-2
Impairment	-55	0	-6	0	0	-61
Depreciation	0	-67	-21	-39	-25	-151
Amortisation and impairment of assets disposed of	0	0	0	0	0	0
Depreciation and impairment at 31 December 2022	-57	-335	-98	-180	-265	-935
Carrying amount at 31 December 2022	2,817	792	133	416	110	4,267

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Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Assets under construction	Total
2023					
Cost at 1 January 2023	3,425	6,806	521	1,268	12,019
Adjustment for hyperinflation	3	6	1	1	10
Foreign exchange adjustments	-94	-195	-7	-37	-333
Additions	111	225	57	448	841
Additions on company acquisitions	1	5	3	0	9
Disposals	0	-7	-12	0	-20
Transferred/reclassified	535	454	17	-1,012	-6
Cost at 31 December 2023	3,981	7,293	579	668	12,522
Depreciation and impairment at 1 January 2023	-1,060	-4,490	-376	0	-5,927
Adjustment for hyperinflation	0	-1	0	0	-1
Foreign exchange adjustments	31	135	6	0	173
Transferred/reclassified	0	0	0	0	0
Amortisation and impairment of assets disposed of	0	3	9	0	12
Impairment	-7	-1	0	0	-8
Depreciation	-110	-438	-54	0	-601
Depreciation and impairment at 31 December 2023	-1,145	-4,792	-415	0	-6,353
Carrying amount at 31 December 2023	2,836	2,501	164	668	6,169

At the end of 2023, the Group had entered into contracts for the purchase of property, plant and equipment for future delivery for an amount of DKK 224 million (2022: DKK 359 million).

Properties with evidence of impairment have been tested for impairment. Properties were written down in the amount of DKK 7 million in 2023 (2022: DKK 0 million). The writedown related to GPV's production unit in Malaysia, which is being closed.

Assets under construction relate to Fibertex Personal Care's construction of production line 9 in Malaysia, Fibertex Nonwovens' construction of additional nonwovens capacity in Europe and to GPV's expansion of capacity in Thailand. Borrowing costs of DKK 34 million were capitalised in 2023 in connection with the construction of new production lines (2022: DKK 28 million).

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Assets under construction	Total
2022					
Cost at 1 January 2022	3,206	6,165	460	604	10,435
Adjustment for hyperinflation	23	56	3	0	82
Foreign exchange adjustments	12	26	-4	8	42
Additions	57	208	32	827	1,125
Additions on company acquisitions	101	215	23	14	353
Disposals	-2	-7	-7	0	-16
Transferred/reclassified	27	143	14	-185	-1
Cost at 31 December 2022	3,425	6,806	521	1,268	12,019
Depreciation and impairment at 1 January 2022	-959	-4,067	-331	0	-5,357
Adjustment for hyperinflation	-4	-28	-2	0	-34
Foreign exchange adjustments	5	-2	2	0	5
Transferred/reclassified	1	-1	0	0	1
Amortisation and impairment of assets disposed of	1	3	5	0	8
Impairment	0	-3	0	0	-3
Depreciation	-105	-392	-50	0	-547
Depreciation and impairment at 31 December 2022	-1,060	-4,490	-376	0	-5,927
Carrying amount at 31 December 2022	2,364	2,315	145	1,268	6,093

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Lease assets

2023	Ships	Property	Other assets	Total
Cost at 1 January 2023	606	693	153	1,452
Foreign exchange adjustments	-38	-2	-2	-42
Additions	0	207	43	250
Additions on company acquisitions	0	0	0	0
Disposals	0	-56	-28	-84
Remeasurement of lease assets	73	109	15	197
Cost at 31 December 2023	641	951	180	1,773
Depreciation and impairment at 1 January 2023	-314	-348	-96	-758
Foreign exchange adjustments	18	-1	2	19
Impairment/reversed impairment	0	0	0	0
Depreciation	-82	-144	-41	-267
Amortisation and impairment of assets disposed of	0	53	26	79
Depreciation and impairment at 31 December 2023	-378	-439	-110	-927
Carrying amount at 31 December 2023	264	512	70	846

DKK 54 million (2022: DKK 41 million) was recognised in the income statement for 2023 regarding leases not recognised in the balance sheet, the amount consisting of DKK 9 million in services (2022: DKK 5 million), DKK 6 million in small assets (2022: DKK 5 million) and DKK 39 million in short-term leases (2022: DKK 31 million).

At the balance sheet date, lease liabilities relating to small assets and services amounted to DKK 20 million (2022: DKK 16 million), of which DKK 11 million falls due within 12 months and DKK 9 million falls due in between one and five years.

For further information about lease debt, see note 19.

2022	Ships	Property	Other assets	Total
Cost at 1 January 2022	559	563	132	1,254
Foreign exchange adjustments	-27	-13	0	-41
Additions	0	65	26	90
Additions on company acquisitions	0	81	5	87
Disposals	0	-5	-17	-22
Remeasurement of lease assets	75	2	7	84
Cost at 31 December 2022	606	693	153	1,452
Depreciation and impairment at 1 January 2022	-242	-251	-74	-567
Foreign exchange adjustments	15	5	0	20
Impairment/reversed impairment	0	1	0	1
Depreciation	-87	-108	-38	-233
Amortisation and impairment of assets disposed of	0	5	16	21
Depreciation and impairment at 31 December 2022	-314	-348	-96	-758
Carrying amount at 31 December 2022	292	345	57	694

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Investments in subsidiaries, associates and joint arrangements

The Group has the following subsidiaries and joint operations:

Name	Registered office	Ownership interest 2023	Ownership interest 2022	Name	Registered office	Ownership interest 2023	Ownership interest 2022
BioMar Group A/S	Aarhus, Denmark	100%	100%	GPV Finland OY	Lohja, Finland	100%	100%
Alimentsa S.A.	Guayaquil, Ecuador	70%	70%	GPV Germany GmbH	Hildesheim, Germany	100%	100%
BioMar A/S	Brande, Denmark	100%	100%	GPV International A/S	Vejle, Denmark	100%	100%
BioMar A/S Chile Holding S.A.	Puerto Montt, Chile	100%	100%	GPV Lanka (PVT) Ltd.	Kochchikade, Sri Lanka	100%	100%
BioMar AB	Malmoe, Sweden	100%	100%	GPV Malaysia Sdn. Bhd.	Johor Bahru, Malaysia	100%	100%
BioMar Aquacorporation Products S.A. ¹	Cañas, Costa Rica	50%	50%	GPV Property Solution (private) Limited ²	Kochchikade, Sri Lanka	49%	49%
BioMar Aquacultura Corporation S.A.	Cañas, Costa Rica	100%	100%	GPV Slovakia (Nova) s.r.o.	Nova Dubnica, Slovakia	100%	100%
BioMar AS	Myre, Norway	100%	100%	GPV Slovakia s.r.o.	Hlohovec, Slovakia	100%	100%
BioMar Chile SA	Puerto Montt, Chile	100%	100%	GPV Suzhou Ltd.	Suzhou, China	100%	100%
BioMar Hellenic S.A.	Volos, Greece	100%	100%	GPV Sweden AB	Västerås, Sweden	100%	100%
BioMar Iberia SA	Dueñas, Spain	100%	100%	GPV Switzerland (Nordic) AG	Turgi, Switzerland	100%	100%
BioMar Ltd.	Grangemouth, Scotland	100%	100%	GPV Switzerland SA	Mendrisio, Switzerland	100%	100%
BioMar OOO	Ropsha, Russia	100%	100%	GPV Zhongshan Co. Ltd.	Zhongshan, China	100%	100%
BioMar Pty. Ltd.	Hobart, Australia	100%	100%				
BioMar S.A.S.	Nersac, France	100%	100%	HydraSpecma A/S	Skjern, Denmark	100%	100%
BioMar Sp. z o.o.	Zielona Góra, Poland	100%	100%	Dansk Afgratningsteknik A/S	Skjern, Denmark	60%	60%
Oy BioMar Ab	Vanda, Finland	100%	100%	GSS Hydraulics B.V.	Huizen, the Netherlands	100%	100%
Viet-Uc Aqua Feed Company Limited	An Hiep Village, Vietnam	68%	68%	HydraSpecma AB	Gothenburg, Sweden	100%	100%
Sensaq Investment Pty Ltd	Hobart, Australia	100%	100%	HydraSpecma Co. Ltd.	Shanghai, China	100%	100%
AQ1 Systems Pty Ltd	Hobart, Australia	100%	100%	HydraSpecma Components AB	Skellefteå, Sweden	100%	100%
AQ1 Systems JBO	Shimonoseki-city, Japan	100%	100%	HydraSpecma Do Brazil Ltda	Curitiba, Brazil	90%	90%
AQ1 Systems S.A.	Panama city, Panama	100%	100%	HydraSpecma Hydraulic Polska sp. z.o.o.	Targard, Poland	100%	100%
				HydraSpecma Hydraulic Systems (Tianjin) Co., Ltd.	Tianjin, China	100%	100%
GPV Group A/S	Vejle, Denmark	80%	80%	HydraSpecma Hydraulic U.S. Inc.	San Antonio, Texas, USA	100%	100%
GPV (Hong Kong) Ltd.	Hong Kong, Hong Kong	100%	100%	HydraSpecma Hydraulikhuset AB	Gothenburg, Sweden	100%	100%
GPV Americas México S.A.P.I de CV	Guadalajara, Mexico	100%	100%	HydraSpecma Norge AS	Flekkefjord, Norway	100%	100%
GPV Asia (Hong Kong) Ltd.	Hong Kong, Hong Kong	100%	100%	HydraSpecma OY	Espoo, Finland	100%	100%
GPV Asia (Thailand) Co. Ltd.	Bangkok, Thailand	100%	100%	HydraSpecma Renewables AB	Stockholm, Sweden	100%	0%
GPV Austria Cable GmbH	Frankenmarkt, Austria	100%	100%	HydraSpecma Renewables ApS	Silkeborg, Denmark	100%	0%
GPV Austria GmbH	Frankenmarkt, Austria	100%	100%	HydraSpecma Renewables China Ltd.	Tianjin, China	100%	0%
GPV Beijing Ltd.	Beijing, China	100%	100%	HydraSpecma Renewables Inc.	New Caney, USA	100%	0%
GPV DACH (Asia) AG	Lachen, Switzerland	100%	100%	HydraSpecma Renewables India Private Ltd.	Kanchipuram Tamil Nadu, India	100%	0%
GPV Dach (Nordic) AG	Zurich, Switzerland	100%	100%	HydraSpecma Samwon Ltd.	Newton Aycliffe, UK	100%	100%
GPV DACH AG	Lachen, Switzerland	100%	100%	HydraSpecma USA Inc.	Chicago, USA	100%	100%
GPV Estonia AS	Elva, Estonia	100%	100%	HydraSpecma Wiro AB	Motala, Sweden	100%	100%
GPV Finland (Oulu) OY	Oulu, Finland	100%	100%	Specma Fastighets AB	Gothenburg, Sweden	100%	100%

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Investments in subsidiaries, associates and joint ventures (continued)

The Group has the following subsidiaries and joint operations:

Name	Registered office	Ownership interest 2023	Ownership interest 2022
Borg Automotive A/S	Silkeborg, Denmark	100%	100%
Borg Automotive Sp.z.o.o.	Zdunska Wola, Poland	100%	100%
Borg Automotive Spain S.L.U.	Navarra, Spain	100%	100%
Borg Automotive Reman Spain S.L.U.	Navarra, Spain	100%	100%
Borg Automotive UK Ltd	Wednesbury, UK	100%	100%
Electro Steer UK Ltd.	Wednesbury, UK	100%	100%
Car Parts Industries Belgium SA	Nivelles, Belgium	100%	100%
SBS Automotive A/S	Støvring, Denmark	100%	100%
SBS Deutschland GmbH	Eisenach, Germany	100%	100%
SBS France SAS	Chaumont-en-Vexin, France	100%	100%
Fibertex Personal Care A/S	Aalborg, Denmark	100%	100%
Fibertex Personal Care AG	Ilsenburg, Germany	100%	100%
Fibertex Personal Care Corporation	Asheboro NC, USA	100%	100%
Fibertex Personal Care K.K.	Tokyo, Japan	100%	100%
Fibertex Personal Care Sdn Bhd	Nilai, Malaysia	100%	100%
Fibertex Personal Care Vietnam Limited Company	Hanoi, Vietnam	100%	0%
Fibertex Nonwovens A/S	Aalborg, Denmark	100%	100%
Elephant Nonwovens - Nao Tecidos U.P., Lda.	Estoril, Portugal	100%	100%
Fibertex Elephant España S.L.	Sant Cugat del Vallés, Spain	100%	100%
Fibertex France SARL	Clermont, France	100%	100%
Fibertex Naotecidos Ltda.	Sao Paolo, Brazil	100%	100%
Fibertex Nonwovens Holding Ltd.	Hong Kong, China	100%	100%
Fibertex Nonwovens Inc.	Grey Court SC, USA	100%	100%
Fibertex Nonwovens S.A.S.	Chemillé, France	100%	100%
Fibertex Nonwovens Shanghai Co. Ltd.	Shanghai, China	100%	100%
Fibertex Nonwovens Tekstil Sanayi ve Ihracat A.Ş.	Cerkezoy, Türkiye	100%	100%
Fibertex Nonwovens, a.s.	Svitavy, Czech Republic	100%	100%
Fibertex North America Holding Inc.	Ingleside IL, USA	100%	100%
Fibertex North America Real Estate	Ingleside IL, USA	100%	100%
Fibertex Private Limited	Bangalore, India	100%	100%
Fibertex South Africa Ltd.	Hammarsdale, South Africa	74%	74%

1) BioMar Aquacorporation Products S.A. is a pro-rata consolidated 50%-owned company. This is a joint arrangement in which the Schouw & Co. Group (BioMar) shares control over the production apparatus of the jointly-controlled entity with an external business partner. Accordingly, under IFRS 11, the arrangement is therefore classified as a joint operation and pro-rata consolidated. The company is recognised at the following amounts: current assets DKK 42 million (2022: DKK 44 million), non-current assets DKK 21 million (2022: DKK 25 million), current liabilities DKK 24 million (2022: DKK 28 million), non-current liabilities DKK 2 million (2022: DKK 5 million), revenue DKK 49 million (2022: DKK 52 million) and expenses DKK 49 million (2022: DKK 52 million).

2) Although the Group holds only 49% of GPV Property Solution (private) Limited, the Group is considered to have a controlling interest in the company.

