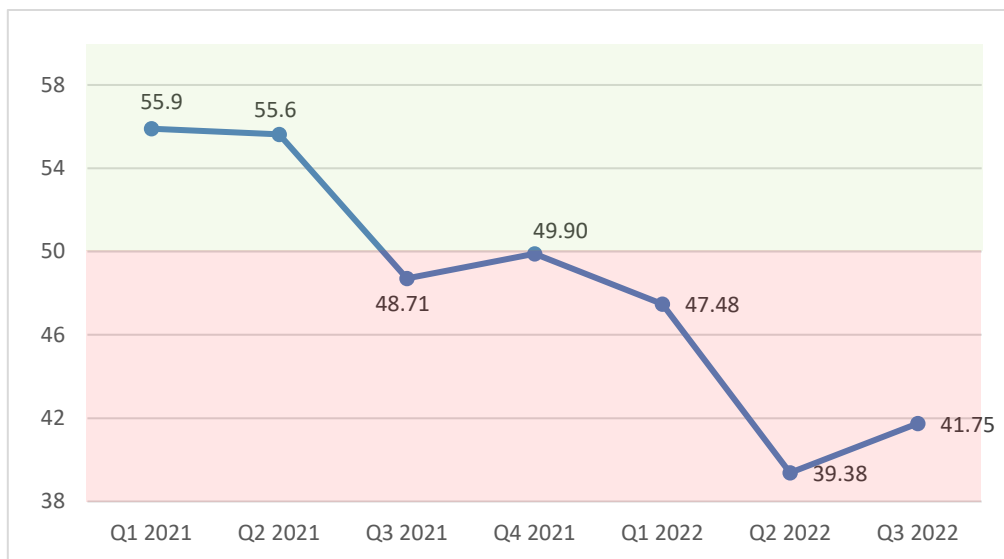


DANISH BUSINESS OUTLOOK ON CHINA (DBOC) INDEX – OCTOBER 2022

41.8

THE DBOC INDEX ESTABLISHED IN JANUARY 2021 TRACKS CHANGES IN OUTLOOK OF DANISH COMPANIES WITH ACTIVITIES IN CHINA.

IN Q3, 2022, THE OVERALL SHORT-TERM OUTLOOK OF DANISH COMPANIES HAS SLIGHTLY IMPROVED COMPARED TO THE PREVIOUS QUARTER, BUT A MAJORITY OF THE RESPONDENTS STILL INDICATE A DETERIORATION IN THE SHORT-TERM OUTLOOK OF THE DANISH BUSINESS COMMUNITY REGARDING CHINA FOR THE FIFTH CONSECUTIVE QUARTER.



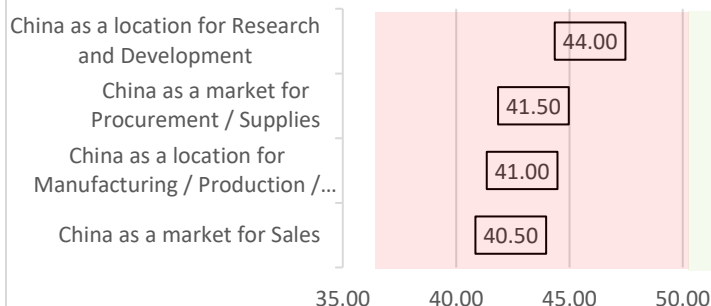
THE INDEX EXPLAINED

- If a majority indicate an improvement the index will be >50
 - If there are matching positive and negative trends in the data, the index will be exactly 50.
 - If a majority indicate a deterioration the index will be <50
- DBOC is a diffusion index. It expresses tendencies in data.

RETRACTION IN MARKET OPPORTUNITIES CONTINUES TO DRIVE THE OUTLOOK

THE SHORT-TERM OUTLOOKS FOR CHINA AS A MARKET FOR SALES, MANUFACTURING, PROCUREMENT AND R&D HAVE ALL RISEN COMPARED TO THE PREVIOUS QUARTER, BUT CONTINUE TO REFLECT A SIGNIFICANT NEGATIVE SENTIMENT ACROSS THE BOARD.

THROUGHOUT 2022, ALL CATEGORIES HAVE SHOWN A NEGATIVE SHORT-TERM OUTLOOK OF THE DANISH BUSINESS COMMUNITY, WITH THE EXCEPTION OF R&D ACTIVITIES, WHICH IN Q1 HAD AN INDEX ABOVE 50.

