

23 November 2022

Strong sales performance in a Q3 impacted by extraordinary surge in energy prices.

Highlights

- Sales in the first nine months of 2022 reached 2952 MEUR, an increase of 27 percent in local currencies and 31 percent in reported figures compared to last year.
- Sales in Q3 2022 amounted to 1010 MEUR, an increase of 21 percent in local currencies compared to Q3 2021.
- EBITDA in the first nine months of 2022 reached 473 MEUR, up four percent, with a 16.0 percent EBITDA margin.
- EBITDA in Q3 2022 reached 131 MEUR, a decrease of 17 percent, due to a surge in energy prices particularly in July and August that had not been fully priced in. EBITDA margin at 13.0 percent was down 6.7 percentage points from last year.
- EBIT in the first nine months of 2022 ended at 301 MEUR, with a 10.2 percent EBIT margin, down 3.4 percentage points from same period in 2021.
- EBIT in Q3 2022 ended at 68 MEUR with a 6.8 percent EBIT margin, down 6.4 percentage points from Q3 2021.
- With an ease in energy prices and additional sales price increases, EBIT margin recovered in September and October.
- Confluence of global climate change and energy independence concerns is creating favourable policy environment for energy efficiency and building renovation.
- Shareholders may from 23 November 2022 until 7 December 2022 request conversion of A shares to B shares. For further information please refer to <https://www.rockwool.com/group/about-us/investors/conversion-shares/>.



“We are pleased with our Q3 top-line sales performance that grew more than 20 percent in a market that continued to deteriorate. Earnings declined due to an unprecedented surge in energy costs of almost 200 MEUR over the same quarter last year that we were not able to offset with such short notice. July and August were especially challenging in relation to gas and electricity pricing, though margins are now recovering. We see continued, broad-based inflationary pressures, with some geographies hit harder than others. We therefore plan further price increases on average of 7-10 percent in the first quarter of 2023 to compensate for additional input cost pressure.

Looking further ahead, the policy environment for energy efficiency and building renovation is increasingly positive, though it will still take time for that to flow through to the market”.

CEO Jens Birgersson

Outlook 2022

- Growth in net sales of 20-25 percent in local currencies.
- EBIT margin between 10 and 12 percent.
- Investment level around 330 MEUR excluding acquisitions, changed from previously around 375 MEUR.

Earnings call

ROCKWOOL Group will host an earnings call on 24 November 2022 at 11.00 CET. The call will be transmitted live on www.rockwool.com/group/.

Main figures / key figures for the Group

	Unaudited			Audited	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
Income statement items in MEUR					
Net sales	1 010	797	2 952	2 246	3 088
EBITDA	131	157	473	456	602
Amortisation, depreciation and write-downs	63	52	172	150	201
EBIT	68	105	301	306	401
Profit before tax	63	103	232	300	393
Profit for the period	45	79	170	231	303
Balance sheet items in MEUR					
Non-current assets			2 321	2 051	2 129
Current assets			1 253	927	951
Total assets			3 574	2 978	3 080
Equity			2 628	2 275	2 394
Non-current liabilities			207	185	163
Current liabilities			739	518	523
Net interest-bearing cash / (debt)			-42	98	76
Net working capital			461	298	306
Invested capital			2 647	2 176	2 294
Cash flow items in MEUR					
Cash flow from operating activities	145	167	252	341	426
Cash flow from investing activities	86	74	241	225	310
Free cash flow	59	93	11	116	116
Others					
Number of full-time employees (end of period)			12 399	11 844	11 968
Ratios					
EBITDA margin	13.0%	19.7%	16.0%	20.3%	19.5%
EBIT margin	6.8%	13.2%	10.2%	13.6%	13.0%
ROIC (rolling 4 quarters)			16.4%	19.7%	18.8%
Return on equity (rolling 4 quarters)			9.9%	14.1%	13.5%
Equity ratio			73.5%	76.3%	77.7%
Stock market information (DKK)					
Earnings per share	16	27	59	79	104
Cash flow per share	50	58	87	118	147
Book value per share			904	781	823
Share capital (million)			216	216	216
Price per A share			1 189	2 349	2 379
Price per B share			1 191	2 753	2 859
Market cap (million)			25 665	54 860	56 295
Number of own shares			52 057	56 228	56 228

For definition of key figures and ratios see page 97 in the ROCKWOOL Group Annual Report 2021 available on our website: www.rockwool.com/group/.