In 2023, the Group acquired the wind division from Ymer Technology through HydraSpecma, including the companies HydraSpecma Renewables AB, HydraSpecma Renewables ApS, HydraSpecma Renewables China Ltd, HydraSpecma Renewables Inc. and HydraSpecma Renewables India Private. Fibertex Personal Care set up a company in Vietnam in 2023.

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Investments in subsidiaries, associates and joint ventures (continued)

The Group has the following associates:

Name	Registered office	Ownership interest 2023	Ownership interest 2022
LetSea AS	Dønna, Norway	34%	33%
ATC Patagonia S.A.	Lenca, Chile	30%	30%
Salmones Austral S.A.	Puerto Montt, Chile	23%	23%
LCL Shipping Ltd.	Grangemouth, Scotland	40%	40%
Young Tech Co. Ltd.	Chongwon, South Korea	30%	30%
Micron Specma India (Pvt.) Ltd	Rohtak, Haryana, India	25%	25%
NGIN A/S	Aarhus, Denmark	40%	40%
AQ1 Thailand	Bangkok, Thailand	49%	49%

Associates:	2023	2022
Cost at 1 January	287	271
Foreign exchange adjustments	-10	16
Additions during the year	1	0
Cost at 31 December	279	287
Adjustments at 1 January	210	139
Foreign exchange adjustments and other changes in equity	-7	1
Dividends paid	-29	-10
Profit after tax from associates	-36	80
Adjustments at 31 December	137	210
Carrying amount at 31 December	417	498



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Investments in subsidiaries, associates and joint ventures (continued)

2023	LetSea	ATC Patagonia	Salmones Austral	LCL Shipping	Young Tech Co. Sydkorea	Micron Specma India (Pvt.)	NGIN	AQ1 Asia
Revenue	402	23	1,951	16	55	38	10	n/a
Profit for the year	14	-3	-189	3	4	4	0	n/a
Assets	194	38	3,779	51	43	33	5	n/a
Liabilities	94	4	2,290	29	23	19	2	n/a
Recognised in the Schouw & Co. Group:								
Share of profit	5	-1	-43	1	1	1	0	0
Share of equity	34	10	341	9	6	3	1	0
Goodwill	0	0	11	0	0	0	1	0
Carrying amount at 31 December	34	10	352	9	6	3	2	0

2022	LetSea	ATC Patagonia	Salmones Austral	LCL Shipping	Young Tech Co. Sydkorea	Micron Specma India (Pvt.)	NGIN	AQ1 Asia
Revenue	444	22	2,175	14	46	17	9	n/a
Profit for the year	38	-6	297	2	1	1	0	n/a
Assets	212	44	4,016	54	50	13	5	n/a
Liabilities	94	5	2,190	36	33	3	2	n/a
Recognised in the Schouw & Co. Group:								
Share of profit	13	-2	68	1	0	0	0	0
Share of equity	39	12	418	7	5	3	1	0
Goodwill	0	0	11	0	0	0	1	0
Carrying amount at 31 December	39	12	430	7	5	3	2	0

Salmones Austral is individually considered to be of significant importance to the Group. The comprehensive income in Salmones Austral for 2023 amounted to DKK -189 million (2022: DKK 297 million), its EBITDA was DKK 82 million (2022: DKK 521 million) and its NIBD at 31 December was DKK 1,027 million (2022: DKK 900 million).

Salmones Austral had non-current assets of DKK 2,088 million at 31 December 2022 (2022: DKK 2,263 million), current assets of DKK 1,691 million (2022: DKK 1,753 million), non-current debt of DKK 1,108 million (2022: DKK 1,328 million) and current debt of DKK 1,182 million (2022: DKK 862 million).

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Investments in subsidiaries, associates and joint ventures (continued)

The Group has the following joint ventures:

Name	Registered office	Ownership interest 2023	Ownership interest 2022
BioMar-Sagun TTK	Söke, Türkiye	50%	50%
BioMar-Tongwei (Wuxi) Biotech Co., Ltd.	Wuxi, China	50%	50%

The two joint ventures are not considered material to the Group.

Joint ventures	2023	2022
Cost at 1 January	146	146
Reclassified	0	0
Additions during the year	0	0
Disposals for the year	0	0
Cost at 31 December	146	146
Adjustments at 1 January	36	2
Reclassified	0	0
Foreign exchange adjustments and other changes in equity	-28	-16
Share of profit after tax in joint ventures	45	50
Adjustments at 31 December	52	36
Carrying amount at 31 December	198	182

2023	BioMar-Sagun	BioMar-Tongwei
Revenue	616	1,228
Profit for the year	68	21
Assets	295	383
Liabilities	157	131
Recognised in the Schouw & Co. Group:		
Share of profit	34	11
Share of equity	69	126
Goodwill	1	2
Carrying amount at 31 December	70	128

2022

	BioMar-Sagun	BioMar-Tongwei
Revenue	516	1,149
Profit for the year	95	5
Assets	249	431
Liabilities	137	185
Recognised in the Schouw & Co. Group:		
Share of profit	48	2
Share of equity	56	123
Goodwill	1	2
Carrying amount at 31 December	57	125

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Receivables – non-current

	2023	2022
Loans to customers	151	152
Other non-current receivables	42	48
Total non-current receivables	193	199

Loans to customers consist mainly of a loan to a single customer extended by BioMar in connection with the conclusion of a long-term feed contract. Established in 2021, the loan has a seven-year maturity and carries interest over its term.

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Acquisitions

	Ymer	SBS	2023	2022
Customer relations	118	0	118	399
Technology	140	0	140	133
Other intangible assets	24	0	24	27
Property, plant and equipment	9	0	9	353
Lease assets	0	0	0	87
Financial assets	3	0	3	4
Inventories	93	0	93	1,637
Receivables	77	0	77	1,040
Tax assets	0	0	0	5
Cash and cash equivalents	40	0	40	258
Credit institutions	0	0	0	-1,016
Deferred tax	-66	0	-66	-71
Provisions	0	0	0	-95
Trade payables	-52	0	-52	-1,514
Other debt	-40	0	-40	-297
Current tax	0	0	0	-35
Net assets acquired	345	0	345	915
Of which non-controlling interests	0	0	0	-195
Goodwill	172	0	172	291
Acquisition cost	517	0	517	1,010
Of which cash and cash equivalents	-40	0	-40	-258
Issue of shares	0	0	0	-346
Settlement of purchase price for SBS	0	207	207	0
Earn-out settled	0	0	0	8
Total cash acquisition costs	478	207	684	414

Wind division from Ymer Technology

HydraSpecma acquired the wind division from Ymer Technology effective on 1 February 2023. The acquisition included approximately 180 employees working for companies in Sweden, Denmark, the USA, India and China. The acquisition gives HydraSpecma strong competencies within cooling and conditioning of wind turbine nacelles, which complement HydraSpecma's existing expertise as a subcontractor to the wind turbine industry.

A purchase price allocation was prepared in connection with the acquisition, which identified values of customers, technology and inventories in excess of carrying amounts. Goodwill was calculated at DKK 172 million. The cash acquisition price was calculated at DKK 478 million. Transaction costs in connection with the acquisition have amounted to DKK 10 million, of which DKK 8 million was recognised in 2022. The transaction costs were recognised under operating expenses.

Had the acquisition been made effective from 1 January 2023, earnings would have been DKK 3 million higher and revenue would have been DKK 44 million higher.

SBS

In November, Borg Automotive paid a purchase price of DKK 207 million relating to the acquisition of SBS.

2022

In 2022, the Group acquired GSS through HydraSpecma, AQ1 through BioMar and Enics through GPV. In addition, the Group paid final part of the earn-out payments relating to the acquisition of TMI (Borg).

16 Impairment testing

Goodwill

The management of Schouw & Co. has tested all cash-generating units of the Group to which goodwill has been allocated. In the tests performed, the senior management of each company estimated the expected free cash flows in a five-year budget and forecast period (2024–2028).

The impairment test estimates the present value of goodwill (value-in-use principle) by discounting expected free cash flows using an estimated discount rate to assess the company's total value and related goodwill, which is subsequently compared with the carrying amount recognised in the Schouw & Co. consolidated financial statements. The rate of growth post the forecast period, the so-called terminal growth, is based on historical experience and general long-term growth forecasts for the individual markets. The estimates for the Schouw & Co. entities vary from 2% to 3% growth.

At 31 December 2023, capitalised goodwill in the Schouw & Co. Group amounted to DKK 2,921 million, compared with DKK 2,817 million at 31 December 2022. During the year, goodwill in the amount of DKK 172 million was added in connection with the HydraSpecma's acquisition of Ymer. Based on the exchange rate at 31 December 2023, the goodwill is recognised at DKK 164 million. The rest of the change consisted of foreign exchange adjustments of DKK 32 million and a writedown of goodwill in Viet-Uc of DKK 36 million. The impairment charge in Viet-Uc is described further in the subsequent section on Viet-Uc.

The discount rate (WACC) was estimated on the basis of available market data and an assessment of the risk profile of the individual entities. Specifically, a risk-free interest rate based on the current yield of a 10-year government bond in the relevant geography plus an estimated market-risk premium are used to estimate the required rate of return on equity. Estimated risk premiums are then added, depending on industry, business model and geography. The required rate of return on debt is based on an estimated credit assessment of the entities and current interest rate levels. The required rates of return on debt and equity are weighted using a capital structure based on a group of company peers.

Total goodwill in Schouw & Co. of DKK 2,921 million mainly comprises DKK 804 million related to the original BioMar, DKK 606 million related to Alimentsa (BioMar Ecuador) and DKK 516 million related to Borg Automotive. Combined, this equals 66% of the consolidated goodwill. The original BioMar means BioMar excluding the acquisitions of Alimentsa, Viet-Uc and AQ1.

Alimentsa (BioMar Ecuador) is considered a separate cash-generating unit, and it is still considered possible to test this unit separately, as integration with the other BioMar businesses is limited. This is due to the fact that products and market conditions applying to the shrimp feed produced by Alimentsa are materially different from those applying to feed for the other fish species that BioMar is involved in.

The original BioMar continues to expect growing volume sales in 2024 and the following years in its core markets as well as to increase margins following a period of highly volatile prices of energy and raw materials. In the impairment test of the original BioMar, revenue growth for the coming years is expected to be increasingly organic and much less driven by higher prices of raw materials and energy, and as such expected to normalise in terms of volumes sold (tonnes).

	Carrying amount of goodwill	Assumptions			WACC before tax
		Revenue growth	Terminal year growth	WACC after tax	
2023					
BioMar (excl. Alimentsa)	804	2.0%	2.0%	9.4%	12.3%
Alimentsa (BioMar Ecuador)	606	12.2%	2.0%	13.8%	17.2%
Borg Automotive	516	5.9%	2.0%	11.7%	13.6%
Main companies/goodwill	1,926				
AQ1	116	22.1%	2.0%	10.4%	13.2%
Fibertex Personal Care	99	2.8%	2.0%	8.4%	9.9%
Fibertex Nonwovens	120	6.3%	2.0%	10.4%	12.3%
GPV International	197	4.4%	2.0%	10.1%	12.5%
Enics	164	1.6%	2.0%	9.9%	11.9%
Ymer	164	23.7%	3.0%	9.8%	11.6%
HydraSpecma	136	5.9%	3.0%	10.1%	12.1%
Other companies/goodwill	995				
Total	2,921				

	Carrying amount of goodwill	Assumptions			WACC before tax
		Revenue growth	Terminal year growth	WACC after tax	
2022					
BioMar (excl. Alimentsa)	815	2.7%	2.0%	7.8%	9.6%
Alimentsa (BioMar Ecuador)	627	12.9%	3.0%	14.4%	17.8%
Borg Automotive	516	4.9%	2.0%	9.6%	11.5%
Main companies/goodwill	1,958				
Viet-Uc	37	237.0%	2.0%	12.4%	15.0%
AQ1	120	31.1%	2.0%	11.4%	14.8%
Fibertex Personal Care	99	0.1%	2.0%	7.8%	9.3%
Fibertex Nonwovens	121	7.8%	2.0%	9.4%	11.3%
GPV International	190	1.6%	2.0%	9.4%	11.6%
Enics	159	-	-	-	-
HydraSpecma	133	3.8%	2.0%	8.7%	10.0%
Other companies/goodwill	859				
Total	2,817				

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Impairment testing (continued)

The automotive remanufacturing market also continues to grow. This fact combined with Borg Automotive's sound market position, continuous capacity expansions and growing product portfolio due to, among other things, the acquisitions and integration of TMI and SBS Automotive, means that Borg Automotive is expected to achieve 5.9% annual growth during the test period.

A test for impairment performed at 31 December 2023 resulted in a writedown of goodwill in BioMar's subsidiary Viet-Uc. Other tests did not give rise to any write-down of the carrying amounts. The writedown of goodwill in Viet-Uc was a result of the difficult market conditions in Vietnam, and the aftereffects of Covid-19 and low selling prices of shrimp have delayed BioMar's overall business plans. The impairment test of Viet-Uc led to a DKK 36 million writedown, leaving zero goodwill recognised in the company at 31 December 2023. The impairment test for Viet-Uc applied a WACC of 11.5% after tax.

Sensitivity analyses were performed as part of the tests to determine if reduced cash flows or a higher WACC would produce evidence of impairment. The sensitivity analyses showed that, apart from in Alimentsa, likely changes in basic assumptions would not produce evidence of impairment. The impairment test in Alimentsa revealed an 8% margin before evidence of impairment. In other words, sensitivity to the key writedown assumptions shows that a writedown will only be relevant on a 5% reduction in earnings and a 10.3% decline in revenue growth.

Other intangible assets

At 31 December 2023, Schouw & Co. recognised other intangible assets of DKK 1,584 million, an increase of DKK 133 million from 31 December 2022. An addition of DKK 282 million was recognised in relation to the Group's acquisition of the wind division from Ymer Technology. A further addition of DKK 49 million was mainly related to IT projects. Other intangible assets were reduced by DKK 203 million due to amortisation, and other intangible assets were reduced by DKK 6 million due to writedowns. The remaining changes under other intangible assets were due to foreign exchange adjustments.

Property, plant and equipment

Property, plant and equipment was written down by DKK 8 million in 2023.

Other non-current assets

There were no indications of impairment in other non-current assets.



Notes · capital structure

This section of the annual report contains notes relating to the Group's capital structure.

The following notes are presented in this section:

- 17. Financial income
- 18. Financial expenses
- 19. Interest-bearing debt
- 20. Net interest-bearing debt
- 21. Share capital

Comments

Financial income

Financial income totalling DKK 157 million in 2023 marked a DKK 58 million decrease compared to 2022. Income of DKK 94 million was recognised from the adjustment of contingent consideration in 2022, while no financial income was recognised in 2023. Foreign currency adjustments were a gain of DKK 90 million in 2023, which was DKK 9 million more than in 2022. There was a minor fair value adjustment of DKK 6 million of hedging instruments transferred from equity, while other interest income increased from DKK 38 million in 2022 to DKK 61 million in 2023.