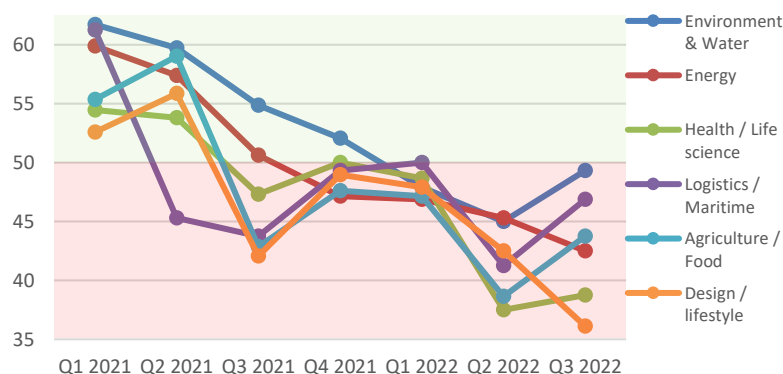


ALL SECTORS STILL INDICATE NEGATIVE OUTLOOKS DESPITE SOME IMPROVEMENTS

SIMILAR TO THE OVERALL OUTLOOK – WHEN BREAKING DOWN THE OUTLOOKS ON INDIVIDUAL SECTORS – ALL SECTORS INDICATE A NEGATIVE OUTLOOK.

HOWEVER, COMPARED TO THE PREVIOUS QUARTER, ALL SECTORS EXPERIENCE SLIGHT IMPROVEMENTS IN OVERALL OUTLOOK, APART FROM ENERGY AND DESIGN. THE LATTER TAKES A DBOC RECORD LOW.

DESIGN AND HEALTH SECTORS INDICATE LEVELS BELOW THE OVERALL INDEX, WHILE THE SHORT-TERM OUTLOOK FOR CHINA FOR COMPANIES WITHIN THE ENERGY, FOOD, LOGISTICS AND ENVIRONMENT SECTORS ARE ABOVE THE OVERALL INDEX LEVEL.

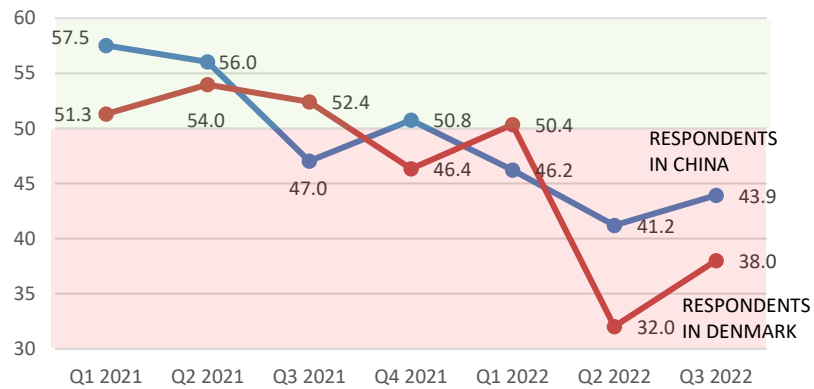


OUTLOOK IS NEGATIVE BUT WITH IMPROVEMENTS ACROSS LOCATIONS

DESPITE IMPROVEMENTS COMPARED WITH THE LAST QUARTER, THE OVERALL OUTLOOKS CONTINUE TO BE ASSESSED AS NEGATIVE BY RESPONDENTS BASED IN BOTH DENMARK AND CHINA.

ONCE AGAIN, THERE IS A NOTICEABLE DIFFERENCE IN OUTLOOK DEPENDING ON THE VANTAGE POINT OF THE RESPONDENTS.

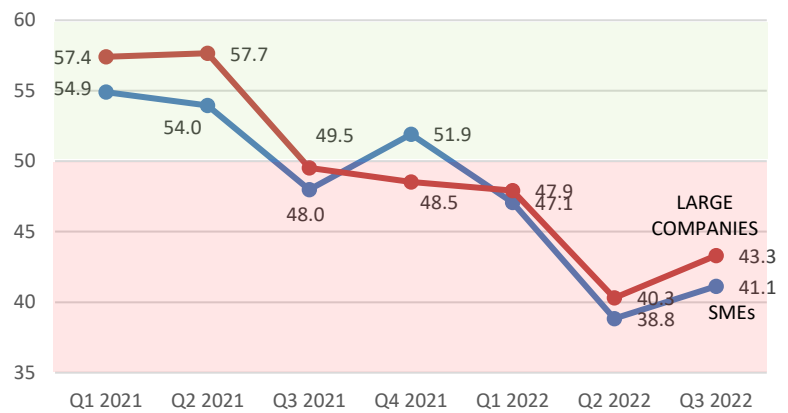
RESPONDENTS IN DENMARK CONTINUE TO INDICATE LEVELS BELOW THE OVERALL INDEX, WHILE RESPONDENTS IN CHINA STILL INDICATE ABOVE.



