

TO: THE DANISH FINANCIAL SUPERVISORY AUTHORITY
AND NASDAQ COPENHAGEN

COMPANY ANNOUNCEMENT
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Annual Report 2021: A steady hand in turbulent times

Highlights

Realised in 2021

- A very good year, with revenue improvements exceeding expectations. Steady operations in turbulent conditions kept EBITDA at a high level.
- Revenue rose by 14% to DKK 24,219 million (2020: DKK 21,273 million)
- EBITDA was DKK 2,208 million and has remained at the attractive level reported for 2020 (2020: DKK 2,209 million)
- Cash flows from operating activities was DKK 531 million (2020: DKK 2,296 million)
- ROIC excl. goodwill was 14.1 % (2020: 15.3%)
- Earnings per share increased 14% to DKK 43,30 (2020: DKK 38,04)
- Proposal that the dividend for the 2021 financial year be raised to DKK 15 per share.

Outlook for 2022

- EBITDA expected to remain high subject to potentially negative effects of the situation involving Ukraine.
- Strong demand and increased production capacity form the basis of increased revenue.
- For 2022, we expect consolidated revenue of DKK 25.5-27.5 billion and EBITDA in the range of DKK 2,150-2,400 million.

Briefly on the outlook of the companies in 2022

BioMar

BioMar expects to grow volume sales, increase revenue and strengthen earnings. The expected improvement is based on the strong market position achieved and the strategic investments made in recent years.

Fibertex Personal Care

Fibertex Personal Care expects to increase revenue and strengthen earnings. The expected improvement is based on investments in new technology and added capacity as well as other initiatives to increase the company's competitive strength.

Fibertex Nonwovens

Fibertex Nonwovens expects revenue improvements as demand gradually normalises. However, 2022 will be a year of transition in which costs and selling prices will need to be aligned and earnings are expected to be somewhat lower than in the previous year.

GPV

GPV expects business activity to remain high coupled with good opportunities for revenue improvements. Reported financial results are expected to drop slightly year on year.

HydraSpecma

HydraSpecma expects to continue to increase sales to customers in the vehicles segment, and based on sustained business activity in other areas the company projects revenue improvements. Reported financial results may turn out lower than last year, however.

Borg Automotive

Borg Automotive expects a positive trend in demand and, with the full-year effects from the acquisition of the trading company SBS Automotive, a strong improvement in revenue and strengthened earnings.

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

"Schouw & Co. is a responsible long-term owner enabling growth through transformation. We are working on a broad range of operational improvements in our businesses, while always staying focused on both organic and acquisitive growth. We believe businesses that are constantly evolving is the foundation for long-term value creation. It is the fundamental improvements that create lasting value.

We build the companies of tomorrow by putting people first. We go to great lengths to provide the best conditions for our management teams and their employees, and by being visionary and bold and challenging each other, we build a value-generating culture. We delegate a lot of responsibility to the managements of our businesses, and it was reassuring to witness how our managements and their employees stepped up, worked hard and remained focused during the entire year. Soaring prices of input and raw materials, surging costs of freight and energy, prolonged lead times and allocation of goods were everyday occurrences in 2021. As subcontractors to B2B industries we have no choice but to pass on massive cost hikes to our customers, and both our procurement and sales teams have had more than

enough to deal with. It has been tough going at times. We have done well so far, but we are not quite home and dry.

We managed to grow our revenue by 14% in 2021. This was very much an effect of capacity-expanding investments made in prior years, but it was also partly driven by higher prices of raw materials that lifted revenue but with no effect filtering through to the bottom line. A wide range of costs went up during the year: direct freight and energy costs alone impacted our earnings by about DKK 150 million compared to 2020. With that in mind, we are pleased to note that our consolidated EBITDA has remained at the attractive level we reported for 2020. We expect to continue to generate substantial growth in the years ahead. In 2021, we invested almost DKK 1 billion, and in 2022, we expect a capex spend of more than DKK 1.2 billion. Thinking big in times of uncertainty requires a bold approach, but we expect that, in a few years, our massive investments will be cornerstones of earnings well above the current level. Our investment programme consists mainly of capacity expansion in BioMar, the two Fibertex businesses and in GPV. Our ambition is to grow our consolidated revenue, including from new acquisitions to more than DKK 35 billion with EBITDA of at least DKK 3 billion by the end of 2025, while always maintaining an attractive return on invested capital.

Acquiring new businesses is an intrinsic part of our growth ambitions. Late in 2020 and again in 2021, we acquired some relatively small businesses for Borg Automotive. At Schouw & Co., we have the financial strength to expand through company acquisitions. Our main focus is on bolt-on acquisitions for our existing businesses and within fields where we can build on strong existing positions.

Despite the challenges of our times, we are generally optimistic about the future. All of our businesses operate in industries experiencing growth, and they all have leading positions in their segment or niche area of operation. We regularly consider new markets and technologies that will support development and innovation and make us stronger, and investments will continue to be at the root of our long-term value creation in the years ahead."

Jørn Ankær Thomsen
Chairman

Jens Bjerg Sørensen
President

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

FRIDAY, 4 MARCH 2022 at 10:30 CET.

Please attend via this link: www.schouw.dk/cc2021

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