Financial expenses

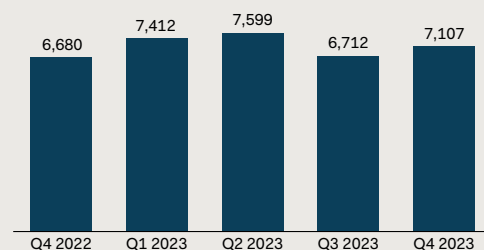
Financial expenses were up by DKK 198 million in 2023, the change mainly consisting of a DKK 277 million increase in interest expenses. The higher interest expenses were partly due to the higher level of interest rates and

partly due to a higher debt. On average, the Group had a borrowing rate of 5.2% in 2023, while in 2022, the Group had an average borrowing rate of 3.7%. The average debt in 2023 amounted to DKK 7.2 billion, while in 2022, average debt was for DKK 5.2 billion.

Liabilities

Interest-bearing debt amounted to DKK 7,107 million at 31 December 2023, representing a year-on-year increase of DKK 428 million. Broken down into currencies, 81% of the debt was denominated in Danish kroner or euro at 31 December 2023.

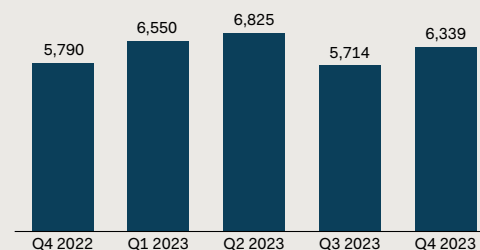
Interest-bearing debt



Net interest-bearing debt

Net interest-bearing debt increased by DKK 549 million to stand at DKK 6,339 million at December 31, 2023. The increase in debt was due to an increase in working capital and due to dividend payments.

Net interest-bearing debt



Treasury shares

The share capital was unchanged at 25,500,000 shares. Schouw & Co. sold 182,000 treasury shares in 2023 in connection with options being exercised, of which 74,000 treasury shares were bought back from the option exercisers on the following business day. A share buyback programme commenced in November 2023, under which the company had bought 63,800 treasury shares by the end of the year. At 31 December 2023, Schouw & Co. held 2,037,976 treasury shares, corresponding to 7.99% of the share capital. The portfolio of treasury shares is recognised at DKK 0.

Accounting policies

Financial income and expenses

Financial income and expenses include interest and capital gains and losses on transactions in foreign currency and

impairment losses on securities. Also included are amortisation of financial assets and liabilities, lease liabilities, surcharges and refunds under the on-account tax scheme, changes in fair values of derivative financial instruments that do not qualify as hedge accounting, financial expenses for supply chain financing, and adjustment of purchase obligations (earn-out). Financial expenses relating to the construction of non-current assets are recognised as part of the cost of the asset.

Financial liabilities

Debt to credit institutions is recognised at the raising of a loan at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost, applying the "effective interest rate method", to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. In addition, the capitalised residual lease liability under finance leases is recognised under financial liabilities.

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Financial income

	2023	2022
Interest income	61	38
Foreign exchange adjustments	90	81
Fair value adjustment of hedging transactions transferred from equity	6	0
Adjustment of contingent consideration (earn-out)	0	94
Fair value adjustment of financial assets	0	1
Total	157	215

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Financial expenses

	2023	2022
Interest expenses	-423	-146
Amortisation of earn-out liabilities	-4	-23
Amortisation of lease debt	-25	-21
Foreign exchange adjustments	-70	-117
Expense on adjustment of contingent consideration (earn-out)	-2	-21
Total	-526	-328

Borrowing costs of DKK 34 million were capitalised in 2023 (2022: DKK 28 million) based on an average rate of interest of 5.8% p.a. (2022: 4.0%).

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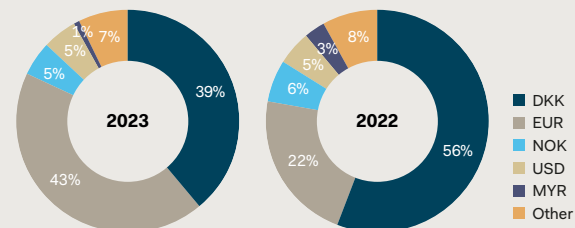
Interest-bearing debt

Debt recognised in the balance sheet:

	2023	2022
Credit institutions (non-current)	4,246	5,114
Mortgage debt (non-current)	224	233
Lease debt (non-current)	620	494
Recognised in non-current interest-bearing debt	5,089	5,842
Current portion of mortgage debt	11	26
Current portion of lease debt	273	253
Credit institutions (current)	1,734	558
Recognised in current interest-bearing debt	2,018	838
Total interest-bearing debt	7,107	6,680

The fair value of interest-bearing debt corresponds in all material respects to the carrying amount.

Percentage breakdown of interest-bearing debt by currency



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Interest-bearing debt (continued)

Maturity profile of interest-bearing debt, including lease debt:

	2023		2022	
	Interest-bearing debt	Of which lease debt	Interest-bearing debt	Of which lease debt
Principal repayment:				
Overdraft facilities without planned repayment	985		1,694	
Less than 1 year	1,802	293	578	271
1-5 years	4,547	571	4,416	465
More than 5 years	497	85	394	61
Total	7,831	949	7,083	798
Interest:				
Overdraft facilities without planned repayment	0		0	
Less than 1 year	222	20	149	18
1-5 years	422	30	195	26
More than 5 years	80	6	59	6
Total	724	56	404	50
Carrying amount:				
Overdraft facilities without planned repayment	985		1,694	
Less than 1 year	1,581	273	429	253
1-5 years	4,126	541	4,221	439
More than 5 years	416	79	335	56
Total	7,107	892	6,680	748

Spot rate used for floating rate loans in the table above.

The fair value of liabilities relating to lease assets corresponds in all material respects to the carrying amount. The lease liability was calculated using mainly an alternative discount rate based on the lease term, the base rate of the country in question and a risk premium, among other factors. The average discount rate applied was 3.8% per annum (2022: 3.1%).

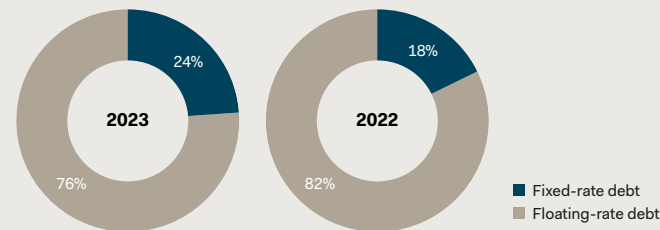
Total lease payments made in 2023 amounted to DKK 314 million (2022: DKK 261 million), consisting of repayments of DKK 289 million (2022: 240 million) and interest of DKK 25 million (2022: DKK 21 million).

The weighted average effective rate of interest for the year was 5.2% (2022: 3.7%). The weighted average effective rate of interest at the balance sheet date was 4.7% (2022: 3.3%).

For further information about lease assets, see note 12.

Amounts in DKK million

Interest profile of interest-bearing debt



Fixed-rate debt includes loans for which the rate of interest will not be reset within the next year. Interest on lease debt is treated as fixed-rate debt.

An increase in interest rates of 1 percentage point would cause the annual interest expense to increase by about DKK 42 million after tax (2022: DKK 43 million). This would expectedly reduce shareholders' equity by about DKK 42 million after tax (2022: DKK 43 million).

A decrease in interest rates of 1 percentage point would cause the annual interest expense to decrease by about DKK 42 million after tax (2022: DKK 43 million). This would expectedly increase shareholders' equity by about DKK 42 million after tax (2022: DKK 43 million).

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 to operate the business in an adequate manner and to react to unforeseen fluctuations in the use of supply chain financing arrangements and any other fluctuations in its cash holdings.

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Interest-bearing debt (continued)

Capital resources

	Loans and lines	Of which utilised	Unutilised	Commitment	Avg. term to maturity
Revolving credit facility	3,275	-589	2,686	Committed	2 years
Schuldschein	2,690	-2,690	0	Committed	2 yrs 9 mths
Mortgages	235	-235	0	Committed	18 yrs 10 mths
Term loan	1,800	-1,800	0	Committed	11 mths
NIB loans	400	-400	0	Committed	5 years
Other credit facilities	684	-502	183	Uncommitted	
Leases	892	-892	0	Committed	3 years
Cash and cash equivalents			584		
Facility before deduction of guarantee commitments			3,453		
Guarantee commitments deducted from the facility			-62		
Total capital resources at 31 December 2023			3,391		

The Group's companies get a significant proportion of their financing from the credit facilities of the parent company Schouw & Co. The parent company'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 runs until December 2025. The bank consortium consists of Danske Bank, DNB, Nordea and HSBC. Schouw & Co. has issued Schuldscheins for EUR 136 million (DKK 1,014 million) in April 2019 and for EUR 225 million (DKK 1,677 million) in November 2023. The Schuldscheins mature in April 2024 (EUR 109 million), April 2026, November 2026 and November 2030. 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. In 2022 and 2023, Schouw & Co. established a number of term loans with Danske Bank, Nordea Bank, DNB, HSBC and Jyske Bank, which currently total an outstanding amount of DKK 1,800 million, DKK 400 million of which matures in March 2024, while the remaining DKK 1,400 million matures in January 2025.

Capital management

Schouw & Co. gives priority to having a high equity ratio in order to ensure financial versatility as well as to having adequate capital resources. The Group believes that its combined capital resources of DKK 3,391 million represent appropriate cash resources. The Group aims to have a financial gearing of from 1.0x to 2.5x. During periods immediately following a (major) acquisition, however, gearing may exceed 2.5x. At 31 December 2023, the financial gearing was 2.2.

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Net interest-bearing debt

	Beginning of year	Cash flows	Non-cash items			End of year	
			Acquisitions / divestments	Foreign exchange adjustments	Leases		Other
2023							
Non-current debt	5,842	815	0	-18	142	-1,692	5,089
Current debt	838	-823	0	12	315	1,677	2,018
Total interest-bearing liabilities	6,680	-9	0	-6	457	-15	7,107
Interest-bearing assets:							
Non-current receivables	152	17	0	3	0	-21	151
Current receivables	26	-15	0	0	0	21	33
Cash and cash equivalents	712	-151	40	-16	0	0	584
Total interest-bearing assets	890	-148	40	-12	0	0	769
Net interest-bearing debt	5,790	140	-40	6	457	-15	6,339

	Beginning of year	Cash flows	Non-cash items			End of year	
			Acquisitions / divestments	Foreign exchange adjustments	Leases		Other
2022							
Interest-bearing liabilities:							
Non-current debt	2,384	2,567	317	-9	-75	658	5,842
Current debt	1,070	-537	698	17	248	-658	838
Total interest-bearing liabilities	3,453	2,030	1,016	8	173	0	6,680
Interest-bearing assets:							
Non-current receivables	170	0	0	-8	0	-10	152
Current receivables	21	-3	0	-1	0	10	26
Cash and cash equivalents	490	-62	258	25	0	2	712
Total interest-bearing assets	681	-65	258	16	0	2	890
Net interest-bearing debt	2,773	2,095	758	-8	173	0	5,790

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Share capital

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid up. Each share carries one vote, for a total of 25,500,000 voting rights.

Treasury shares	Number of shares	Nominal value (DKK)	Cost	Percentage of share capital
1 January 2022	1,531,102	15,311,020	471	6.00%
Purchase of treasury shares	551,074	5,510,740	292	2.16%
31 December 2022	2,082,176	20,821,760	763	8.17%
Share option programme	-182,000	-1,820,000	-26	-0.71%
Purchase of treasury shares	137,800	1,378,000	75	0.54%
31 December 2023	2,037,976	20,379,760	812	7.99%

In 2023, Schouw & Co. purchased shares held in treasury for DKK 75 million, of which DKK 41 million related to the share-based incentive programme and DKK 34 million related to a share buyback programme. On 15 November 2023, Schouw & Co. announced a share buyback programme intending to make buy back shares for a total amount of up to DKK 75 million during the period from 15 November 2023 to 1 March 2024.

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 5,100,000 treasury shares, equal to 20% of the share capital. The authorisation is valid until 1 April 2025.

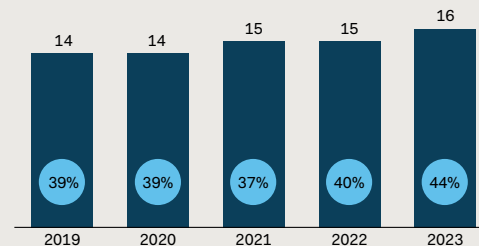
The company acquires treasury shares among other things for allocation to the Group's share-based incentive programmes and for adjustment of the company's capital structure in connection with capital reductions. At 31 December 2023, the company's treasury shares had a market value of DKK 1,127 million (2022: DKK 1,091 million). The portfolio of treasury shares is recognised at DKK 0.

The share capital has not changed in the past five years.

Dividend

A dividend of DKK 16 per share is proposed in respect of the 2023 financial year for a total dividend amount of DKK 408 million and a dividend payout of 44% of the profit for the year. On 17 April 2023, the Group paid dividend in respect of 2022 of DKK 15 per share for a total dividend amount of DKK 383 million.

Dividend per share (DKK)



The dividend payout ratio expresses the total dividend paid relative to the consolidated profit for the year.

Notes · tax

This section of the annual report contains notes relating to the Group's taxation.

The following notes are presented in this section:

- 22. Tax on profit/loss for the year
- 23. Deferred tax
- 24. Income tax

Comments

The Group's tax policy is available to the public and is described in further detail in the Group's 2023 ESG Report. Both of these documents are available on the company's website: www.schouw.dk/cg.

Income tax

The profit before tax for the year amounted to DKK 1,367 million (2022: DKK 1,304 million). Total tax payable on the amount is DKK 376 million (2022: DKK 311 million). Profit before tax includes a share of profit after tax in associates and joint ventures of DKK 8 million (2022: DKK 130 million). The tax on the share of profit or loss is not included in the tax for the year, for which reason the profit before tax has been adjusted for the share of profit in the explanation of the effective tax rate. As a result, the weighted tax rate for the Group after recognition of local tax rates was 23.6% (2022: 23.9%).

The effective tax rate was 27.7% (2022: 26.5%) of the adjusted profit before tax, which is a slight increase from

2022. The tax analysis shows that the increase in the effective tax rate was triggered by tax losses in 2023 that is not expected to be utilised within the next few years and so cannot be recognised for accounting purposes. In addition, corporate tax rates were raised in the UK and in Australia, among other countries.

Pillar 2 legislation

Pillar 2 legislation was adopted in Denmark in December 2023 and has become effective as from the 2024 financial year. Under the new legislation, Schouw & Co. is subject to a top-up tax on subsidiaries' profits payable to the Danish tax authorities if local taxation is based on an effective rate of less than 15% (minimum tax rate). The top-up tax is paid locally if the relevant jurisdiction has implemented rules on top-up tax.

The Group is currently assessing the potential exposure arising due to the complex Pillar 2 legislation. The assessment is based on the most recent tax returns available, country-by-country reporting for 2022 and on the most recent financial information available for 2023. As the assessment has not yet been concluded, it is not possible at the present time to provide quantitative information with reasonable assurance about the potential exposure to the Pillar 2 tax.

A preliminary assessment indicates that most of the jurisdictions are likely not exposed to the Pillar 2 tax because their effective tax rates are 15% or higher. This does not apply to jurisdictions with tax incentives. In 2023, they mainly include Thailand, in which the effective tax rate is

less than 15% when calculated according to Pillar 2 rules. The tax incentive in Thailand arises from an investment agreement with the authorities (BOI). As the assessment is still ongoing, other jurisdictions may also be exposed.

The Group expects to conclude the assessment in the first half of the 2024 financial year.

The Group has applied the temporary exception to the accounting requirements on deferred tax under IAS 12 as issued by the IASB in May 2023. Accordingly, the Group will not recognise or disclose information about deferred tax assets in relation to the Pillar II income tax.

Accounting policies

Tax

The parent company Schouw & Co. is taxed jointly with all its Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income. Companies that use tax losses in other companies pay a joint tax contribution to the parent company at an amount corresponding to the tax value of the tax losses used. Companies whose tax losses are used by other companies receive joint tax contributions from the parent company corresponding to the tax value of the losses used (full absorption). The jointly taxed companies pay tax under the Danish on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. In addition, the tax for the year

comprises changes to prior-year tax and changes in assessed provisions for uncertain tax positions. Tax for the year is recognised in the income statement as regards the amount attributable to the loss for the year and in equity as regards the amount attributable to equity entries.

In certain countries, the distribution of dividends is liable to taxation. Tax on dividends is provided only to the extent a resolution to distribute dividends has been made or to the extent the company has a dividend distribution policy.

To the extent the Schouw & Co. Group benefits from a deduction in the determination of its taxable income in Denmark due to share-based incentive programmes, the tax effect of such programmes is included in income tax. Any tax deduction exceeding the accounting cost is recognised directly in equity.

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, no deferred tax is recognised on timing differences regarding non-deductible goodwill and other items for which timing differences have arisen at the acquisition date without affecting the financial results or taxable income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Deferred tax adjustments are made regarding eliminations of unrealised intercompany gains and losses. Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force at the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilised. Depending on type, uncertain tax position are measured either as a probability-weighted average of possible outcomes or as the most likely outcome. Uncertain tax positions are recognised in the tax positions they relate to, i.e. as current tax or deferred tax as the case may be, unless it is deemed highly probable that the tax authorities will accept the company's tax treatment of the matter in question.



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Tax on profit/loss for the year

	2023	2022
Tax on the profit for the year is specified as follows:		
Tax on profit/loss for the year	-376	-311
Tax on other comprehensive income	5	-36
Total tax	-370	-347
Tax on the profit for the year has been calculated as follows:		
Current tax	-449	-373
Deferred tax	60	49
Change in deferred tax due to change in corporate tax rates	-1	2
Adjustment of prior-year tax charge	15	11
Total tax recognised in the income statement	-376	-311
Specification of the tax on the profit for the year:		
Profit before tax	1,367	1,304
Share of profit in associates and JVs	-8	-130
Profit before tax excluding profit/loss in associates and joint ventures	1,358	1,174
Corporate tax rate in Denmark	22.0%	22.0%
Tax in foreign subsidiaries adjusted relative to 22%	1.6%	1.9%
Weighted consolidated income tax rate	23.6%	23.9%
Tax effect of:		
Change of corporate income tax rate	0.2%	-0.2%
Non-deductible impairment of goodwill	0.4%	1.0%
Non-deductible costs	2.7%	3.3%
Non-taxable income	-2.0%	-1.7%
Investment grants	-0.8%	-0.9%
Adjustment of prior-year tax charge	-1.0%	-0.9%
Withholding tax	1.1%	1.1%
Non-recognised losses for the year	4.4%	1.6%
Revised valuation of tax asset	-0.1%	-0.6%
Tax assets recognised during the year	-0.9%	0.0%
Effective tax rate	27.7%	26.5%

Tax on items recognised in other comprehensive income	2023		
	Before tax	Tax	After tax
Foreign exchange adjustments of foreign units, etc.	-228	0	-228
Hedging instruments for the year	34	-14	20
Hedging instruments transferred to operating expenses	-38	16	-23
Hedging instruments transferred to financials	-5	1	-4
Hyperinflation restatements	18	-2	16
Other comprehensive income from associates and JVs	-37	0	-37
Adjustment of defined benefit pension plan	-28	5	-23
Other adjustments recognised directly in equity	3	0	3
Total tax on items recognised in other comprehensive income	-282	6	-277

Tax on items recognised in other comprehensive income	2022		
	Before tax	Tax	After tax
Foreign exchange adjustments of foreign units, etc.	101	0	101
Hedging instruments for the year	30	-9	21
Hedging instruments transferred to operating expenses	1	-1	0
Hedging instruments transferred to financials	0	0	0
Hyperinflation restatements	45	-11	34
Other comprehensive income from associates and JVs	-13	0	-13
Adjustment of defined benefit pension plan	40	-9	31
Other adjustments recognised directly in equity	3	-5	-3
Total tax on items recognised in other comprehensive income	207	-36	171

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Deferred tax

Change in deferred tax	2023					
	Balance at 1 Jan.	Foreign exchange adjustments	Additions on acquisitions	Recognised in the profit for the year	Recognised in equity	Balance at 31 December
Intangible assets	262	1	66	-30	0	298
Property, plant and equipment	293	-11	1	-8	2	277
Receivables	-40	0	0	6	1	-32
Inventories	-12	-1	0	-32	0	-45
Other current assets	-2	0	0	-5	-2	-8
Equity	27	1	0	2	-6	24
Provisions	-44	0	0	19	0	-24
Other liabilities	-133	0	0	-8	-1	-142
Expected utilisation of investment grant	-10	0	0	6	0	-4
Tax losses	-51	1	0	-10	0	-59
Total change in deferred tax	292	-8	66	-59	-6	285

Change in deferred tax	2022					
	Balance at 1 Jan.	Foreign exchange adjustments	Additions on acquisitions	Recognised in the profit for the year	Recognised in equity	Balance at 31 December
Intangible assets	171	5	111	-25	0	262
Property, plant and equipment	259	7	0	18	10	293
Receivables	-27	2	-3	-11	0	-40
Inventories	4	1	-7	-9	0	-12
Other current assets	3	0	-6	1	0	-2
Equity	14	0	0	2	12	27
Provisions	-6	1	-27	-12	0	-44
Other liabilities	-110	-3	2	-24	1	-133
Expected utilisation of investment grant	-11	0	0	1	0	-10
Tax losses	-55	-2	0	6	0	-51
Total change in deferred tax	241	10	71	-52	23	292

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Deferred tax (continued)

	2023	2022
Deferred tax at 1 January	292	241
Foreign exchange adjustments	-8	10
Transferred to/from income tax payable	-1	-1
Deferred tax for the year recognised in profit/loss for the year	-60	-49
Change of Danish corporate tax rate	1	-2
Deferred tax for the year recognised in equity	-6	23
Additions on acquisitions	66	71
Deferred tax at 31 December, net	285	292
Deferred tax is recognised as follows in the balance sheet:		
Deferred tax (asset)	-203	-189
Deferred tax (liability)	488	480
Deferred tax at 31 December, net	285	292

Schouw & Co. has recognised tax assets of DKK 203 million (2022: DKK 189 million), of which the value of recognised tax losses account for DKK 59 million. It is expected that the deferred tax assets will be absorbed by taxable income within the next few years. All deferred tax liabilities are recognised in the balance sheet, including a deferred tax liability of DKK 66 million from the Ymer acquisition.

The tax value of unrecognised tax losses amounted to DKK 199 million (2022: DKK 156 million). About 11% of the value of the non-recognised tax loss will expire within the next five years, and it is considered unlikely that the deferred tax assets will be realised within a period of a few years. The non-recognised losses are mainly related to Fibertex Nonwovens in the USA and South Africa and to GPV companies in Switzerland, Slovakia, Sweden and Malaysia.

In 2018, Fibertex Personal Care entered into an administrative agreement with the Danish tax authorities to raise the company's taxable income for the years 2007-2013 concerning estimated regular royalty income for the parent company by DKK 86.5 million, corresponding to a tax payment of DKK 21.6 million. The Group subsequently opened mutual agreement procedures (MAP) with the Malaysian tax authorities with a view to achieving a corresponding reduction of the taxable income of the subsidiary in Malaysia. As a corresponding reduction was believed at the time to be highly likely, a prior-year tax asset relating to Malaysia of DKK 21.1 million has been recognised in the consolidated financial statements at 31 December 2023.

In autumn 2023, MAP negotiations were held between the Danish and the Malaysian tax authorities, and the agreement was finalised at the beginning of 2024. The original TP case began in 2012 and has now ended with the original increases in Denmark of DKK 86.5 million for the years 2007-2013 having been reduced by DKK 33.3 million to DKK 53.2 million. As a result, DKK 8.5 million plus accrued interest of the tax originally paid will be refunded to the Danish company. In return, the company in Malaysia will be able to deduct the royalty now payable to the Danish parent company. The tax corrections for the year 2007-2013 in Denmark and Malaysia is expected to be implemented in the first half of 2024. At Group level, the conclusion of the tax matter is expected to have an insignificant effect on the recognised values at 31 December 2023.



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Income tax

	2023	2022
Income tax payable at 1 January	125	-5
Foreign exchange adjustments	0	1
Current tax for the year	446	373
Adjustment related to prior years	-14	-11
Transferred from deferred tax	1	1
Current tax recognised in other comprehensive income	0	6
Current tax on other equity adjustments	1	0
Withholding tax	4	0
Additions on company acquisitions	1	30
Income tax paid during the year	-452	-269
Income tax at 31 December	112	125
Which is specified as follows:		
Income tax (asset)	-197	-56
Income tax (liability)	309	180
Income tax at 31 December	112	125

Income tax paid includes tax paid in respect of the current year or prior years and will therefore not correspond to tax on the profit for the year, which is calculated on the profit/loss before tax for the year and adjustments of tax payable in respect of prior years. Total tax paid increased by DKK 183 million from DKK 269 million in 2022 to DKK 452 million in 2023. The increase in tax paid consists of an increase in tax paid on account for 2023, other tax paid being final tax for 2022 and prior years, as well as withholding tax.

Other matters are accounted for below:

BioMar Chile received a refund in 2022 for on-account tax paid in 2021. As this was not the case in 2023, the amount of tax paid increased by 5%, including tax paid on account for 2023 and final tax for 2022.

Ecuador pays a 5% import tax on foreign purchases, which can be offset against income tax. As this was the case in 2023, the tax paid in Ecuador was reduced. As a result, tax paid in Ecuador consists of import tax paid and withholding tax on dividends.

In Norway, corporate income tax is paid in the following year. BioMar Norway reported better financial results in 2022, and thus incurred a tax payment in 2023 unlike in 2022 when the company did not pay tax in respect of 2021.

Fibertex Nonwovens USA received a large refund of tax paid in 2022. The company received a substantially smaller refund in 2023. As a result, tax paid in the USA on behalf of the Group's companies increased overall.

Exhaustive presentation of income taxes paid by country

	2023	2022
Chile	71	-8
Denmark	56	58
Ecuador	44	53
China	40	21
Australia	25	27
Germany	21	9
Sri Lanka	21	8
Malaysia	18	21
Norway	17	0
France	16	15
Poland	15	4
Sweden	15	8
Finland	12	1
Switzerland	11	11
Slovakia	11	1
Spain	11	4
Greece	10	9
Scotland	9	8
Brazil	8	7
Thailand	6	10
Costa Rica	5	5
Mexico	4	3
USA	2	-11
Netherlands	2	0
Czech Republic	1	2
UK	1	1
Türkiye	1	0
South Africa	0	0
Japan	0	0
Russia	0	-3
Austria	0	0
India	0	1
Estonia	0	0
Panama	0	0
Portugal	0	0
Vietnam	0	0
Belgium	-1	8
Total income tax paid	452	269

Other notes to the consolidated financial statements

This section of the annual report contains other mandatory notes that do not fall within the scope of the other sections of the report.

The following notes are presented in this section:

25. Adjustment for non-cash transactions
26. Securities
27. Pension liabilities
28. Total other payables – non-current
29. Liability regarding put options
30. Contingent liabilities
31. Guarantees
32. Financial risk
33. Categories of financial assets and liabilities
34. Fees to auditors appointed by the general meeting
35. Earnings per share (DKK)
36. Related party transactions
37. Events after the balance sheet date
38. New financial reporting regulations

Comments

Securities

The carrying amount of the Group's securities at 31 December 2023 consisted mainly of a 15.8% shareholding in Incuba A/S.

Liabilities regarding put options

The Group's liabilities in respect of put options increased by DKK 70 million in 2023, consisting amortisation of the

liability DKK 60 million, adjustment of the liability DKK 23 million and a foreign exchange adjustment DKK -13 million.

Contingent consideration

At year-end 2023, the Group had no liabilities regarding contingent consideration. At the beginning of the year, a DKK 200 million provision was recognised with respect to the acquisition of SBS Automotive. The liability was made final and settled at an amount of DKK 207 million in the fourth quarter of 2023.

Accounting policies

Securities

Holdings of securities which do not enable the Company to exercise control or significant influence are measured at fair value. Value adjustments of securities for which changes in fair value are regularly monitored, are recognised under financial items in the income statement when they occur.

Liability regarding put option

Debt relating to a put option for the purchase of non-controlling interests is initially measured at fair value. Fair value is determined as the present value of the exercise price of the option. The option is subsequently measured at amortised cost corresponding to the discounted value of the expected future cash flows. Value adjustments are recognised directly in equity.

Pension liabilities

The Group has set up pension plans and similar arrangements with the majority of the Group's employees.

Liabilities relating to defined contribution plans are recognised in the income statement in the period in which the benefits vest, and payments due are recognised in the balance sheet under other debt.

For defined benefit plans, annual actuarial calculations are made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments of salary, interest, inflation and mortality rates, among other things. The net present value is calculated only for those benefits earned by the employees through their past employment with the Group. The actuarial calculation of the net present value less the fair value of any plan assets is recognised in the balance sheet as pension liabilities. See below.

Current service cost is recognised in the income statement based on actuarial estimates and financial forecasts at the beginning of the year. Differences between the expected development of pension assets, liabilities and the realised values are termed actuarial gains and losses and are recognised in other comprehensive income.

If changes occur in benefits payable regarding the employees' past service with the company, a change in the actuarial net present value arises. This is termed past service cost. Past service cost is recognised immediately if the employees' right to the changed benefit has already

vested. If not, it is recognised in the income statement over the period during which the employees' right to the changed benefits vests.

Provisions

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the Group has a legal or constructive obligation, the settlement of which is likely to result in an outflow from the Group of economic benefits.

In the measurement of provisions, the expenditure required to settle the obligation is discounted. Changes in present values during the year are recognised as financial expenses.

Warranty commitments are recognised as the sale of goods and services is effected, based on incurred warranty costs from prior financial years.

Restructuring costs are recognised as liabilities when a detailed, formal restructuring plan has been announced to the parties affected by such plan on or before the balance sheet date. On acquisition of enterprises, restructuring provisions relating to the acquired enterprise are included in the calculation of goodwill only if the acquired enterprise has a liability at the date of acquisition.

A provision for onerous contracts is recognised when the unavoidable costs under a contract exceed the expected benefits to the Group from the contract.

Other liabilities

Other liabilities are measured at net realisable value.

Contingent consideration (earn-out) agreed in connection with company acquisitions and paid to the seller if certain conditions are met, is recognised at fair value and considered part of the total consideration for acquiring the company. Changes in fair value of the contingent consideration are recognised in the income statement under financial items.



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Adjustment for non-cash transactions

	2023	2022
Purchase of intangible assets	-49	-38
Of which was not paid at the balance sheet date/date of adjustment for the year	1	1
Paid relating to purchase of intangible assets	-48	-38
Purchase of property, plant and equipment	-841	-1,125
Of which was not paid at the balance sheet date/date of adjustment for the year	22	56
Paid relating to purchase of property plant and equipment	-819	-1,068
Financial liabilities incurred	1,927	2,673
Of which lease debt	-250	-104
Proceeds from incurring financial liabilities	1,677	2,569

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Securities

	2023	2022
Cost at 1 January	46	46
Additions	1	0
Disposals	0	0
Cost at 31 December	46	46
Adjustments at 1 January	46	45
Dividends paid	-1	-1
Disposals relating to divestment	0	0
Adjustments recognised in the income statement	0	1
Adjustments at 31 December	45	46
Carrying amount at 31 December	92	92

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Pension liabilities

	2023	2022
Pension liabilities in Switzerland	29	0
Other minor pension liabilities	49	48
Total pension liabilities	78	48

It is group policy to fund all pension liabilities and thus predominantly to avoid defined benefit plans. Provisions for defined benefit pension liabilities mainly relate to GPV's acquisition of CCS in 2018 and GPV's acquisition of Enics in 2022. Total pension liabilities amounted to DKK 78 million at 31 December 2023 compared with DKK 48 million at 31 December 2022. GPV has pension plans in several units, but mainly relating to Switzerland. Assumptions and information about the actuarially calculated pension liabilities in Switzerland appear from the following tables below. Other pension liabilities consist of a number of minor pension schemes, including pension liabilities in the parent company, Schouw & Co., which were taken over in connection with the merger of BioMar and Schouw & Co.

Breakdown of assets in pension schemes

	2023	2022
Cash and cash equivalents	24	21
Bonds – Fair value level 1	153	157
Shares in listed companies – Fair value level 1	262	278
Properties located in Switzerland – Fair value level 3	233	225
Other	108	92
Total	779	773

Actuarial assumptions

	GPV Switzerland SA	GPV DACH AG	GPV Switzerland AG
Discount rate	1.50%	1.70%	1.70%
Future rate of inflation	1.25%	2.00%	2.00%
Life tables	BVG2020 GT	BVG2020 GT	BVG2020 GT

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Pension liabilities (continued)

2023	Present value of liabilities	Fair value of assets in pension schemes	Total	Asset cap	Net pension liability
Beginning of year	662	-773	-111	111	0
Service costs relating to 2023	7	0	7	-1	6
Service costs relating to prior years	0	0	0	0	0
Administrative expenses	0	0	0	0	0
Interest expense/(income) on pension scheme assets	15	-18	-3	3	0
Total adjustments	22	-18	-4	-2	6
Recognised in the profit for the year	685	-790	-106	112	6
Remeasurement:					
Return on pension scheme assets	0	28	28	-14	14
Actuarial gains/losses on changes in demographic assumptions	1	0	1	0	1
Actuarial gains/losses on changes in financial assumptions	45	0	45	-19	27
Experience adjustments	-12	0	-12	3	-9
Changes to asset cap, excluding amounts include in interest income	0	0	0	-5	-5
Recognised in other comprehensive income	34	28	63	-35	28
Foreign exchange adjustments	44	-49	-4	6	1
Contributions:					
Employer	0	-8	-8	2	-7
Pension scheme participants	8	-8	0	0	0
Pension benefits paid	-48	48	0	0	0
Additions on company acquisitions	0	0	0	0	0
Fair value of pension schemes	723	-779	-56	85	29

2022	Present value of liabilities	Fair value of assets in pension schemes	Total	Asset cap	Net pension liability
Beginning of year	378	-330	47	0	47
Service costs relating to 2022	9	0	9	0	9
Service costs relating to prior years	-10	0	-10	0	-10
Administrative expenses	0	0	0	0	0
Interest expense/(income) on pension scheme assets	3	-3	-1	1	0
Total adjustments	2	-3	-2	1	-1
Recognised in the profit for the year	379	-334	45	1	46
Remeasurement:					
Return on pension scheme assets	0	25	25	0	25
Actuarial gains/losses on changes in demographic assumptions	0	0	0	0	0
Actuarial gains/losses on changes in financial assumptions	-77	0	-77	0	-77
Experience adjustments	17	0	17	0	17
Changes to asset cap, excluding amounts include in interest income	0	0	0	-7	-7
Recognised in other comprehensive income	-59	25	-34	-7	-41
Foreign exchange adjustments	19	-16	2	0	2
Contributions:					
Employer	0	-7	-7	0	-7
Pension scheme participants	7	-7	0	0	0
Pension benefits paid	-28	28	0	0	0
Additions on company acquisitions	346	-463	-117	117	0
Fair value of pension schemes	662	773	-111	111	0

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Pension liabilities (continued)

Sensitivity analysis

	2023	2022
Sensitivity regarding discount rate -0.5%:		
Effect on liability	-39	-35
Effect on service costs	-1	-1
Sensitivity regarding discount rate +0.5%:		
Effect on liability	35	32
Effect on service costs	1	1

The above sensitivity analyses were determined on the basis of a method that extrapolates the effect of a defined benefit liability from changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on changes to a key assumption on the discount factor, while all other assumptions are held constant. The sensitivity analyses are subject to uncertainty, as it is unlikely that changes in assumptions will occur independently of each other.

The average duration of the defined benefit pension obligations at the end of the reporting period is from 10.4 to 14.4 years (2022: 10.3 to 13.7 years).

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Total other payables – non-current

	2023	2022
Provisions	40	39
Core liabilities	69	70
Other non-current liabilities	6	2
Prepayments	45	54
Total other payables	160	165

Provisions made comprise warranty commitments, etc. For certain products, the Group has a contractual commitment to provide warranties of from 12 to 24 months. Under these warranties, the Group undertakes to replace or repair goods that do not function satisfactorily. The statement of expected expiry dates is based on previous experience of when claims for repair are typically received or goods are returned. Deferred income mainly consists of investment grants.

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Liability regarding put options

	2023	2022
Put options at 1 January	871	374
Foreign exchange adjustments	-13	-9
Additions in the year	0	469
Change in liability during the year	83	37
Put options at 31 December	941	871
Recognised in the balance sheet as follows:		
Non-current liabilities	545	483
Current liabilities	396	388

The liability regarding put options pertains to BioMar's obligation to buy the outstanding 30% of the shares in Alimentsa (BioMar Ecuador) and the obligation of the Schouw & Co. Group to buy the outstanding 20% of the shares in GPV. The put option in Alimentsa may be exercised at any time during the period to September 2027. The put option is measured at fair value and stated as an average EBITDA of the past three years multiplied by a multiple.

In the combination of GPV International A/S and Enics AG into the new company of GPV Group A/S, Schouw & Co. holds 80% of GPV Group A/S, while Ahlström Capital B.V. holds the remaining 20% of the company. In connection with the transaction, the parties agreed that Ahlström Capital has a right to sell (put option) its shares in GPV during the three-month periods after the release of the annual report for 2025 or 2026. Accordingly, Schouw & Co. has an obligation to buy 20% of the shares in GPV. Schouw & Co. has a similar right to buy Ahlström Capital's shares in GPV (call option), which is exercisable after the release of the annual report for 2026 or 2027. Given the fact that there is both a put and a call option after the release of the annual report for 2026, i.e. around March 2027, this is the most likely time of exercise. The obligation is estimated on the basis of an expected future price of the shares discounted from March 2027 at a discount rate of 13.5%. The expected share price is estimated on the basis of management's estimated developments in earnings and debt plus an agreed price multiple.

30 Contingent liabilities

The Schouw & Co. Group is currently a party to a small number of legal disputes. Management believes that the results of these legal disputes will not impact the Group's financial position other than the receivables and liabilities that have been recognised in the balance sheet at 31 December 2023.

The Chilean competition authority, Fiscalía Nacional Económica ("FNE"), initiated an investigation of the Chilean fish feed industry in October 2016. As part of the investigation, BioMar Chile SA and other companies were subject to unannounced inspections. Naturally, BioMar SA has been cooperative, responding to questions and providing documentation to the extent possible. Further to the industry investigation, the FNE indicted four Chilean fish feed producers, including BioMar Chile SA, on 19 December 2019 on charges of concerted practice, claiming that BioMar Chile SA be fined up to 30,000 annual tax units, which at 31 December 2023 corresponded to approximately DKK 177 million. The charges are based on isolated circumstances related to the Chilean fish feed industry during the 2003–2015 period.

BioMar Chile does not acknowledge the charges and intends to rebut the charges that it has participated in concerted practices so as to restrict competition in the industry. Based on the Chilean lawyers' opinion in the matter and the information currently available, management believes it is not likely that BioMar will be convicted of participating in concerted practices. Accordingly, no provisions have been recognised concerning claim submitted.

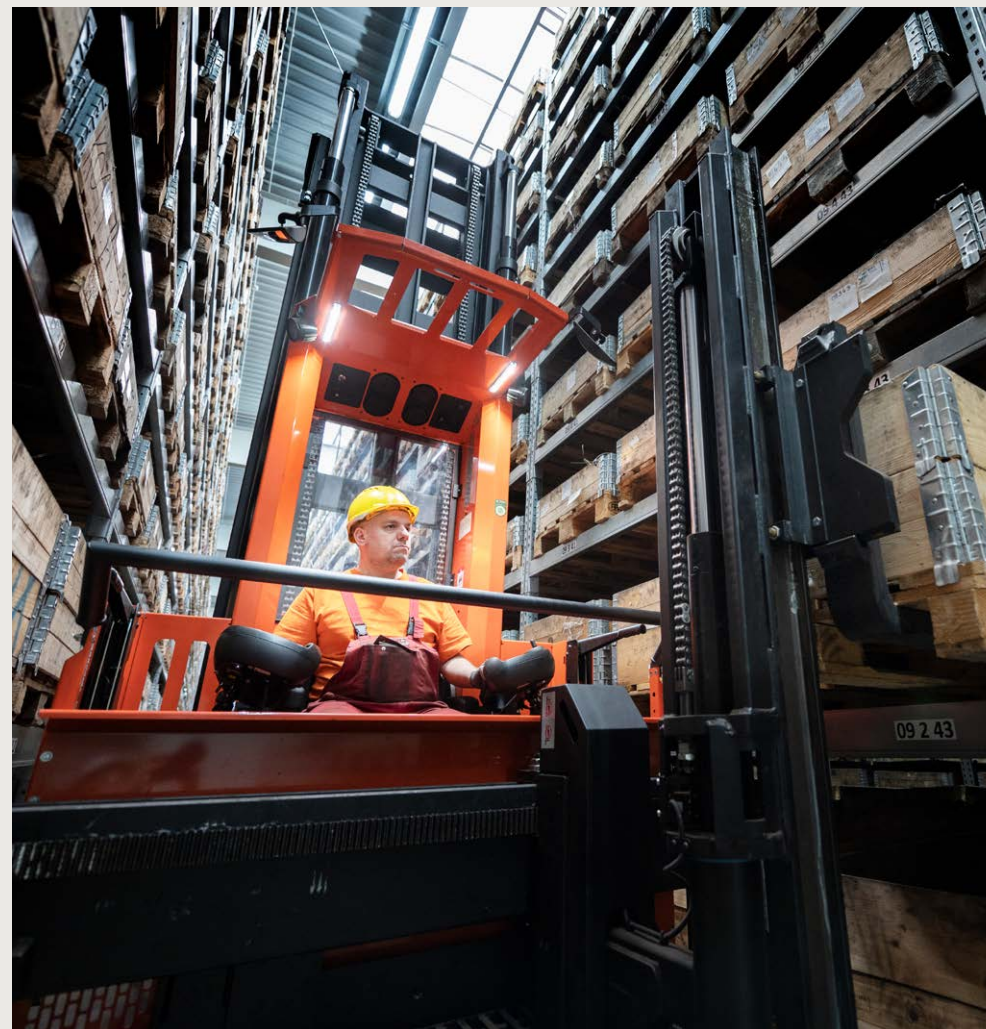
BioMar Chile submitted the company's response to the Chilean competition authorities' claim on 19 May 2020. The entire process has been delayed by the coronavirus pandemic. Initial proceedings commenced in 2022, but the case is not expected to be decided until in 2024 at the earliest.

31 Guarantees

The following assets have been provided as security to credit institutions (carrying amount):

	2023	2022
Land and buildings	474	541
Plant and machinery	3	41
Securities	1	0
Total	478	582

The collateral set out above represents the Group's debt to credit and mortgage-credit institutions of DKK 274 million (2022: DKK 318 million).



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Financial risk

The Group's risk management policy

Due to the nature of their operations, investments and financing, each of the Group's portfolio companies are exposed to changes in exchange rates, commodity prices and interest rates.

Finance and interest rate risks are managed at group level through the parent company Schouw & Co. Currency and commodity risks are managed by the portfolio companies, but subject to the Group's risk management policy. All financial instrument transactions are intended to contribute to mitigating fluctuations in profit/loss and to secure the value of cash flows. Financial instruments are not used for speculative purposes.

Interest rate risk

Decisions to hedge interest rate risk are made at group level on the basis of an ongoing assessment of the Group's gearing and the ratio of the floating rate debt and equity. The Group's exposure relates to floating rate loans, which amounted to DKK 5,435 million. An analysis of sensitivity to changes in interest rate levels is set out in note 19.

Credit risk

The Group's credit risk is primarily related to trade receivables and cash deposits. The Group seeks to avoid significant exposure to individual customers or business partners. The Group's policy for undertaking credit risks involves an ongoing credit assessment of all major customers. At 31 December 2023, the maximum credit risk considering the collateral provided was DKK 6,182 million (trade receivables less collateral + cash).

Currency risk

Most of the Group's portfolio companies cover their currency risk naturally through same-currency procurement and manufacturing in local selling markets. In addition, it is group policy for the portfolio companies to hedge all significant transaction risks relating to future cash flows. The purpose of hedging is to stabilise the value of the Group's cash flows and mitigate profit/loss volatility. As a general rule, currency risks are hedged by way of forward contracts with a duration of up to 12 months. Individually, the portfolio companies hedge their exposure by way of currency clauses built into customer and supplier contracts. Based on the foreign exchange exposure at the balance sheet date, the table below shows the anticipated effect on the profit of likely changes in exchange rate crosses:

Currency	Likely change in exchange rate ¹	Effect on profit ²	Effect on equity ²
USD/DKK	5%	-14	-14
SEK/DKK	5%	-9	-9
TRY/DKK	20%	-3	-3
AUD/USD	10%	-3	-15
INR/DKK	5%	-2	-2
EUR/DKK	0.50%	16	16
PLN/DKK	15%	18	18
NOK/DKK	10%	4	4
ZAR/DKK	5%	4	4
USD/CNY	5%	4	4

1) Percentage increase in exchange rate.

2) A decrease in the exchange rate would reverse the sign.

Likely change in exchange rate¹ is divided into different categories and based on the historical volatility of the past five years.

It is group policy not to hedge net investments or translation risk relating to the recognition of profit/loss and equity in foreign subsidiaries from average exchange rates in local currencies to the Group's functional currency.

	2023	2022
Market value of hedges		
Currency hedges	6	15
Interest hedges	0	0
Recognised before tax	6	15
Tax on recognised hedge transactions	-3	-6
Hedging agreements after tax	3	9
Currency hedging agreements expire in maximum (number of months)	12	12
Interest hedging agreements expires in maximum (number of months)	0	0

Risk relating to raw materials

Risk on raw materials prices is not hedged by way of financial instruments.

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Financial risk - continued

The Group's debt maturity profile:

	Carrying amount	Overdraft facilities without planned repayment	Cash flows including interest			Total
			Less than 1 year	After one year through five years	More than 5 years	
2023						
Non-derivative financial instruments						
Banks and other credit institutions	6,215	985	1,510	3,976	411	6,882
Lease debt	892	0	293	571	85	949
Trade payables	5,422	0	5,422	0	0	5,422
Other payables	2,686	0	2,025	943	0	2,968
Derivative financial instruments:						
Forward currency contracts used as hedging instruments	48	0	47	1	0	48
Interest rate swaps used as hedging instruments	0	0	0	0	0	0
Total recognised in balance sheet	15,264	985	9,296	5,491	497	16,269
Contractual obligations to acquire non-current assets			248	3	0	252
Total liabilities		985	9,545	5,495	497	16,521

	Carrying amount	Overdraft facilities without planned repayment	Cash flows including interest			Total
			Less than 1 year	After one year through five years	More than 5 years	
2022						
Non-derivative financial instruments						
Banks and other credit institutions	5,932	1,694	307	3,951	333	6,285
Lease debt	748	0	271	465	61	798
Trade payables	6,562	0	6,562	0	0	6,562
Other payables	2,954	0	2,382	924	0	3,307
Derivative financial instruments:						
Forward currency contracts used as hedging instruments	32	0	31	1	0	32
Interest rate swaps used as hedging instruments	0	0	0	0	0	0
Total recognised in balance sheet	16,227	1,694	9,553	5,341	394	16,984
Contractual obligations to acquire non-current assets			356	3	0	359
Total liabilities		1,694	9,909	5,345	394	17,343

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Categories of financial assets and liabilities

Financial assets	2023	2022
Non-current assets		
Other securities and investments (level 2)	90	91
Other securities and investments (level 3)	2	1
Financial assets at fair value through profit or loss	92	92
Other receivables	193	199
Receivables are measured at amortised cost	193	199
Current assets		
Trade receivables	5,868	5,743
Other receivables	430	374
Cash and cash equivalents	584	707
Receivables are measured at amortised cost	6,882	6,824
Derivative financial instruments (level 2)	23	59
Hedging instruments measured at fair value	23	59

Financial liabilities	2023	2022
Non-current liabilities		
Debt to mortgage-credit institutions	224	233
Other credit institutions	4,865	5,608
Other payables	76	72
Financial liabilities at amortised cost	5,165	5,914
Liabilities regarding put options (level 3)	545	483
Liabilities relating to put options recognised at fair value	545	483
Current liabilities		
Debt to mortgage-credit institutions	11	26
Other credit institutions	2,000	798
Trade payables and other debt	7,082	8,354
Financial liabilities at amortised cost	9,093	9,178
Contingent consideration (level 3)	0	200
Financial liabilities at fair value through profit or loss	0	200
Liabilities regarding put options (level 3)	396	388
Liabilities relating to put options recognised at fair value	396	388
Derivative financial instruments (level 2)	58	50
Hedging instruments measured at fair value	58	50

Level 1) Listed shares, stated at market value of shareholding

Level 2) Financial instruments valued by external credit institutions using generally accepted valuation techniques on the basis of observable data

Level 3) Unlisted shares and contingent consideration, stated at estimated value.

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Categories of financial assets and liabilities (continued)

The fair value of financial assets and liabilities measured at amortised cost corresponds in all material respects to the carrying amount. Securities measured at fair value through other comprehensive income (level 3) amounted to DKK 1 million at the beginning of the year and following an addition of DKK 1 million amounts to DKK 2 million at the end of the year.

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). 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. Fair values are also based on credit risk. 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. The fair value of the contingent consideration amounted to DKK 200 million at the beginning of the year. At year end 2022, the fair value of the contingent consideration had reduced to DKK 0 million. The change for the year was due to a DKK 2 million adjustment (expense recognised under financial items), amortisation of liabilities of DKK 4 million and the settlement of a liability of DKK 207 million.

The liability relating to put options amounted to DKK 871 million at the beginning of the year. Amortisation of the liability of DKK 60 million, a DKK 23 million adjustment of the liability and a foreign exchange adjustment of DKK 13 million (reduction of the liability) were recognised during the year. At year end 2023, the liability amounted to DKK 941 million.

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Fees to auditors appointed by the general meeting

	2023	2022
Statutory audit fees, PwC	14	12
Fees for other assurance engagements, PwC	2	1
Fees for tax and VAT-related services, PwC	1	1
Non-audit services, PwC	2	8
Total fees, PwC	19	22

Fees for non-audit services provided to Schouw & Co. by PwC mainly consisted of advisory services in relation to due diligence in connection with acquisitions as well as other financial reporting and tax advisory services.

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Earnings per share (DKK)

	2023	2022
Share of the profit for the year attributable to shareholders of Schouw & Co.	935	960
Average number of shares	25,500,000	25,500,000
Weighted average number of treasury shares	-1,998,490	-1,841,525
Average number of outstanding shares	23,501,510	23,658,475
Average dilutive effect of outstanding share options ¹	10,305	1,969
Diluted average number of outstanding shares	23,511,815	23,660,444
Earnings per share of DKK 10	39.78	40.59
Diluted earnings per share of DKK 10	39.76	40.58

1) See note 3 for information on options that may cause dilution..

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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, key members of 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, see note 13 to the consolidated financial statements and note 9 to the parent company financial statements, 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. For information about remuneration and option programmes for key members of management, see note 3.

	2023	2022
Joint ventures:		
During the financial year, the Group sold goods in the amount of	6	5
The Group had interest income in the amount of	3	0
At 31 December, the Group had a receivable of	50	1
At 31 December, the Group had debt in the amount of	0	38
Associates:		
During the financial year, the Group sold goods in the amount of	652	740
During the financial year, the Group bought goods in the amount of	131	172
At 31 December, the Group had a receivable of	216	238
At 31 December, the Group had debt in the amount of	11	21
During the financial year, the Group received dividends in the amount of	29	10

During 2023, the Group has traded with BioMar-Sagun, BioMar-Tongwei, LetSea, ATC Patagonia, 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. (7.99%).

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Events after the balance sheet date

Schouw & Co. is not aware of events occurring after December 31, 2023 which are expected to have a material impact on the Group's financial position or outlook.

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New financial reporting regulations

In 2023, Schouw & Co. implemented amendments to IAS 1, IAS 8 and IAS 12, but none of the implemented amendments have a material impact of recognition and measurement for Schouw & Co..

As of the date of publication of this annual report, the ISAB had issued a number of new and amended financial reporting standards and interpretations which are not mandatory for Schouw & Co. in 2023. None of these new standards and interpretations are expected to have a material impact of recognition and measurement for Schouw & Co.

The following adopted standards and interpretations that have not yet come into force will be implemented as and when they become mandatory for Schouw & Co.as per the EU effective dates:

IAS 1 Presentation of financial statements Clarifying the definition of current liabilities.

IFRS 16 (Leases): Amendments to IFRS 16 specifying rules for the recognition of sale and leaseback agreements and the calculation of the present value of lease liabilities.

IAS 7 Statement of cash flows and IFRS 7 Financial instruments: New disclosure requirements for supplier finance arrangements (reverse factoring).

IAS 21 Currency translation: Translation of currencies that cannot freely be translated at an official exchange rate.

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PARENT COMPANY FINANCIAL STATEMENTS

Statements of income and comprehensive income

1 January – 31 December

Note	Income statement	2023	2022
1	Revenue	13.0	11.9
2, 23	Operating expenses	-65.5	-72.7
	Other operating income	0.1	0.0
	EBITDA	-52.4	-60.8
3	Depreciation	-0.8	-0.7
	EBIT	-53.2	-61.5
9	Recognition of share of profit in subsidiaries	835.1	944.4
4	Financial income	481.9	208.5
5	Financial expenses	-297.8	-121.3
	Profit before tax	966.0	970.0
6	Tax on profit/loss for the year	-31.2	-9.8
	Profit for the year	934.8	960.2
	Proposed distribution of profit:		
	Proposed dividend of DKK 16 per share (2022: DKK 15 per share)	408.0	382.5
	Retained earnings	526.8	577.7
	Profit for the year	934.8	960.2

Note	Statement of comprehensive income	2023	2022
	Items that cannot be reclassified to the income statement:		
	Value adjustment of subsidiaries	-18.4	32.2
	Items that can be reclassified to the income statement:		
	Value adjustment of subsidiaries	-237.8	120.4
	Other comprehensive income after tax	-256.2	152.6
	Profit for the year	934.8	960.2
	Total recognised comprehensive income	678.6	1,112.8

Cash flow statement

1 January – 31 December

Note	2023	2022	
	EBITDA	-52.4	-60.8
	Adjustments for non-cash operating items etc.:		
18	Changes in working capital, effect on cash flows	1.5	-7.8
	Provisions	-1.2	-0.8
	Other non-cash operating items, net	1.5	6.1
	Cash flows from operations before interest and tax	-50.5	-63.3
	Net interest received	477.1	207.1
	Net interest paid	-280.5	-108.9
19, 20	Joint taxation contribution received and tax paid, net	-1.4	-0.2
	Cash flows from operating activities	144.8	34.7
	Purchase of property, plant and equipment	-2.6	-2.4
	Sale of property, plant and equipment	0.3	0.0
	Capital increase in subsidiaries	-150.0	-585.0
	Dividend from subsidiaries	500.0	735.0
	Dividends from other financial assets	0.8	0.2
	Cash flows from investing activities	348.5	147.8

Note	2023	2022	
	Loan financing:		
	Repayment of lease debt	-0.3	-0.2
	Repayment of other non-current liabilities	-862.3	-3.8
	Proceeds from non-current liabilities incurred	1,676.9	2,333.5
	Increase/repayment of bank overdrafts	-422.8	1,015.2
	Change in intra-group balances	-584.5	-2,903.5
	Shareholders:		
	Dividends paid	-352.9	-356.0
	Purchase of treasury shares	-75.3	-291.5
	Sale of treasury shares	93.5	0
	Share-based payment	31.1	26.2
	Cash flows from financing activities	-496.5	-180.1
	Cash flows for the year	-3.3	2.4
	Cash and cash equivalents, beginning of period	3.4	1.0
	Value adjustment of cash and cash equivalents	0.0	0.0
	Cash and cash equivalents, end of period	0.1	3.4

Balance sheet · Assets and liabilities

at 31 December

Note	Assets	2023	2022
7	Property, plant and equipment	22.3	20.5
8	Lease assets	0.8	0.2
9	Investments in subsidiaries	9,041.6	8,820.8
10	Securities	89.9	90.7
15	Deferred tax	9.2	8.4
11	Receivables from subsidiaries	500.0	300.0
	Other non-current receivables	0.4	0.6
	Total non-current assets	9,664.1	9,241.2
11	Receivables from subsidiaries	8,087.2	7,451.4
12	Receivables	18.8	17.0
20	Income tax	21.3	0.0
	Cash and cash equivalents	0.1	3.4
	Total current assets	8,127.4	7,471.9
	Total assets	17,791.6	16,713.0

Note	Liabilities and equity	2023	2022
13	Share capital	255.0	255.0
	Reserve for net revaluation according to the equity method	4,286.9	4,216.2
	Retained earnings	6,250.7	5,976.8
	Proposed dividend	408.0	382.5
	Total equity	11,200.7	10,830.5
16	Pension liabilities	13.1	14.3
14	Interest-bearing debt	4,201.4	5,029.1
	Non-current liabilities	4,214.5	5,043.4
14	Interest-bearing debt	2,268.6	786.0
17	Trade payables and other payables	42.6	39.6
19	Joint taxation contributions	65.1	13.4
20	Income tax	0.0	0.1
	Current liabilities	2,376.4	839.1
	Total liabilities	6,590.9	5,882.5
	Total equity and liabilities	17,791.6	16,713.0

Notes without reference: Contingent liabilities and guarantees (note 21), Financial risk (note 22) + Related party transactions (note 24)

Statement of changes in equity

	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend	Equity
Equity at 1 January 2022	255.0	3,772.4	5,841.8	382.5	10,251.7
Profit and other comprehensive income in 2022					
Value adjustment of subsidiaries		152.6	0.0	0.0	152.6
Profit for the year		944.4	-366.7	382.5	960.2
Total recognised comprehensive income	0.0	1,097.0	-366.7	382.5	1,112.8
Transactions with owners:					
Share-based payment		0.0	31.8	0.0	31.8
Tax re. share-based payment		0.0	-0.1	0.0	-0.1
Disposal due to the divestment of equity investments		-337.9	0.0	0.0	-337.9
Other changes in equity of subsidiaries		419.7	0.0	0.0	419.7
Distributed dividends		-735.0	761.5	-382.5	-356.0
Purchase of treasury shares		0.0	-291.5	0.0	-291.5
Total transactions with owners during the year	0.0	-653.2	501.7	-382.5	-534.0
Equity at 31 December 2022	255.0	4,216.2	5,976.8	382.5	10,830.5
Profit and other comprehensive income in 2023					
Value adjustment of subsidiaries		-256.2	0.0	0.0	-256.2
Profit for the year		835.1	-308.3	408.0	934.8
Total recognised comprehensive income	0.0	578.9	-308.3	408.0	678.6
Transactions with owners:					
Share-based payment		0.0	34.2	0.0	34.2
Tax re. share-based payment		0.0	0.2	0.0	0.2
Other changes in equity of subsidiaries		-8.1	0.0	0.0	-8.1
Distributed dividends		-500.0	529.6	-382.5	-352.9
Purchase of treasury shares		0.0	-75.3	0.0	-75.3
Sale of treasury shares		0.0	93.5	0.0	93.5
Total transactions with owners during the year	0.0	-508.1	582.2	-382.5	-308.4
Equity at 31 December 2023	255.0	4,286.9	6,250.7	408.0	11,200.7

Notes · Basis of preparation of the parent company financial statements

The structure of the parent company Schouw & Co.'s financial statements is consistent with that applied last year.

Accounting policies

General reference is made to the description of accounting policies provided in the consolidated financial statements. Matters particular to the parent company are described in the following.

Changes in accounting policies

The parent company's accounting policies are consistent with those of last year.

Profit/loss from investments in subsidiaries

The proportionate share of the profit or loss of subsidiaries after tax is recognised in the income statement after full elimination of intra-group gains/losses.

Investments in subsidiaries

Investments in subsidiaries are measured at cost on initial recognition and subsequently at the proportionate share of the companies' net asset value calculated in accordance with the parent company's accounting policies with the deduction or addition of unrealised intra-group gains and losses and with the addition or deduction of goodwill calculated according to the purchase method.

Companies with a negative net asset value are recognised at DKK 0, and any receivable amount from these companies is written down, to the extent it is deemed to be irre-

coverable, by the parent company's share of the negative net asset value. If the negative net asset value exceeds the amount receivable, the residual amount is recognised under provisions to the extent that the parent company has a legal or constructive obligation to cover the subsidiary's negative balance.

The net revaluation of investments is taken to the reserve for net revaluation according to the equity method to the extent the carrying amount exceeds cost.

Newly acquired or newly established companies are recognised in the financial statements from the date of acquisition.

Enterprises disposed of or wound up are recognised until the date of disposal.

Securities

Holdings of securities which do not enable the Company to exercise control or significant influence are measured at fair value. Securities for which changes in fair value are regularly monitored, are recognised under financial items in the income statement when they occur.

Equity

Reserve for net revaluation according to the equity method contains the accumulated change of investments in subsidiaries, joint ventures and associates from the date of acquisition until the balance sheet date and expresses the accumulated change in value of the investment while in the Group's ownership.

The purchase and sale sums of treasury shares and dividends thereon are taken directly to retained earnings under equity.

Treasury shares

Proceeds from the sale of treasury shares in Schouw & Co. in connection with the exercise of share options or employee shares are taken directly to equity.

Dividend

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Notes to the parent company financial statements

1

Revenue

	2023	2022
Management fee	13.0	11.9
Total revenue	13.0	11.9

2

Operating expenses

	2023	2022
Staff costs	-47.2	-43.5
Other operating expenses	-18.3	-29.2
Total operating expenses	-65.5	-72.7

Staff costs:		
Remuneration to the Board of Directors of Schouw & Co.	-4.2	-4.3
Wages and salaries	-33.5	-31.3
Defined contribution pension plans	-2.6	-2.3
Other social security costs	-0.1	-0.1
Share-based payment	-6.7	-5.6
Total staff costs	-47.2	-43.5

Average no. of employees	19	17
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For more information on salaries, pensions and share-based payment to the Executive Management of Schouw & Co., see note 3 to the consolidated financial statements. Staff costs including share-based payment are recognised under administrative expenses.

3

Depreciation

	2023	2022
Depreciation of property, plant and equipment	-0.6	-0.5
Depreciation of lease assets	-0.3	-0.2
Total amortisation/depreciation	-0.8	-0.7

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Financial income

	2023	2022
Interest income from subsidiaries	465.8	186.4
Foreign exchange adjustments	4.8	14.6
Fair value adjustment of financial assets	0.0	1.3
Other interest income	11.3	6.2
Total financial income	481.9	208.5

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Financial expenses

	2023	2022
Interest payable to subsidiaries	-21.9	-5.2
Interest expense on financial liabilities	-259.9	-86.2
Foreign exchange adjustments	-16.1	-29.8
Total financial expenses	-297.8	-121.3

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Tax on profit/loss for the year

	2023	2022
Tax on the profit for the year is specified as follows:		
Tax on profit/loss for the year	-31.2	-9.8
Tax on other comprehensive income	0.0	0.0
Total tax	-31.2	-9.8
Tax on the profit for the year has been calculated as follows:		
Current tax	-32.0	-10.4
Deferred tax	0.9	0.6
Total tax recognised in the income statement	-31.2	-9.8
Specification of the tax on the profit for the year:		
Computed 22% tax on profit before tax	-212.5	-213.4
Tax effect of non-deductible costs	-3.2	-4.5
Tax effect of non-taxable income	184.5	208.1
Total tax recognised in the income statement	-31.2	-9.8
Effective tax rate	3.2%	1.0%

Non-taxable income mainly comprise investments in subsidiaries.

Tax on items recognised in other comprehensive income

2023	Before tax	Tax	After tax
Value adjustment of subsidiaries	-256.2	0.0	-256.2
Total tax on items recognised in other comprehensive income	-256.2	0.0	-256.2
2022	Before tax	Tax	After tax
Value adjustment of subsidiaries	152.6	0.0	152.6
Total tax on items recognised in other comprehensive income	152.6	0.0	152.6

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Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
2023			
Cost at 1 January 2023	19.2	7.8	27.1
Additions	0.7	1.9	2.6
Disposals	0.0	-1.6	-1.6
Cost at 31 December 2023	19.9	8.2	28.2
Depreciation and impairment at 1 January 2023	-3.0	-3.6	-6.6
Amortisation and impairment of assets disposed of	0.0	1.3	1.3
Depreciation	-0.1	-0.5	-0.6
Depreciation and impairment at 31 December 2023	-3.1	-2.7	-5.8
Carrying amount at 31 December 2023	16.8	5.5	22.3
2022			
Cost at 1 January 2022	19.1	6.7	25.8
Additions	0.1	2.3	2.4
Disposals	0.0	-1.1	-1.1
Cost at 31 December 2022	19.2	7.8	27.1
Depreciation and impairment at 1 January 2022	-3.0	-4.2	-7.2
Amortisation and impairment of assets disposed of	0.0	1.1	1.1
Depreciation	-0.1	-0.4	-0.5
Depreciation and impairment at 31 December 2022	-3.0	-3.6	-6.6
Carrying amount at 31 December 2022	16.2	4.3	20.5

At 31 December 2023, Schouw & Co. owned the property at Chr. Filtenborgs Plads 1, Aarhus, Denmark, which is the Group's head office, and an undeveloped site at Lystrup, Denmark.

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Lease assets

2023	Cars	Total
Cost at 1 January 2023	1.2	1.2
Additions	0.8	0.8
Disposals	-0.9	-0.9
Cost at 31 December 2023	1.1	1.1
Depreciation and impairment at 1 January 2023	-1.0	-1.0
Depreciation	-0.3	-0.3
Depreciation of assets disposed of	0.9	0.0
Depreciation and impairment at 31 December 2023	-0.3	-0.3
Carrying amount at 31 December 2023	0.8	0.8

2022	Cars	Total
Cost at 1 January 2022	1.2	1.2
Additions	0.0	0.0
Disposals	0.0	0.0
Cost at 31 December 2022	1.2	1.2
Depreciation and impairment at 1 January 2022	-0.8	-0.8
Depreciation	-0.2	-0.2
Depreciation and impairment at 31 December 2022	-1.0	-1.0
Carrying amount at 31 December 2022	0.2	0.2

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Investments in subsidiaries

The parent company has the following subsidiaries:

Name	Registered office	Ownership interest 2023	Ownership interest 2022
BioMar Group A/S	Aarhus, Denmark	100%	100%
GPV Group A/S	Vejle, Denmark	80%	80%
HydraSpecma A/S	Skjern, Denmark	100%	100%
Borg Automotive A/S	Silkeborg, Denmark	100%	100%
Fibertex Personal Care A/S	Aalborg, Denmark	100%	100%
Fibertex Nonwovens A/S	Aalborg, Denmark	100%	100%

	2023	2022
Cost at 1 January	4,604.6	4,019.6
Additions during the year	150.0	585.0
Cost at 31 December	4,754.6	4,604.6
Adjustments at 1 January	4,216.1	3,772.4
Disposals for the year	0.0	-337.9
Share of profit for the year	835.1	944.4
Dividends paid	-500.0	-735.0
Other capital entries	-264.3	572.3
Adjustments at 31 December	4,286.9	4,216.1
Carrying amount at 31 December	9,041.6	8,820.8
Of which carrying amount of goodwill	1,026.0	1,026.0

Schow & Co. has tested goodwill in the subsidiaries for impairment. The impairment tests did not result in writedowns.

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Securities

	2023	2022
Cost at 1 January	43.0	43.0
Disposals	0.0	0.0
Cost at 31 December	43.0	43.0
Adjustments at 1 January	47.7	46.9
Dividends received	-0.8	-0.6
Disposals	0.0	0.0
Adjustments recognised in the income statement	0.0	1.3
Adjustments at 31 December	46.9	47.7
Carrying amount at 31 December	89.9	90.7

Securities consist mainly of a 15.8% shareholding in Incuba A/S.

11

Receivables from subsidiaries

	2023	2022
Receivables from subsidiaries – non-current	500.0	300.0
Receivables from subsidiaries – current	8,087.2	7,451.4
Total receivables from subsidiaries	8,587.2	7,751.4
Breakdown of receivables from subsidiaries:		
Interest-bearing receivables	8,587.1	7,741.8
Non-interest-bearing receivables	0.1	9.6
Total receivables from subsidiaries	8,587.2	7,751.4

Most of the financing of subsidiaries is made through the parent company Schouw & Co. by way of a structure of intra-group loans through cash pools. For receivables maturing within 12 months after the end of the financial year, the nominal value is estimated to correspond to the fair value.

The parent company has not made provisions for losses on receivables from subsidiaries in the cash pool agreement. As the subsidiaries generate good earnings and are solid financially, provisions for losses are not considered necessary. Historically, the company has had no losses on loans to subsidiaries.

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Receivables

	2023	2022
Other current receivables	0.2	1.4
Prepayments	18.6	15.6
Total receivables	18.8	17.0

No impairment losses were recognised on receivables during the year.

13

Share capital

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid up. Each share carries one vote, for a total of 25,500,000 voting rights.

Treasury shares	Number of shares	Nominal value	Cost	Percentage of share capital
1 January 2022	1,531,102	15,311,020	471.5	6.00%
Purchase of treasury shares	551,074	5,510,740	291.5	2.16%
31 December 2022	2,082,176	20,821,760	763.0	8.17%
Share option programme	-182,000	-1,820,000	-26.2	-0.71%
Purchase of treasury shares	137,800	1,378,000	75.3	0.54%
31 December 2023	2,037,976	20,379,760	812.1	7.99%

In 2023, Schouw & Co. purchased shares held in treasury for DKK 75 million, of which DKK 41 million related to the share-based incentive programme and DKK 34 million related to a share buyback programme. On 15 November 2023, Schouw & Co. announced a share buyback programme intending to make buy back shares for a total amount of up to DKK 75 million during the period from 15 November 2023 to 1 March 2024.

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 5,100,000 treasury shares, equal to 20% of the share capital. The authorisation is valid until 1 April 2025.

The company acquires treasury shares among other things for allocation to the Group's share-based incentive programmes and for adjustment of the company's capital structure in in connection with capital reductions. At 31 December 2023, the company's treasury shares had a market value of DKK 1,127 million (2022: DKK 1,091 million). The portfolio of treasury shares is recognised at DKK 0.

The share capital has not changed in the past five years.

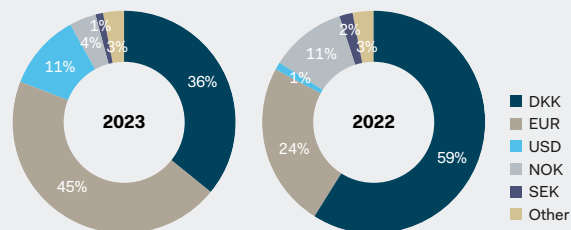
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Interest-bearing debt

	2023	2022
Credit institutions (non-current)	4,181.1	5,008.6
Mortgage debt (non-current)	19.8	20.4
Lease debt (non-current)	0.5	0.1
Total recognised as non-current interest-bearing debt	4,201.4	5,029.1
Current portion of non-current liabilities	1,257.9	1.1
Debt to subsidiaries	1,010.7	784.9
Total recognised as current interest-bearing debt	2,268.6	786.0
Total interest-bearing debt	6,470.0	5,815.1

The fair value of interest-bearing debt corresponds in all material respects to the carrying amount.

Percentage breakdown of interest-bearing debt by currency



Maturity profile of interest-bearing debt, including lease debt:

	2023		2022	
	Interest-bearing debt	Of which lease debt	Interest-bearing debt	Of which lease debt
Principal repayment:				
Overdraft facilities and debt to subsidiaries	1,558.2		2,070.6	
Less than 1 year	1,447.1	0.3	116.3	0.2
1-5 years	3,842.7	0.5	3,772.7	0.1
More than 5 years	187.0	0.0	122.7	0.0
Total	7,034.9	0.8	6,082.3	0.2
Interest:				
Overdraft facilities and debt to subsidiaries	0.0		0.0	
Less than 1 year	189.2	0.0	115.2	0.0
1-5 years	353.8	0.1	134.9	0.0
More than 5 years	21.9	0.0	17.2	0.0
Total	564.9	0.1	267.2	0.0
Carrying amount:				
Overdraft facilities and debt to subsidiaries	1,558.2		2,070.6	
Less than 1 year	1,257.9	0.3	1.1	0.2
1-5 years	3,488.9	0.5	3,637.8	0.1
More than 5 years	165.0	0.0	105.6	0.0
Total	6,470.0	0.8	5,815.1	0.2

Spot rate used for floating rate loans.

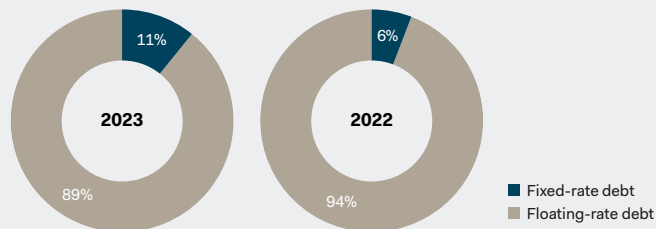
The weighted average effective rate of interest for the year was 4.4% (2022: 2.1%).

The weighted average effective rate of interest at the balance sheet date was 4.5% (2022: 3.0%).

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Interest-bearing debt (continued)

Interest profile of interest-bearing debt



Interest rate risk

The parent company hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Such assessments include, in addition to expectations for interest rate developments, the amount of the total floating rate debt relative to equity.

An increase in interest rates of 1 percentage point would cause the annual interest expense to increase by DKK 44.8 million after tax (2022: DKK 42.5 million). A decrease in interest rates of 1 percentage point would cause the annual interest expense to decrease by DKK 44.8 million after tax (2022: DKK 42.5 million). The effect on equity would be identical to the effect on profit/loss. Fixed rate debt consists only of items, for which the rate of interest will not be reset within the next 12 months.

Capital resources

To ensure that the company always has the necessary capital resources to capitalise on opportunities for investment that may arise and to be able to settle obligations agreed, the company has entered into a number of agreements with financial institutions, under which they provide credit lines to Schouw & Co. It is company policy to diversify borrowings on short term drawing facilities and long-term loans from an assessment of its current leverage. The company's capital resources consist of cash, short-term receivables from subsidiaries and undrawn credit facilities.

Capital resources

	2023	2022
Credit lines	3,275.0	3,275.0
Operating credits drawn	-547.5	-1,285.7
Guarantee commitments deducted from the credit line	-62.0	-47.0
Amount drawn in subsidiaries which is deducted from the credit line	-42.0	-188.3
Cash and cash equivalents	0.1	3.4
Current loans to subsidiaries	8,087.1	7,441.8
Current debt to subsidiaries	-1,010.7	-784.9
Parent company's net position including credit facilities	9,700.0	8,414.3
Credit facilities currently utilised by subsidiaries, net	-7,076.4	-6,656.8
Parent company's cash resources	2,623.6	1,757.5

The parent company'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. The first extension option was utilised in December 2021, and the second extension option was utilised in December 2022. The bank consortium consists of Danske Bank, DNB, Nordea and the international bank, HSBC.

Schouw & Co. has issued Schuldscheins for EUR 136 million (DKK 1,014 million) in April 2019 and for EUR 225 million (DKK 1,677 million) in November 2023. The Schuldscheins mature in April 2024, April 2026, November 2026 and November 2030.

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.

In 2022 and 2023, Schouw & Co. established a number of term loans with Danske Bank, Nordea Bank, DNB, HSBC and Jyske Bank, which currently total an outstanding amount of DKK 1,800 million. DKK 400 million of this amount matures in March 2024, while the remaining DKK 1,400 million matures in January 2025.

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Deferred tax

	2023	2022
Deferred tax at 1 January	-8.4	-7.9
Deferred tax adjustment at 1 January	0.1	0.0
Deferred tax for the year recognised in profit/loss for the year	-0.9	-0.6
Deferred tax for the year recognised in equity	0.0	0.1
Deferred tax at 31 December, net	-9.2	-8.4
Deferred tax pertains to:		
Intangible assets	-0.5	-0.7
Property, plant and equipment	0.1	-0.1
Equity	0.0	0.0
Other liabilities	-8.8	-7.6
Deferred tax at 31 December, net	-9.2	-8.4

All deferred tax assets and tax liabilities are recognised in the balance sheet.

	2023			
	Balance at 1 Jan.	Recognised in the profit for the year	Recognised in equity	Balance at 31 Dec.
Change in deferred tax				
Intangible assets	-0.7	0.2	0.0	-0.5
Property, plant and equipment	-0.1	0.2	0.0	0.1
Equity	0.0	0.0	0.0	0.0
Other liabilities	-7.6	-1.2	0.0	-8.8
Total change in deferred tax	-8.4	-0.8	0.0	-9.2

	2022			
	Balance at 1 Jan.	Recognised in the profit for the year	Recognised in equity	Balance at 31 Dec.
Change in deferred tax				
Intangible assets	-0.5	-0.2	0.0	-0.7
Property, plant and equipment	-0.3	0.2	0.0	-0.1
Equity	-0.1	0.0	0.1	0.0
Other liabilities	-7.0	-0.6	0.0	-7.6
Total change in deferred tax	-7.9	-0.6	0.1	-8.4

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Pension liabilities

	2023	2022
Pension liabilities	13.1	14.3
Total other payables	13.1	14.3
Pension liabilities:		
Net liability at 1 January	14.3	15.1
Paid out	-1.2	-0.8
Net liability at 31 December	13.1	14.3

It is company policy to hedge all pension liabilities, so as predominantly to avoid defined benefit plans. However, as part of the merger with BioMar Holding (formerly KFK) in 2008, Schouw & Co. assumed a defined benefit obligation.

The pension obligation was calculated at DKK 13.1 million at 31 December 2023. The entire amount relates to the liability to insure the entitlements to receive supplementary pensions in accordance with the previous practise of the KFK pension funds. The entire obligation is related to people who were on the labour market at 30 September 2002 and who transferred to employment with the consortium that took over the divested grain and feed operations (the former KFK). Some uncertainty applies as to the amount of the pension obligation. Accordingly, final coverage of this liability may impact future financial results in a positive or a negative direction.

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Trade payables and other payables

	2023	2022
Trade payables	1.8	1.0
Other debt	40.8	38.6
Total trade payables and other payables	42.6	39.6

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Changes in working capital affecting cash flows

	2023	2022
Change in receivables	9.4	-9.6
Change in trade payables and other payables	-7.9	1.8
Total change in working capital, effect on cash flows	1.5	-7.8

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Joint taxation contributions

	2023	2022
Joint taxation contributions at 1 January	13.4	3.1
Adjustment related to prior years	9.5	-2.7
Current tax for the year	6.9	-39.0
Joint taxation contributions received/paid	35.4	52.0
Total joint taxation contributions	65.1	13.4

Which is specified as follows:

Joint taxation contribution receivable	0.0	0.0
Joint taxation contributions payable	65.1	13.4
Total joint taxation contributions	65.1	13.4

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Income tax

	2023	2022
Income tax payable at 1 January	0.1	0.2
Current tax for the year	32.0	10.4
Adjustment related to prior years	-9.5	2.7
Current tax on other adjustments of equity	-0.2	0.0
Current tax for the year from jointly taxed companies	-6.9	39.0
Income tax paid during the year	-36.7	-52.2
Total income tax	-21.3	0.1

Which is specified as follows:

Income tax receivable	-21.3	0.0
Income tax payable	0.0	0.1
Total income tax	-21.3	0.1

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Contingent liabilities and guarantees

Contingent liabilities

The company is taxed jointly with the other Danish group companies. As a management company, the company is joint and severally liable with the other Danish group companies for Danish income tax and withholding tax on dividends, interest and royalties within the joint taxation pool.

Guarantees

The following assets have been provided as security to credit institutions:

Land and buildings with a carrying amount of DKK 15.5 million (2022: DKK 14.8 million). The collateral set out above represents the parent company's debt to mortgage-credit institutions of DKK 20.6 million (2022: DKK 21.3 million).

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Financial risk

The parent company's risk management policy

Due to the nature of its operations, investments and financing, the parent company is exposed primarily to changes in the level of interest rates. Interest rate risks are described in greater detail in the note on interest-bearing debt. The parent company's financial management exclusively involves the management of financial risk relating to operations and investment.

Currency risk

The parent company's currency risks mainly relate to its subsidiaries' foreign business operations. The parent company does not hedge these investments.

The parent company's currency risk exposure at 31 December 2023 consisted of EUR-denominated net deposit of DKK 3,715 million, which on a probable 0.50% change in exchange rate implies a currency risk of DKK 18.6 million. The parent company has an additional USD and AUD denominated net deposits. There was a USD-denominated position of DKK 11.9 million, which on a probable 5% change in exchange rate implies a currency risk of DKK 0.6 million. There was an AUD-denominated position of DKK 15.1 million, which implies a currency risk of DKK 1.5 million on a probable 10% change in exchange rate. In addition, the parent company had NOK-denominated debt of DKK 8.6 million, which on a probable 10% change in exchange rate implies a currency risk of DKK 0.9 million.

Credit risk

The parent company credit risk relates primarily to receivables from subsidiaries and secondarily to cash deposits. At 31 December 2023, the maximum credit risk was DKK 8,587 million (receivables from subsidiaries plus cash).

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Fees to auditors appointed by the shareholders

	2023	2022
Statutory audit fees, PwC	0.5	0.4
Fees for other assurance engagements, PwC	0.2	0.2
Fees for tax and VAT-related services, PwC	0.2	0.1
Non-audit services, PwC	0.9	3.7
Total fees, PwC	1.8	4.4

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Related party transactions

Related parties are described in the note "Related party transactions" to the consolidated financial statements.

Management's remuneration and share option programmes are set out in the note "Costs" to the consolidated financial statements.

	2023	2022
Subsidiaries		
During the year, the parent company received a management fee of	13.0	11.9
During the year, the parent company received interest income of	465.8	186.4
During the year, the parent company paid interest expenses amounting to	21.9	5.2
At 31 December, the parent company had a receivable of	8,587.2	7,751.4
At 31 December, the parent company had debt amounting to	1,010.7	784.9
During the year, the parent company received dividends of	500.0	735.0
During the year, the parent company made capital contributions amounting to	150.0	585.0

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

Management Statement

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and the Executive Management have considered and approved the annual report for the 2023 financial year.

The consolidated and parent company annual reports have been prepared in accordance with IFRS accounting standards (IFRS) as adopted by the EU and additional disclosure requirements pursuant to the Danish Financial Statements Act. The management's report has been prepared in accordance with the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

In our opinion, the consolidated financial statements and the parent company's financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2023.

In our opinion, the management's report includes a fair review of the development and performance of the Group and the parent company, the financial results and cash flows for the year and of the financial position, together with a description of the principal risks and uncertainties that the Group and the parent company face.

In our opinion, the consolidated financial statements of Aktieselskabet Schouw & Co. for the financial year ended 31 December 2023 with the file name "SCHOUW-2023-12-31-da.zip" has been prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the annual report be adopted by the shareholders at the annual general meeting.

Aarhus, 1 March 2024

Executive Management

Jens Bjerg Sørensen
President and CEO

Peter Kjær

Board of Directors

Jørgen Dencker Wisborg
Chairman

Kenneth Skov Eskildsen
Deputy Chairman

Kjeld Johannesen

Agnete Raaschou-Nielsen

Hans Martin Smith

Søren Stæhr

Independent auditors' report

To the shareholders of Aktieselskabet Schouw & Co.

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

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

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Aktieselskabet Schouw & Co. for the financial year 1 January to 31 December 2023 comprise the income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and the notes, including material accounting policy information for the Group as well as the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional require-

ments applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

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

Independence

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

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

Appointment

We were first appointed auditors of Aktieselskabet Schouw & Co. on 15 April 2021 for the financial year 2021. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of three years including the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit

Key audit matter	How our audit addressed the key audit matter
<p>Goodwill</p> <p>Goodwill may be impaired by, for example, increased competition in local markets, changes in the global economy and strategy changes in the Group.</p>	<p>We performed risk assessment procedures to obtain an understanding of IT-systems, business processes and relevant internal controls related to valuation of goodwill. We assessed whether the controls were designed and implemented to effectively address the risk of material misstatement.</p>
<p>Impairment of goodwill involves significant estimates and judgements by Management, including the determination of significant assumptions relating to revenue growth, earnings development and investments during the budget and forecast period, as well as long-term growth rates and discount rates.</p>	<p>We reviewed and tested the impairment tests carried out by Management. As part of this, we assessed whether the estimates and judgements made by Management in carrying out these tests were reasonable with specific attention given to significant assumptions used to determine the future cash flows including revenue growth, earnings and investments development in the budget and forecast period as well as long-term growth rates and discount rates.</p>
<p>We focused on impairment testing of goodwill, as the accounting estimates are complex and determination of significant assumptions is inherently subjective.</p>	<p>We assessed whether the cash generating units used in the goodwill impairment test were correctly defined.</p>
<p>We refer to note 16 in the Consolidated Financial Statements.</p>	<p>We reviewed the sensitivity analysis over changes in earnings and discount rates.</p>
	<p>Furthermore, we assessed the historical accuracy of Management's estimates by comparing the 2023 budget with the realised results.</p>
	<p>We reviewed and assessed the presentation and disclosure of the impairment tests in the notes.</p>

of the Financial Statements for 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act and Article 8 of regulation (EU) 2020/852 (EU Taxonomy Regulation).

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements

Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Aktieselskabet Schouw & Co. for the financial 1 January to 31 December 2023 with the filename SCHOUW-2023-12-31-da.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

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

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

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

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

In our opinion, the annual report of Aktieselskabet Schouw & Co. for the financial with 1 January to 31 December 2023 with the file name SCHOUW-2023-12-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Aarhus, 1. March 2024
 PricewaterhouseCoopers
 Statsautoriseret Revisionspartnerselskab
 Comp. reg. no. 33 77 12 31

Claus Lindholm Jacobsen
 State Authorised Public Accountant
 mne23328

Rune Kjeldsen
 State Authorised Public Accountant
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