COMPARABLE OUTLOOK AMONGST SMEs AND LARGE COMPANIES' OUTLOOK ON CHINA

BOTH SMEs AND LARGE COMPANIES SHOW AN OVERALL NEGATIVE OUTLOOK IN THEIR SHORT-TERM. HOWEVER, Q3 ALSO SEES SLIGHT IMPROVEMENT COMPARED WITH Q2.

THE OUTLOOKS FOR SMES AND LARGE COMPANIES HAVE EXPERIENCED SIMILAR TRAJECTORIES FOR THE YEAR OF 2022 DURING THE FIRST THREE QUARTERLY DBOC SURVEYS. THE OUTLOOK FOR LARGE COMPANIES HAS BEEN IN THE NEGATIVE TERRITORY CONTINUOUSLY FOR THE PAST FIVE QUARTERS.

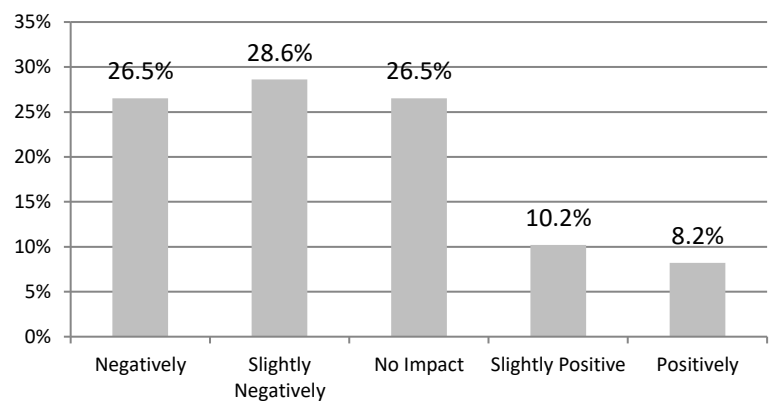


GLOBAL EXTERNALITIES EXPECTED TO NEGATIVELY IMPACT COMPANY PERFORMANCES IN 2022

ASKED TO ASSESS THE EXPECTED IMPACT THAT GLOBAL EXTERNALITIES WILL HAVE ON OVERALL ANNUAL PERFORMANCE FOR THE COMPANIES' CHINA PERFORMANCES IN 2022, 55.1% OF THE COMPANIES EXPECT A NEGATIVE IMPACT.

26.5% OF THE COMPANIES REPORT THAT GLOBAL EXTERNALITIES ARE EXPECTED TO HAVE NEITHER POSITIVE NOR NEGATIVE IMPACT FOR THEIR CHINA MARKETS.

A SMALLER GROUP OF 18.4% OF THE COMPANIES ARE EXPECTING GLOBAL EXTERNALITIES TO AFFECT THEIR CHINA OPERATIONS IN A POSITIVE WAY.



The Danish Business Outlook on China (or DBOC) Index is a joint initiative of the Embassy of the Kingdom of Denmark in Beijing, the Danish Chamber of Commerce in China (DCCC), the Danish-Chinese Business Forum (DCBF) and the Sino-Danish Center for Education and Research (SDC). DBOC is a quarterly index tracking changes in short-term outlook of the Danish business community regarding China using the following recurrent question: "Looking at the past three months, has your short-term outlook for China: significantly improved / improved / unchanged / deteriorated / significantly deteriorated / not applicable". Respondents provide replies separately regarding China as a market and as a location for various business related activities. This survey was conducted between 05 September 2022 until 14 October 2022 with the participation of 50 Danish companies located in either China or Denmark. All participating companies have a Danish CVR number and are either members of DCCC or DCBF. For further information or questions, please contact Minister Counsellor, Morten Kruse (morkru@um.dk) at the Embassy of the Kingdom of Denmark. Find the latest data and information about the DBOC index on the following homepages: