

TO THE DANISH FINANCIAL SUPERVISORY AUTHORITY
AND NASDAQ COPENHAGEN

COMPANY ANNOUNCEMENT
NO. 3/2023, 3 MARCH 2023
4 PAGES

Annual Report 2022: A stronger foundation for the future

Highlights

Realised in 2022

- Strong business activity in the final months of the year drove revenue and earnings higher than anticipated. Investing for growth and to develop the businesses with major strategic acquisitions.
- Revenue rose by 35% to DKK 32,637 million (2021: DKK 24,219 million)
- EBITDA was DKK 2,282 million – an increase of 5% (2021: DKK 2,181 million)
- Cash flows from operating activities amounted to DKK 319 million (2021: DKK 517 million)
- ROIC excl. goodwill was 11.2 % (2021: 13.9%)
- Earnings per share was DKK 40.59 (2021: DKK 42.02)
- The dividend for the financial year 2022 is proposed to be maintained at DKK 15 per share.

Outlook for 2023

- Healthy demand in many business segments to balance out market uncertainties.
- Increased production capacity and strategic acquisitions supporting expectations of revenue and EBITDA improvements.
- For 2023, we expect consolidated revenue of DKK 35.8-38.0 billion and EBITDA in the range of DKK 2,400-2,650 million.

Briefly on the outlook of the companies in 2023

BioMar

BioMar maintains its ambition for continued growth, even though current market conditions and volatile prices of raw materials and energy may affect developments in the shorter term. Accordingly, BioMar expects to improve revenue and earnings and to maintain the attractive share of profit from joint ventures and associates.

GPV

GPV has a conservative assessment of market prospects for 2023, but nevertheless expects good business activity and, based on the full-year effects of the combination with Enics, expects considerable revenue and earnings improvements. The capacity expanding investments also serve to support the expected improvements.

HydraSpecma

HydraSpecma expects to continue its high level of business activity in most customer segments, and the acquisition of Ymer Technology's wind division effective from 1 February 2023 will also contribute to improving revenue and earnings.

Borg Automotive

Borg Automotive has moderate expectations for the demand situation in 2023, but still expects to maintain business activities at the level seen in 2022. Accordingly, the company expects revenue and earnings in line with the 2022 figures.

Fibertex Personal Care

Fibertex Personal Care expects tough competition in the Asian markets and sustained cost pressures in Europe in 2023 and therefore reduced its revenue outlook relative to 2022. The company expects a considerable reduction of its reported EBITDA, but adjusting for the positive effects of developments in foreign exchange rates and prices of raw materials in 2022 brings its 2023 EBITDA guidance closer to the 2022 level.

Fibertex Nonwovens

Fibertex Nonwovens expects a positive trend in demand in 2023, and with new production capacity being phased in during the year, the company expects to improve both revenue and EBITDA. The goal for 2023 will be to secure sustainable earnings and increase volume to prepare for the expansion planned for the coming years.

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

"It was a defining year for world trade relations in 2022, with the war in Ukraine, significant changes in global value chains and extremely volatile prices on most raw materials and other input costs. It was a difficult year to navigate, one of extreme uncertainty that placed heavy demands on each of our companies' readiness to change.

The events of the year required extraordinary and dedicated efforts from our 15,000 employees, and I am very pleased to note the way in which we consistently managed to adapt

to the ever-changing conditions. It took special commitment in all parts of our organisations, and we have witnessed the importance of having good, long-standing relationships with customers and suppliers.

All the hard work has not gone unrewarded. The outcome is outstanding. At Schouw & Co., we process vast volumes of raw materials, and considering the hefty price increases seen during the year, it is not surprising that our revenue ended at an all-time high in 2022. On the other hand, there was certainly nothing to indicate that we would also deliver the highest EBITDA in Schouw & Co. history. Our total operating expenses were 38% higher than in 2021, and the fact that we managed to increase efficiency and raise our selling prices by almost as much is testament to the strength and robustness of our businesses.

Despite the turbulence in the world around us, we continued to make good strides in the field of ESG. I am particularly pleased that our overall lost-time incident frequency rate continued to fall in 2022, and that our investments to secure jobs and support health and safety are bearing fruit. We take our responsibility as an employer in more than thirty countries very seriously. We are also well under way to achieving our ambitious targets to reduce our carbon emissions. In fact, despite our substantial growth in 2022, we have even managed to reduce by 13% our greenhouse gas emissions from our in-house production.

We made a number of significant investments in 2022 and generally spent the year building a strong foundation for the future. Combined, our businesses invested DKK 1.1 billion to build capacity, enhance efficiency and to promote innovation and sustainability in order to future-proof our strategic platform and earnings power. In addition, we made three significant and transformative transactions as part of our long-term strategic development.

Early in the year, BioMar acquired the world's leading producer of acoustic feed solutions for shrimp farming. This is a company that helps shrimp farmers optimise feeding through artificial intelligence and data analysis. This is BioMar's first venture outside conventional feed production.

While in our ownership, GPV has undergone a huge transformation, and following its recent acquisition in 2022, the company is now the second-largest European-headquartered EMS company. GPV has increased its revenue ten-fold since we acquired the company in 2016, and today has a massive global footprint.

Late in 2022, we announced that HydraSpecma was ramping up its operations relating to the global wind industry through an acquisition. From being the market leader in lubrication and filtration systems for wind turbines, the company will start 2023 by also offering major cooling systems and collaborating even more closely with the major wind turbine manufacturers."

Aktieselskabet Schouw & Co.

Jørgen Dencker Wisborg
Chairman

Jens Bjerg Sørensen
President

Schouw & Co. will be hosting a video conference (in English) for analysts, the media, etc. on

FRIDAY, 3 MARCH 2023 at 11:00 CET.

Please attend via this link: www.schouw.dk/en/cc

Questions relating to the above should be directed to Jens Bjerg Sørensen, President, phone no. +45 86 11 22 22.