Management report for the period 1 January to 30 September 2022

General update

The sharp increase in electricity and gas prices, especially during July and August, impacted profitability significantly. During the third quarter, the amount spent on electricity and gas compared to last year, on an equal volume, was almost 200 MEUR higher and is the main reason behind the margin erosion.

During the year we have seen high inflation of more than 70 percent on materials, energy and logistic costs. While sales price increases have compensated significantly for increased costs, EBITDA margin still declined four percentage points.

Owing to continued, broad-based inflationary pressures, with some geographies hit harder than others, we plan further price increases on average of 7-10 percent in the first quarter of 2023 to compensate for additional input cost pressure.

EBITDA margin recovered some in September and was back to more acceptable level in October.

The mild weather and lower seasonal demand on energy have contributed to keeping the price for electricity and gas stable during September and October, albeit still at a high level. Based on current cost of energy and planned sales price increases, we maintain an EBIT margin outlook for the full year between 10 and 12 percent.

Global sales development

During Q3, we saw a weakening of demand in several markets and especially in North America, where lower demand combined with destocking in the trade resulted in lower sales. Driven by sales price increases, growth in net sales continue to be positive and the Insulation segment across Europe delivered strong sales. Systems segment continued as expected to struggle due to lower sales in North America and Eastern Europe.

In general, we see that the high inflation and increasing interest rates have an impact on building activities and we expect a decline in new building for both residential and non-residential segments.

The focus on energy efficiency in EU has so far not resulted in significant pick-up in renovation of existing building stock across Europe, although the regulatory requirements through EU Energy Efficiency Directive and Energy Performance of Buildings Directive are encouraging and should in due course together with REPowerEU result in a significant increase in demand for insulation within renovation.

In the first nine months of 2022, ROCKWOOL Group generated net sales of 2952 MEUR, an increase of 27 percent in local currencies. Currency translation

Group sales
+27%

had a positive impact of four percentage points, which resulted in sales growth of 31 percent in reported figures.

In Q3 2022, ROCKWOOL Group generated net sales of 1010 MEUR, an increase of 21 percent in local currencies compared to Q3 2021. Inflation-driven price increases fuelled the sales growth, as volumes started to decrease. Volume in the quarter decreased eight percent compared to last year. Currency translation had a positive impact of six percentage points, which resulted in sales growth of 27 percent in reported figures.

Regional sales development

In the first nine months of the year, sales in Western Europe amounted to 1725 MEUR, up 28 percent in both local currencies and reported figures. Sales in all markets increased compared to same period last year. In Q3 2022, sales in Western Europe amounted to 575 MEUR, up 25 percent in local currencies as well as in reported figures. Many markets experienced double-digit growth, with especially Germany, Italy, the United Kingdom, and Nordics contributing to the sales growth.

Sales in Western Europe
+28%

In Eastern Europe, sales for the first nine months of 2022 amounted to 631 MEUR, an increase of 52 percent in local currencies and 60 percent in reported figures. Sales in Q3 2022 amounted to 236 MEUR, up 32 percent in local currencies and 46 percent in reported figures. Most countries experienced double-digit sales growth in the quarter, with especially strong performance in Poland, Hungary, and the Czech Republic.

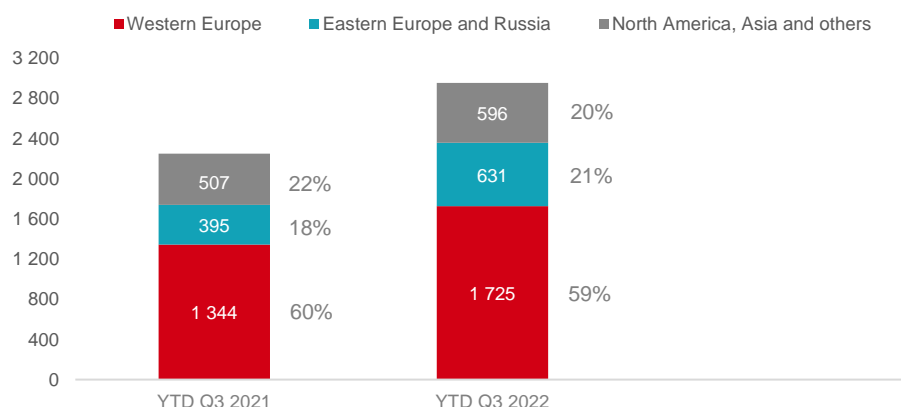
Sales in Eastern Europe
+52%

In the rest of the world, the first nine months of sales amounted to 596 MEUR, an increase of seven percent in local currencies and 18 percent in reported figures. In Q3 2022, sales amounted to 199 MEUR, at level with Q3 2021 in local currencies and up 13 percent in reported figures. Sales in North America decreased mainly due to market uncertainties leading to customer destocking.

Sales in rest of the world
+7%

Regional sales

MEUR



Group profitability

During the first nine months of the year, EBITDA increased four percent to 473 MEUR resulting in an EBITDA margin of 16.0 percent compared to 20.3 percent for the same period last year. The high inflation in the cost of energy during late summer was the main reason behind the decline in EBITDA margin. Product and segment mix also impacted margins negatively.

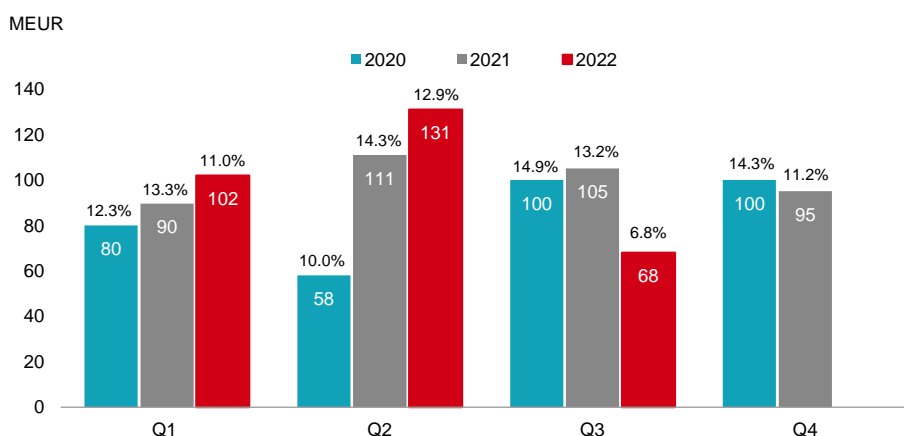
EBITDA
+3.8%

In Q3 2022, EBITDA reached 131 MEUR a decrease of 17 percent compared to Q3 2021. The aggregated price increase in Q3 was close to 30 percent compared to the same period last year. Input costs in August compared to July increased 40 percent, which comes on top of an already high increase in July. The unexpected high inflation during a normally low energy demand period during July and August was not factored into our pricing plans, which meant we had limited off-setting actions and margins ended disappointingly low in the quarter. Also, low volumes impacted cost leverage and thereby lowered the contribution profit.

EBIT for the first nine months of 2022 decreased two percent, reaching 301 MEUR, corresponding to an EBIT margin of 10.2 percent compared to 13.6 percent for the same period last year. In Q3 2022, EBIT amounted to 68 MEUR with an EBIT margin of 6.8 percent. EBIT was, in addition to the decline in EBITDA, impacted by higher depreciation primarily from the new production facilities in the United States and Poland.

EBIT margin
-3.4%-points

EBIT & EBIT margin



Since March 2022 the foreign currency exposure on the intercompany balance between ROCKWOOL A/S and our subsidiary in Russia has not been hedged and consequently we have recorded an unrealised exchange loss of 57 MEUR end of Q3 2022.

The effective tax rate was 26.8 percent for the first nine months of 2022, up 3.8 percentage points from both Q3 and full year 2021. The increase is caused by the unrealised exchange loss.

Net profit for the first nine months of 2022 amounted to 170 MEUR, which is 61 MEUR lower than in the same period last year.

Balance sheet

Net working capital ended the first nine months at 461 MEUR, an increase of 155 MEUR compared to year-end 2021 and 163 MEUR compared to Q3 2021. The increase is mainly reflecting higher inventory values due to higher purchase costs and increased trade receivables, partly offset by higher payables. The net working capital ratio ended at 12.2 percent, 2.1 percentage points higher than last year.

Due to higher invested capital and lower EBIT, annualised return on invested capital ended at 16.4 percent compared to 19.7 percent for the same period last year.

ROIC
-3.3%-points

At the end of Q3 2022, total assets amounted to 3574 MEUR, an increase of 494 MEUR compared to year-end 2021 and 596 MEUR compared to Q3 2021. The increase is mainly related to ongoing investments combined with increased inventories and trade receivables due to sales growth and increased sales prices, as well as increased exchange rates of the U.S. and Canadian dollars and Russian rouble.

At the end of the period, the equity ratio remained solid at 74 percent.

Cash Flow

For the first nine months of 2022 cash flow from operations before financial items and tax was 339 MEUR, down 48 MEUR from the same period last year. Change in net working capital had a negative impact on cash flow of 133 MEUR during the year, primarily related to higher inventory values from increased input prices and higher trade receivables due to sales growth.

**Operational cash flow before
financial items and tax**
-48 MEUR

Cash flow from operating activities amounted to 252 MEUR for the first nine months of 2022, as operations continued to bring solid cash flow despite a negative impact from net working capital and higher tax payments in 2022.

Capital expenditure excluding acquisitions during the first nine months of 2022 was 240 MEUR compared to 218 MEUR in the same period last year. The relocation of the factory in China, the new Rockfon line in Poland, the additional Grodan capacity in Toronto, and the sustainability investment for a conversion to electrical melter in Flumroc (Switzerland), were the largest individual projects in the first nine months of 2022.

Free cash flow for the first nine months of 2022 amounted to 11 MEUR, down 105 MEUR compared to the same period last year. In Q3 2022, free cash flow amounted to 59 MEUR, a decrease of 34 MEUR compared to same period last year related to higher tax payments and investments.

Free cash flow
-105 MEUR

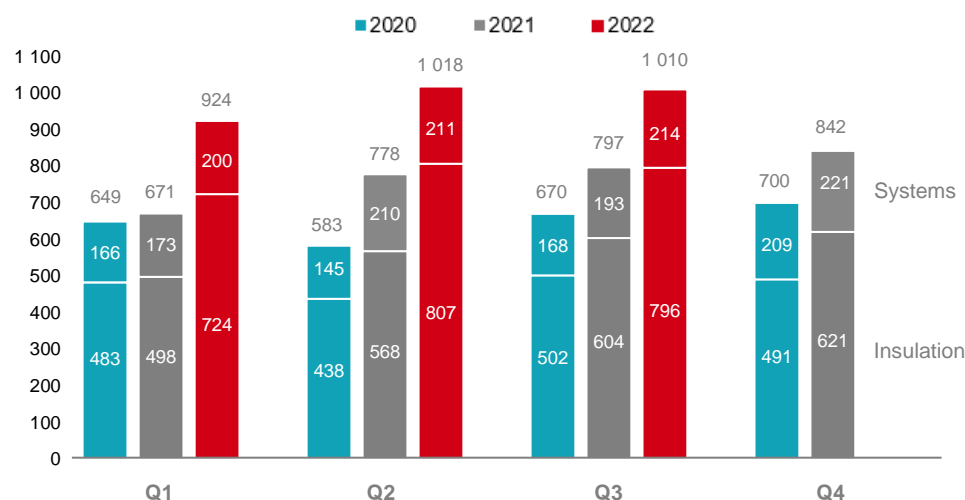
Cash flow from financing was 26 MEUR in the first nine months of 2022 compared to negative 139 MEUR same period last year. In 2022, drawings on credit facilities offset the payment of dividends.

The Group's financial situation remains solid with a low net interest-bearing debt of 42 MEUR and unused credit facilities of 475 MEUR at the end of Q3 2022.

Business segments

Sales per business

MEUR



Key figures Insulation segment

MEUR	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
External net sales	796	604	2 327	1 670
EBIT	52	78	241	206
EBIT margin	5.8%	11.2%	9.2%	10.7%

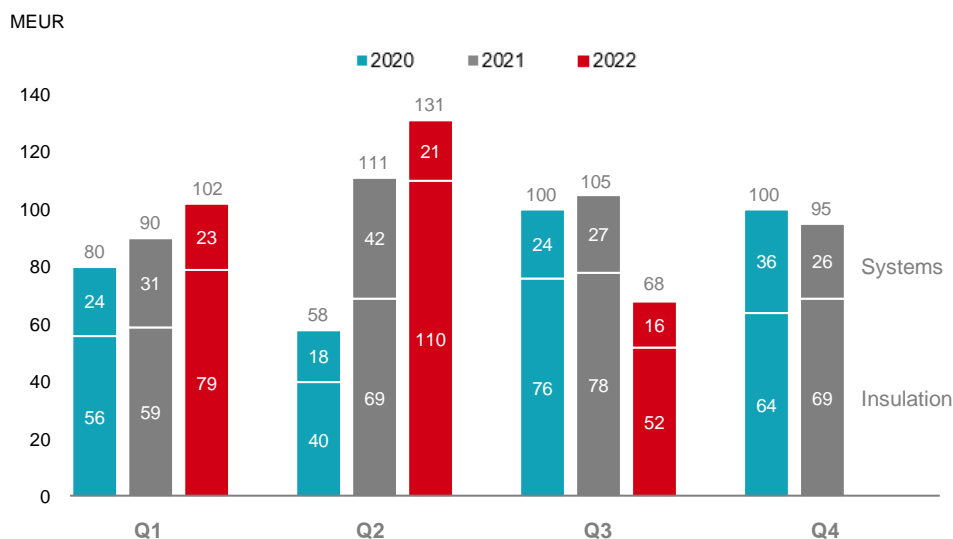
Insulation segment sales for the first nine months of 2022 reached 2327 MEUR, which is an increase of 35 percent in local currencies and 39 percent in reported figures. In Q3 2022, sales reached 796 MEUR, which is an increase of 25 percent in local currencies and 32 percent in reported figures compared to Q3 last year. The Q3 growth was driven by sales price increases in all main markets.

Insulation sales
+35%

Insulation segment EBIT for the first nine months of 2022 reached 241 MEUR with an EBIT margin of 9.2 percent, a decrease of 1.5 percentage points compared to the same period last year. In Q3 2022, EBIT decreased by 26 MEUR to 52 MEUR. The EBIT margin ended at 5.8 percent, 5.4 percentage points below last year due to the extraordinary surge in energy costs.

Insulation EBIT margin
-1.5%-points

EBIT per business



Key figures Systems segment

MEUR	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
External net sales	214	193	625	576
EBIT	16	27	60	100
EBIT margin	7.7%	14.4%	9.7%	17.4%

Systems segment sales for the first nine months of 2022 amounted to 625 MEUR, which is an increase of five percent in local currencies and eight percent in reported figures. In Q3 2022, sales amounted to 214 MEUR, which is an increase of six percent in local currencies and 11 percent in reported figures compared to Q3 2021. Rockfon and Rockpanel performed well, while Grodan sales were still negatively impacted by lower sales in North America.

Systems sales
+5%

Systems segment EBIT was 60 MEUR in the first nine months of 2022, a decrease of 40 percent and an EBIT margin of 9.7 percent, a decrease of 7.7 percentage points compared to the same period last year. In Q3 2022, EBIT amounted to 16 MEUR with an EBIT margin of 7.7 percent, down 6.7 percentage points. The lower margin relates mainly to impact from a negative product mix and inflationary pressures.

Systems EBIT margin
-7.7%-points

Conversion of shares

In accordance with ROCKWOOL's articles of association, shareholders may from 23 November 2022 (as per this announcement) until 7 December 2022 request conversion of A shares to B shares. Further information on how to submit a conversion request and on the terms and conditions can be found on the company's website:

<https://www.rockwool.com/group/about-us/investors/conversion-shares/>.

Outlook for the full year 2022

While demand is softening, we still expect a positive growth in net sales driven by higher prices. The forecast for full-year sales growth in local currencies remains in the 20 to 25 percent range.

With current performance, supported by the recent months' sales price increases and with the present level of energy prices, we expect the full-year EBIT margin to be in the lower range of the current outlook of between 10 and 12 percent.

Due to delays in starting up construction of the new factory in France, we now expect the full year investment level to be around 330 MEUR, changed from previous around 375 MEUR.

2022 outlook overview

	9 February 2022	18 May 2022	18 August 2022	24 August 2022	23 November 2022
Net sales in local currencies	Sales growth of 15-20 percent	Sales growth of 20-25 percent	Sales growth of 20-25 percent	Sales growth of 20-25 percent	Sales growth of 20-25 percent
EBIT margin	Around 13 percent	Around 13 percent	Between 10-12 percent	Between 10-12 percent	Between 10-12 percent
Investments excluding acquisitions	Around 500 MEUR	Around 425 MEUR	Around 375 MEUR	Around 375 MEUR	Around 330 MEUR

Further information:

Kim Junge Andersen, Chief Financial Officer
 ROCKWOOL A/S
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At ROCKWOOL Group, we are committed to enriching the lives of everyone who experiences our products. Our expertise is perfectly suited to tackle many of today's biggest sustainability and development challenges, from energy consumption to noise pollution and water scarcity to flooding. Our range of products reflects the diversity of the world's needs, supporting our stakeholders in reducing their own carbon footprint along the way.

Stone wool is a versatile material and forms the basis of all our businesses. With 12 400 passionate colleagues in 40 countries, we are the world leader in stone wool solutions, from building insulation to acoustic ceilings, external cladding systems to horticultural solutions, engineered fibres for industrial use to insulation for the process industry and marine & offshore.

Management statement

The Board of Directors and the Registered Directors have today considered and approved the interim report of ROCKWOOL A/S for the first nine months of 2022.

This interim report, which has not been audited or reviewed by the ROCKWOOL Group auditor, has been prepared in accordance with IAS 34 “Interim Financial Reporting”, as approved by the EU and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report presents a true and fair view of Group’s financial position at 30 September 2022 and of the result from Group’s operations and cash flow for the period 1 January to 30 September 2022.

Furthermore, we believe that the management report includes a true and fair presentation about the development in the Group’s operations and financial matters, the result for the period and the Group’s financial position overall as well as a description of the most significant risks and uncertainties faced by the Group.

Besides what has been disclosed in this interim report no changes in the Group’s most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated Annual Report for 2021.

23 November 2022

Registered Directors

Jens Birgersson
CEO

Kim Junge Andersen
CFO

Board of Directors

Thomas Kähler
Chairman

Carsten Bjerg
Deputy Chairman

Rebekka Glasser Herlofsen

Carsten Kähler

Ilse Irene Henne

Jørgen Tang-Jensen

Connie Enghus Theisen

Christian Westerberg

Berit Anette Kjerulf

Income statement

MEUR	Unaudited			Audited	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
Net sales	1 010	797	2 952	2 246	3 088
Other operating income	3	2	6	4	6
Operating income	1 013	799	2 958	2 250	3 094
Raw material costs and production material costs	470	289	1 286	787	1 116
Delivery costs and indirect costs	135	117	404	315	438
Other external costs	71	51	188	150	205
Personnel costs	206	185	607	542	733
Operating costs	882	642	2 485	1 794	2 492
EBITDA	131	157	473	456	602
Amortisation, depreciation and write-downs	63	52	172	150	201
EBIT	68	105	301	306	401
Income from investments in associated companies	-	-	-	-	1
Financial items	-5	-2	-69	-6	-9
Profit before tax	63	103	232	300	393
Tax on profit for the period	18	24	62	69	90
Profit for the period	45	79	170	231	303
<i>Profit for the period attributable to:</i>					
Non-controlling interests	-	-	-	-	-
Shareholders of ROCKWOOL A/S	45	79	170	231	303
Earnings per share of 10 DKK (1.3 EUR)	2.1	3.7	7.9	10.7	14.1
Diluted earnings per share of 10 DKK (1.3 EUR)	2.1	3.7	7.9	10.7	14.0

Statement of comprehensive income

MEUR	Unaudited			Audited	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
Profit for the period	45	79	170	231	303
<i>Items that will not be reclassified to income statement:</i>					
Actuarial gains and losses of pension obligations	-	-	-	-	28
Tax on other comprehensive income	-	-	-	-	-2
<i>Items that may be subsequently reclassified to income statement:</i>					
Currency adjustment from translation of entities	5	11	159	49	78
Hedging instruments, value adjustments	5	2	7	-	-
Tax on other comprehensive income	-	-1	-	-1	-
Other comprehensive income	10	12	166	48	104
Comprehensive income for the period	55	91	336	279	407
<i>Comprehensive income for the period attributable to:</i>					
Non-controlling interests	-	-	-	-1	-
Shareholders of ROCKWOOL A/S	55	91	336	280	407

Business segments and sales reporting

YTD Q3	Unaudited						ROCKWOOL Group	
	Insulation segment		Systems segment		Eliminations		2022	2021
MEUR	2022	2021	2022	2021	2022	2021	2022	2021
External net sales	2 327	1 670	625	576	-	-	2 952	2 246
Internal net sales	306	249	-	-	-306	-249	-	-
EBIT	241	206	60	100	-	-	301	306
<i>EBIT margin</i>	9.2%	10.7%	9.7%	17.4%			10.2%	13.6%
Goods transferred at a point in time	2 327	1 670	625	576			2 952	2 246

Geographical split of net sales

MEUR	Unaudited			Audited	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
Western Europe	575	459	1 725	1 344	1 834
Eastern Europe and Russia	236	161	631	395	562
North America, Asia and others	199	177	596	507	692
Total net sales	1 010	797	2 952	2 246	3 088

Balance sheet

(condensed)	Unaudited		Audited
MEUR	Q3 2022	Q3 2021	FY 2021
Assets			
Intangible assets	175	170	176
Tangible assets	2 027	1 766	1 829
Right-of-use assets	58	49	61
Other financial assets	12	9	11
Deferred tax assets	49	57	52
Non-current assets	2 321	2 051	2 129
Inventories	467	274	317
Receivables	576	438	468
Cash	210	215	166
Current assets	1 253	927	951
Total assets	3 574	2 978	3 080
Equity and liabilities			
Share capital	29	29	29
Currency translation adjustments	25	-163	-134
Proposed dividend	-	-	102
Retained earnings	2 568	2 407	2 398
Hedging	6	-1	-1
Non-controlling interests	-	3	-
Total equity	2 628	2 275	2 394
Non-current liabilities	207	185	163
Current liabilities	739	518	523
Total liabilities	946	703	686
Total equity and liabilities	3 574	2 978	3 080

Cash flow statement

(condensed)	Unaudited				Audited
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
MEUR					
EBIT	68	105	301	306	401
Adjustments for amortisation, depreciation and write-downs	63	52	172	150	201
Adjustments of non-cash operating items	3	1	-1	3	-5
Changes in net working capital	51	27	-133	-72	-82
Cash flow from operations before financial items and tax	185	185	339	387	515
Cash flow from operating activities	145	167	252	341	426
Cash flow from investing activities excluding acquisitions	-85	-68	-240	-218	-302
Business acquisitions, net of cash	-1	-6	-1	-7	-8
Free cash flow	59	93	11	116	116
Cash flow from financing activities	-106	-44	26	-139	-194
Net cash flow	-47	49	37	-23	-78
Cash available – beginning of period	257	169	165	240	240
Exchange rate adjustments on cash available	-16	-3	-8	-2	3
Cash available – end of period	194	215	194	215	165
Unutilised, committed credit facilities			475	555	600

Statement of changes in the equity

MEUR	Unaudited						Non-controlling interests	Total equity
	Shareholders of ROCKWOOL A/S							
	Share capital	Currency translation adjustments	Proposed dividend	Retained earnings	Hedging	Total		
Equity 1 January 2022	29	-134	102	2 398	-1	2 394	-	2 394
Profit for the period				170		170		170
Other comprehensive income		159			7	166		166
Comprehensive income for the period	-	159	-	170	7	336	-	336
Purchase of own shares				-2		-2		-2
Expensed value of Restricted Share Units issued				1		1		1
Dividend paid			-102	1		-101		-101
Equity 30 September 2022	29	25	-	2 568	6	2 628	-	2 628
Equity 1 January 2021	29	-212	94	2 178	-1	2 088	4	2 092
Profit for the period				231		231		231
Other comprehensive income		49				49	-1	48
Comprehensive income for the period	-	49	-	231	-	280	-1	279
Share buy-back programme				-3		-3		-3
Purchase of own shares				-3		-3		-3
Sale of own shares				1		1		1
Expensed value of Restricted Share Units issued				1		1		1
Dividend paid			-94	2		-92		-92
Equity 30 September 2021	29	-163	-	2 407	-1	2 272	3	2 275

Main figures in DKK million

MDKK	Unaudited			Audited	
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
Net sales	7 513	5 931	21 960	16 706	22 966
Amortisation, depreciation and write-downs	466	382	1 280	1 114	1 493
EBIT	508	786	2 243	2 280	2 979
Profit before tax	470	773	1 727	2 233	2 923
Profit for the period	334	592	1 264	1 719	2 251
Total assets			26 581	22 146	22 902
Equity			19 544	16 914	17 803
Cash flow from operating activities	1 078	1 239	1 872	2 537	3 166
Cash flow from investing activities	639	550	1 793	1 675	2 306
Exchange rate	7.44	7.44	7.44	7.44	7.44

Accounting policies

This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2021 with no significant changes.

Significant accounting estimates and assumptions

In preparing this interim report Management has made various accounting estimates and assumptions that may significantly influence the amounts recognised in the Consolidated Financial Statement and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report are stated in Note 1.1 in the Annual Report 2021 and primarily relates to impairment testing, expected lifetime for tangible assets, deferred tax assets and uncertain tax positions and pension obligations.

Disclaimer

The statements on the future in this report, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the Group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors.