

2021

INTERIM REPORT

THIRD QUARTER

Company announcement no. 7
11 November 2021

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This is a translation of Schouw & Co.'s Interim Report for the three months ended 30 September 2021. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.

Management's report

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

VALUE CHAIN TURBULENCE

Developments in the third quarter of 2021 and our expectations for the rest of the year are highly reflective of the effects of the turbulent global value chains. Prices of raw materials and other costs are at historical highs, and not least the surging and persistently high costs of energy and freight have produced significant challenges to all of our businesses. As we see no immediate signs of normalisation in the short term, we are doing everything we can to adapt to the current situation.

It is very encouraging to see several of our businesses delivering healthy growth rates and solid results in spite of the global challenges of unstable supply channels and considerable demand volatility.

HIGHLIGHTS

Revenue advance but EBITDA setback in Q3

Underlying demand still considered at an attractive level

High prices of raw materials, energy and freight causing challenges

Ability to supply takes priority over short-term optimisation

Guidance maintained for revenue, but lowered for EBITDA

Q3 REVENUE

6.9

DKK BN

Q3 EBITDA

614

DKK M

ROIC

15.1%

EXCLUDING GOODWILL

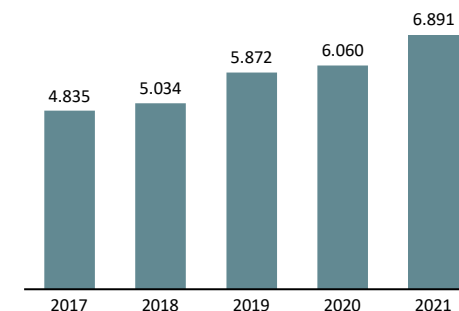
Financial highlights and key ratios

GROUP SUMMARY (DKKm)

	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue and income					
Revenue	6,891	6,060	17,383	15,800	21,273
Operating profit before depreciation/amortisation (EBITDA)	614	676	1,657	1,626	2,209
Depreciation and impairment losses	222	211	642	624	833
EBIT	392	465	1,015	1,002	1,376
Profit/loss after tax in associates and joint ventures	36	-44	36	-35	-36
Gains on equity divestments	0	0	3	2	2
Net financials	-37	-30	-59	-94	-133
Profit before tax	392	391	995	875	1,209
Profit for the period	309	296	762	658	909
Cash flows					
Cash flows from operating activities	489	1,079	658	1,867	2,296
Cash flow from investing activities	-198	-159	-565	-373	-533
Of which investment in property, plant and equipment	-202	-154	-526	-366	-454
Cash flows from financing activities	-105	-840	11	-1,329	-1,630
Cash flows for the period	186	79	105	166	133
Invested capital and financing					
Invested capital (ex. goodwill)	10,516	9,493	10,516	9,493	9,421
Total assets	20,804	18,379	20,804	18,379	17,994
Working capital	4,009	3,172	4,009	3,172	3,107
Net interest-bearing debt (NIBD)	2,357	2,190	2,357	2,190	1,936
Share of equity attributable to shareholders of Schouw & Co.	10,238	9,444	10,238	9,444	9,606
Non-controlling interests	13	-1	13	-1	0
Total equity	10,251	9,444	10,251	9,444	9,605
Financial data					
EBITDA margin (%)	8.9	11.2	9.5	10.3	10.4
EBIT margin (%)	5.7	7.7	5.8	6.3	6.5
EBT margin (%)	5.7	6.5	5.7	5.5	5.7
Return on equity (%)	10.3	9.8	10.3	9.8	9.5
Equity ratio (%)	49.3	51.4	49.3	51.4	53.4
ROIC excluding goodwill (%)	15.1	14.2	15.1	14.2	15.3
ROIC including goodwill (%)	12.2	11.4	12.2	11.4	12.3
NIBD/EBITDA ratio	1.1	1.0	1.1	1.0	0.9
Average no. of employees	10,305	9,305	9,976	9,383	9,393
Per share data					
Earnings per share (of DKK 10)	12.89	12.36	31.72	27.61	38.04
Diluted earnings per share (of DKK 10)	12.82	12.36	31.56	27.59	38.00
Net asset value per share (of DKK 10)	426.93	393.85	426.93	393.85	400.58
Share price, end of period (per share DKK 10)	618.00	616.00	618.00	616.00	616.00
Price/Net asset value	1.45	1.56	1.45	1.56	1.54
Market capitalisation, end of period	14,819	14,771	14,819	14,771	14,771

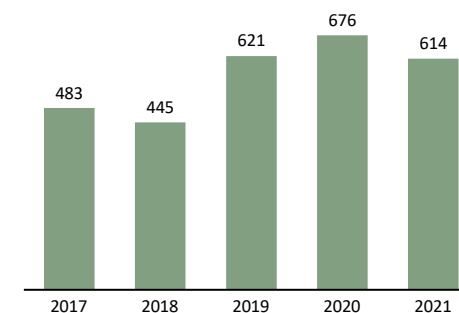
Revenue, third quarter

(DKKm)



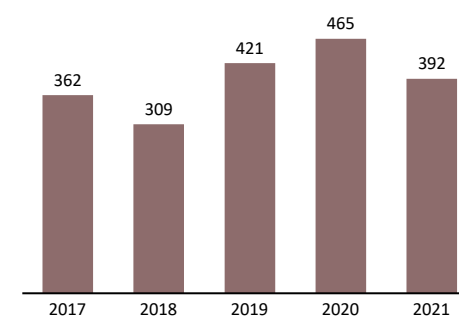
EBITDA, third quarter

(DKKm)



EBIT, third quarter

(DKKm)



Interim report – Third quarter 2021

Strong revenue performance at 14% advance for the quarter. Solid earnings for the quarter considering the challenging supply situation with high prices of raw materials and surge in freight and energy costs.

Financial performance

(DKKm)	Q3 2021	Q3 2020	Change	
Revenue	6,891	6,060	831	14%
EBITDA	614	676	-62	-9%
EBIT	392	465	-73	-16%
Associates and JVs	36	-44	80	n/a
Profit before tax	392	391	1	0%
Cash flows from operating activities	489	1,079	-590	-55%

(DKKm)	YTD 2021	YTD 2020	Change	
Revenue	17,383	15,800	1,583	10%
EBITDA	1,657	1,626	31	2%
EBIT	1,015	1,002	12	1%
Associates and JVs	36	-35	72	n/a
Profit before tax	995	875	121	14%
Cash flows from operating activities	658	1,867	-1,209	-65%
Net interest-bearing debt	2,357	2,190	166	8%
Working capital	4,009	3,172	836	26%
ROIC excl. goodwill	15.1%	14.2%	0.9%	
ROIC incl. goodwill	12.2%	11.4%	0.7%	

The Schouw & Co. Group had a strong revenue performance in the third quarter of 2021, as the group's businesses experienced good demand. The positive revenue developments were supported by increased selling prices resulting from higher raw materials prices and a few company acquisitions.

However, this was also quarter in which the group's companies truly felt the impact of the current global imbalances in supply chains. The situation varies from business to business, but generally the portfolio companies have experienced sharp increases in materials prices, freight rates and energy costs, while unstable shipments have led to below-normal production efficiency. The higher costs of energy and freight are estimated to amount to at least DKK 40 million in the third quarter of 2021 to which should be added the estimated effect on earnings of delayed timing in compensating for higher prices of raw materials and components, which is estimated to be at least DKK 45 million relative to the third quarter of 2020.

Consolidated revenue improved by 14% to DKK 6,891 million in Q3 2021 from DKK 6,060 million in Q3 2020. BioMar and Borg Automotive were the main drivers of the improvement, but Fibertex Personal Care and HydraSpecma also contributed. Fibertex Nonwovens and GPV both reported a year-on-year decline in revenue for the third quarter.

EBITDA was down by 9% from DKK 676 million in Q3 2020 to DKK 614 million in Q3 2021. GPV and HydraSpecma reported better-than-expected improvements, and Borg

Automotive also improved. Fibertex Personal Care achieved earnings in line with last year, whereas BioMar and Fibertex Nonwovens both reported declining earnings relative to Q3 2020.

The aggregate share of profit after tax in associates and joint ventures was DKK 36 million in Q3 2021, compared with a DKK 44 million share of loss in Q3 2020. In both periods, the share of profit or loss derived from BioMar's associates and joint ventures, and the significant improvement was predominantly attributable to the Chilean fish farming company Salmones Austral.

Consolidated net financial items were an expense of DKK 37 million in Q3 2021, compared with a DKK 30 million expense in Q3 2020, which included a DKK 5 million increase in actual interest expenses, and foreign exchange adjustments etc. were a greater detractor in Q3 2021 than in Q3 2020.

ROIC excluding goodwill fell from 16.2% at 30 June 2021 to 15.1% at 30 September 2021, due to the lower earnings.

Liquidity and capital resources

The Group's operating activities produced a DKK 489 million cash inflow in Q3 2021,

which as expected fell short of the Q3 2020 cash inflow of DKK 1,079 million. Borg Automotive noted a modest improvement in cash flows, while the other businesses all reported lower operating cash flows than last year generally due to increases in working capital. Cash flows for investing activities in Q3 2021 amounted to DKK 198 million, against DKK 159 million in Q3 2020.

The consolidated net interest-bearing debt was reduced from DKK 2,511 million at 30 June 2021 to DKK 2,357 million at 30 September 2021. By comparison, net interest-bearing debt at 30 September 2020 was DKK 2,190 million. This brought the key credit ratio NIBD/EBITDA to 1.1 at 30 September 2021.

Working capital increased from DKK 3,864 million at 30 June 2021 to DKK 4,009 million at 30 September 2021 due to a strategic decision made. By comparison, working capital amounted to DKK 3,172 million at 30 September 2020.

Group developments

The Group's businesses are generally experiencing good underlying demand, but a number of their customers are facing production restrictions due to a lack of shipments from other suppliers. Similarly, the Group's

Interim report – Third quarter 2021

portfolio companies could potentially face growth restrictions due to a shortage of components and raw materials.

The Group prioritises maintaining a high level of service for our customers, and our reliability of supply takes priority over short-term inventory optimisation. Combined with the higher prices of raw materials, this strategic decision has led to an increase in working capital. However, working capital remains a priority for the Group and will be adjusted as and when the supply situation normalises.

The Group is in a strong position financially and continues to see growing and developing the businesses as a more important objective. The Group's businesses already have major capacity-expanding investments underway, and we expect additional profitable investment and acquisition opportunities going forward.

The following is a brief review of business developments in the portfolio companies for the quarter. See the individual company reviews on the following pages for more information.

BioMar lifted volume sales by 11% as expected thanks to a strengthened con-

tract base in several markets. Selling prices have increased due to higher raw materials prices, leading to a 17% revenue improvement. However, the higher prices of raw materials and increased freight and energy costs put earnings under pressure. The share of profit from associates and joint ventures improved sharply, mainly driven by Salmones Austral.

Fibertex Personal Care's revenue was up by 16%, driven by higher selling prices resulting from higher prices of raw materials, whereas volume sales declined because the current competition in Asia has grown stronger. EBITDA was in line with last year's figure, supported by a positive effect from raw materials.

Fibertex Nonwovens reported a 13% decline in revenue following a drop in demand for filtration materials and materials for disposable wipes in North America and muted sales to the European automotive industry. EBITDA was considerably lower than expected due to sharply rising prices of raw materials, freight and energy.

GPV kept business activity high and reported better-than-expected EBITDA despite continuing component supply challenges. Strong demand, efficient cost management

and high capacity utilisation were the main drivers of improvement.

HydraSpecma reported an 11% revenue improvement that was mainly due to strong demand for components and systems for the vehicles segment. Full capacity utilisation enabled the company to improve EBITDA despite a challenging supply situation and supplier price increases.

Borg Automotive generated a strong revenue improvement driven by growing demand and the successful acquisition of the Spanish trading company SBS Automotive effective on 1 July 2021. EBITDA improved, also mainly driven by the increase in business activity.

Events after the balance sheet date

Other than as set out elsewhere in this interim report, Schouw & Co. is not aware of events occurring after 30 September 2021 which are expected to have a material impact on the Group's financial position or outlook.

Accounting policies

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for the consolidated and parent company financial statements of listed companies.

SCHOUW & CO. SHARES

Schouw & Co. shares depreciated by 10% during the third quarter to DKK 618 at 30 September 2021 from DKK 688 at 30 June 2021.

Schouw & Co. has implemented the standards and interpretations which are effective from 2021. See the 2020 Annual Report for a full description of the accounting policies.

Judgments and estimates

The preparation of interim financial statements requires management to make accounting judgments and estimates that affect recognised assets, liabilities, income and expenses. Actual results may differ from these judgments and estimates.

Special risks

The overall risk factors the Schouw & Co. Group faces are discussed in the 2020 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2020 Annual Report.

Roundings and presentation

The amounts appearing in this interim report have generally been rounded to the nearest million using standard rounding principles. Accordingly, some additions may not add up.

Outlook

High prices of raw materials and good demand in many segments leave revenue unchanged. Earnings under pressure due to increased costs of materials, freight and energy. Full-year EBITDA guidance range narrowed and lowered.

Outlook for 2021

The Group's businesses are experiencing good underlying demand in many segments. While global shortages of a number of components and raw materials could in some cases limit volume sales, revenue will find support in increased selling prices resulting from higher prices of components and raw materials.

The general situation of high component and raw materials prices and high freight rates had been expected to some degree, but it has proven to be more persistent than previously anticipated. On the other hand, the sharp increase in energy costs was more of a surprise, and the persistently volatile supplies are causing lower-than-expected production efficiencies. In combination with the negative earnings effect resulting from timing delays until the higher prices of raw materials and components can be fully passed on to selling prices, this is putting current earnings under pressure.

Against this background, Schouw & Co. still expects to report FY 2021 revenue of about DKK 23.7 billion. The EBITDA guidance range is narrowed and lowered to DKK 2,095–2,205 million from the previous range of DKK 2,155–2,340 million provided

in the Q2 2021 interim report. Accordingly, the full-year EBITDA guidance is still within the original guidance range provided at the beginning of the year.

The following brief comments sum up the guidance for the individual portfolio companies. See the individual company reviews on the following pages for more information.

BioMar continues to expect increased volume sales and maintains its guidance of revenue of about DKK 13.0 billion. The company lowers its EBITDA guidance to the DKK 890–920 million range due to an increase in costs that cannot be directly offset through higher selling prices.

Fibertex Personal Care now expects to generate full-year 2021 revenue of about DKK 2.2 billion. The previous expectations that prices of raw materials would fall towards the end of the year no longer seem realistic, and EBITDA guidance is reduced to the DKK 310–330 million range.

Fibertex Nonwovens lowers its revenue guidance to the DKK 1.8–1.9 billion range due to a decline in demand. Due to a concurrent increase in costs, the company also lowers its EBITDA guidance to the DKK 220–240 million range, which is still within

the original guidance range provided at the beginning of the year.

GPV raises its full-year revenue guidance to the DKK 3.0–3.1 billion range and raises its EBITDA guidance to the DKK 300–320 million range based on healthy business activity and high capacity utilisation rates at the company's factories.

HydraSpecma raises its full-year revenue guidance to about DKK 2.3 billion due mainly to increasing sales of products to the vehicles segment, while raising its EBITDA guidance to the DKK 265–275 million range.

Borg Automotive maintains its guidance for revenue of about DKK 1.3 billion. The actual EBITDA guidance is narrowed to the lower end of the previous guidance range. With approximately DKK 10 million deducted from this amount for inventory adjustments in connection with the purchase price allocation made after the acquisition of SBS Automotive, EBITDA is expected to be in the DKK 150–160 million range.

REVENUE (DKKm)	2021F after Q3	2021F after Q2	2020 real.
BioMar	13,000	13,000	11,649
Fibertex Personal Care	2,200	2,250	2,118
Fibertex Nonwovens	1,850	1,950	1,791
GPV	3,050	2,950	2,887
HydraSpecma	2,300	2,250	1,977
Borg Automotive	1,300	1,300	871
Other/eliminations	0	0	-19
Total revenue	23,700	23,700	21,273

EBITDA (DKKm)	2021F after Q3	2021F after Q2	2020 real-ised
BioMar	890-920	940-985	972
Fibertex Personal Care	310-330	320-360	406
Fibertex Nonwovens	220-240	270-290	270
GPV	300-320	260-300	271
HydraSpecma	265-275	245-265	211
Borg Automotive	150-160	160-180	108
Other	-40	-40	-29
Total EBITDA	2,095-2,205	2,155-2,340	2,209
PPA depreciation	-95	-90	-89
Other depreciation	-760	-750	-744
Total EBIT	1,240-1,350	1,315-1,500	1,376
Associates, JVs, etc.	50	50	-36
Equity divestments	0	0	2
Other financial items	-75	-65	-133
Profit before tax	1,215-1,325	1,300-1,485	1,209

Management Statement

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 30 September 2021.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets,

liabilities and financial position at 30 September 2021 and of the results of the Group's operations and cash flows for the three months ended 30 September 2021.

Furthermore, in our opinion the management's report includes a fair review of the development and performance of the business, the results for the period and the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Aarhus, 11 November 2021

Executive Management

Jens Bjerg Sørensen
President and CEO

Peter Kjær

Board of Directors

Jørn Ankær Thomsen
Chairman

Jørgen Wisborg
Deputy Chairman

Kjeld Johannesen

Agnete Raaschou-Nielsen

Hans Martin Smith

Kenneth Skov Eskildsen

Financial calendar for 2022

4 Mar. 2022	▷ Release of 2021 Annual Report
8 Mar. 2022	▷ Deadline for submission of proposals to be considered at the annual general meeting
20 Apr. 2022	▷ Annual general meeting
25 Apr. 2022	▷ Expected distribution of dividend
5 May 2022	▷ Release of Q1 2022 interim report
16 Aug. 2022	▷ Release of Q2 2022 interim report
10 Nov. 2022	▷ Release of Q3 2022 interim report

The company provides detailed information about contacts and times of conference calls held in connection with the release of its full-year and interim reports through company announcements and postings on its website, www.schouw.dk.



Our businesses

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Portfolio company financial highlights – Q3

	BioMar		Fibertex Personal Care		Fibertex Nonwovens		GPV		HydraSpecma		Borg Automotive		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
INCOME STATEMENT														
Revenue	4,127	3,528	593	509	417	478	799	836	526	473	434	242	6,891	6,060
Gross profit	430	452	123	125	81	115	149	137	136	120	105	60	1,023	1,010
EBITDA	282	326	94	97	38	80	102	84	65	57	43	38	614	676
Depreciation and impairment losses	91	85	33	33	25	30	29	29	23	22	20	12	222	211
EBIT	190	241	61	64	13	50	73	55	42	35	22	26	392	465
Profit after tax in associates and JVs	36	-44	0	0	0	0	0	0	0	0	0	0	36	-44
Gains on equity divestments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net financial items	-20	-17	-3	-6	-5	-6	-9	-4	-4	-10	-10	0	-37	-30
Profit before tax	206	180	58	57	8	45	64	50	38	25	13	26	392	391
Tax on profit for the period	-44	-47	-17	-13	-3	-9	-7	-12	-8	-6	-3	-5	-83	-95
Profit for the period	162	134	41	44	5	36	57	38	30	19	9	20	309	296
Non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Schouw & Co.'s share of profit	162	134	41	44	6	36	57	38	30	19	9	20	309	296
CASH FLOWS														
Cash flows from operating activities	494	709	-27	122	-5	74	-82	43	36	59	59	56	489	1,079
Cash flow from investing activities	-18	-27	-82	-66	-39	-21	-33	-10	-21	-35	-5	-1	-198	-159
Cash flows from financing activities	-421	-707	121	-54	27	-42	126	-12	-13	-30	-11	-60	-105	-840
BALANCE SHEET														
Intangible assets ¹	1,329	1,231	69	74	131	138	401	411	238	238	351	302	3,546	3,421
Property, plant and equipment	1,625	1,643	1,343	1,296	1,023	914	418	423	344	295	140	89	4,913	4,690
Other non-current assets	1,060	1,055	37	58	8	6	143	165	104	116	117	82	1,490	1,502
Cash and cash equivalents	769	677	41	28	79	113	225	194	75	61	68	105	754	671
Other current assets	4,901	4,138	754	549	827	748	1,598	1,302	1,124	961	900	412	10,102	8,095
Total assets	9,683	8,744	2,245	2,006	2,068	1,921	2,786	2,496	1,885	1,671	1,576	990	20,804	18,379
Shareholders' equity	2,757	2,615	1,072	1,091	758	635	1,004	873	655	545	529	518	10,251	9,444
Interest-bearing liabilities	2,558	2,373	649	396	972	998	885	952	742	735	226	35	3,143	2,904
Other liabilities	4,369	3,757	524	519	338	288	897	672	488	391	820	437	7,411	6,031
Total equity and liabilities	9,683	8,744	2,245	2,006	2,068	1,921	2,786	2,496	1,885	1,671	1,576	990	20,804	18,379
Average no. of employees	1,389	1,393	796	752	1,056	1,016	3,978	3,638	1,206	1,139	1,864	1,355	10,305	9,305
FINANCIAL KEY FIGURES														
EBITDA margin	6.8%	9.3%	15.9%	19.0%	9.2%	16.8%	12.7%	10.0%	12.3%	12.0%	9.8%	15.6%	8.9%	11.2%
EBIT margin	4.6%	6.8%	10.3%	12.5%	3.2%	10.5%	9.1%	6.5%	7.9%	7.4%	5.2%	10.7%	5.7%	7.7%
ROIC excluding goodwill	16.4%	18.8%	12.5%	17.9%	13.3%	7.5%	16.0%	9.2%	16.5%	11.8%	20.6%	15.2%	15.1%	14.2%
ROIC including goodwill	11.8%	13.8%	11.7%	16.8%	12.3%	7.0%	14.3%	8.3%	14.7%	10.5%	11.8%	7.7%	12.2%	11.4%
Working capital	1,134	966	412	248	538	481	892	805	698	624	342	60	4,009	3,172
Net interest-bearing debt	1,758	1,655	608	367	892	884	660	757	667	674	159	-70	2,357	2,190

Notes: 1) Intangible assets in portfolio businesses stated exclusive of consolidated goodwill in Schouw & Co.

Portfolio company financial highlights – 9M

	BioMar		Fibertex Personal Care		Fibertex Nonwovens		GPV		HydraSpecma		Borg Automotive		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
INCOME STATEMENT														
Revenue	9,256	8,604	1,681	1,593	1,448	1,315	2,303	2,191	1,710	1,464	999	647	17,383	15,800
Gross profit	1,019	1,072	326	394	354	312	389	325	443	367	256	139	2,788	2,610
EBITDA	637	707	235	322	216	194	254	191	215	160	130	73	1,657	1,626
Depreciation and impairment losses	263	251	99	103	76	81	84	88	69	64	50	36	642	624
EBIT	374	456	135	219	140	114	169	103	146	96	80	37	1,015	1,002
Profit after tax in associates and JVs	36	-35	0	0	0	0	0	0	0	0	0	0	36	-35
Gains on equity divestments	0	0	0	0	0	0	0	0	0	0	0	0	3	2
Net financial items	-51	-46	-7	-10	-14	-27	-9	-19	-7	-30	-12	-5	-59	-94
Profit before tax	359	374	128	209	126	87	160	84	139	65	68	32	995	875
Tax on profit for the period	-96	-100	-34	-49	-32	-20	-21	-21	-32	-16	-16	-7	-234	-217
Profit for the period	263	274	94	160	94	67	139	64	107	50	52	25	762	658
Non-controlling interests	0	0	0	0	0	3	0	0	-1	1	0	0	-1	4
Schouw & Co.'s share of profit	262	274	94	160	93	70	139	64	106	51	52	25	761	662
CASH FLOWS														
Cash flows from operating activities	330	872	36	371	102	168	18	95	97	173	25	138	658	1,867
Cash flow from investing activities	-124	-121	-159	-78	-152	-71	-63	-24	-46	-74	-22	-5	-565	-373
Cash flows from financing activities	-211	-664	145	-295	36	-68	74	-109	-45	-87	40	-127	11	-1,329
BALANCE SHEET														
Intangible assets ¹	1,329	1,231	69	74	131	138	401	411	238	238	351	302	3,546	3,421
Property, plant and equipment	1,625	1,643	1,343	1,296	1,023	914	418	423	344	295	140	89	4,913	4,690
Other non-current assets	1,060	1,055	37	58	8	6	143	165	104	116	117	82	1,490	1,502
Cash and cash equivalents	769	677	41	28	79	113	225	194	75	61	68	105	754	671
Other current assets	4,901	4,138	754	549	827	748	1,598	1,302	1,124	961	900	412	10,102	8,095
Total assets	9,683	8,744	2,245	2,006	2,068	1,921	2,786	2,496	1,885	1,671	1,576	990	20,804	18,379
Shareholders' equity	2,757	2,615	1,072	1,091	758	635	1,004	873	655	545	529	518	10,251	9,444
Interest-bearing liabilities	2,558	2,373	649	396	972	998	885	952	742	735	226	35	3,143	2,904
Other liabilities	4,369	3,757	524	519	338	288	897	672	488	391	820	437	7,411	6,031
Total equity and liabilities	9,683	8,744	2,245	2,006	2,068	1,921	2,786	2,496	1,885	1,671	1,576	990	20,804	18,379
Average no. of employees	1,389	1,371	773	744	1,052	1,004	3,802	3,626	1,186	1,168	1,759	1,456	9,976	9,383
FINANCIAL KEY FIGURES														
EBITDA margin	6.9%	8.2%	14.0%	20.2%	14.9%	14.8%	11.0%	8.7%	12.6%	10.9%	13.0%	11.3%	9.5%	10.3%
EBIT margin	4.0%	5.3%	8.1%	13.7%	9.7%	8.6%	7.3%	4.7%	8.5%	6.5%	8.0%	5.7%	5.8%	6.3%
ROIC excluding goodwill	16.4%	18.8%	12.5%	17.9%	13.3%	7.5%	16.0%	9.2%	16.5%	11.8%	20.6%	15.2%	15.1%	14.2%
ROIC including goodwill	11.8%	13.8%	11.7%	16.8%	12.3%	7.0%	14.3%	8.3%	14.7%	10.5%	11.8%	7.7%	12.2%	11.4%
Working capital	1,134	966	412	248	538	481	892	805	698	624	342	60	4,009	3,172
Net interest-bearing debt	1,758	1,655	608	367	892	884	660	757	667	674	159	-70	2,357	2,190

Notes: 1) Intangible assets in portfolio businesses stated exclusive of consolidated goodwill in Schouw & Co.

BioMar

Large increase in volume sales reflects strong market position. Higher costs of raw materials, freight and energy as well as challenging supply situation weigh on earnings. Full-year guidance reduced.

BioMar is one of the world's largest manufacturers of quality feed for the fish and shrimp farming industries. The company's operations are divided into four divisions:

- The Salmon Division covering operations in Norway, Scotland, Chile and Australia. The division supplies high-yielding feed for Atlantic salmon, Pacific salmon and trout.
- The EMEA Division covering the EMEA region and involving all operations other than salmon. The division has production facilities in Denmark, France, Spain, Greece and Turkey.
- The LatAm Division covering Latin American operations involving shrimp and fish species other than salmon. The division has production facilities in Ecuador and Costa Rica.

BioMar	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
<i>Volume (000 tonnes)</i>					
Salmon Division	321	292	719	705	962
Other divisions	132	116	322	283	380
Total	453	408	1,041	988	1,342
<i>Revenue (DKK m)</i>					
Salmon Division	3,030	2,549	6,659	6,235	8,511
Other divisions	1,097	979	2,597	2,369	3,138
Total	4,127	3,528	9,256	8,604	11,649
<i>EBITDA (DKK m)</i>					
Salmon Division	148	192	344	406	568
Other divisions	133	134	292	300	403
Total	282	326	637	707	972

- The Asia Division covering operations involving fish and shrimp in Asia. The division has production facilities in China and Vietnam.

The business operations in Turkey and China, both operated through 50/50 joint ventures with local partners, are not consolidated.

Financial performance

Through a strengthened contract base in several markets, BioMar, as expected, grew volume sales by 11% year on year in Q3 2021 and reported revenue up by 17% to DKK 4,127 million from DKK 3,528 million in Q3 2020. In addition to higher volume sales, the revenue improvement was attributable particularly to higher selling prices caused by higher prices of raw materials. Relative to last year, the effect of exchange rate developments was positive at about DKK 70 million during the quarter.

Supported by a strengthened contract base in Norway, the Salmon Division grew overall volume sales, although sales in Chile fell due to reduced fish stock biomass. The division remains committed to generating growth through close collaboration with customers with a view to maintaining its position as the preferred supplier of feed solutions.

The EMEA Division also reported higher volume sales in Q3 2021 compared with the year-earlier period. Sales were primarily supported by demand recovering in Spain following the severe damage to fish farming installations caused by Hurricane Gloria in January 2020.

The LatAm Division reported good year-on-year progress in volume sales in the third quarter of 2021. The sales increase indicates that business conditions have improved for a number of fish farmers, as reflected in increased demand and higher selling prices, which development is supported by the challenging conditions facing the fish farmers' Asian competitors. In addition, BioMar continued the expansion of its customer portfolio in the various markets through a strong offering of products, concepts and services.

International commodity markets and supply chains are currently characterised by instability. The challenging supply situation has made it difficult to operate as efficiently as the company would want, while at the same time raw materials prices and freight and energy costs have increased at a higher pace than witnessed for many years. EBITDA fell from DKK 326 million in Q3 2020 to DKK 282 million in Q3 2021. The reduction was attributable mainly to significant challenges in fully offsetting the sharp rise in prices of

raw materials and the increase in freight and energy costs, coupled with generally fierce competition for volume sales. In addition, disruptions to the supply of raw materials resulted in higher recipe costs and increased logistics costs in certain markets. Relative to last year, exchange rate developments had a slightly positive impact during the quarter.

BioMar had working capital of DKK 1,134 million at 30 September 2021, compared with DKK 966 million at the end of Q3 2020. The current working capital includes increased amounts of trade receivables and inventories, which were partly offset by an increase in trade payables. The use of supply chain financing increased from DKK 882 million at 30 September 2020 to DKK 1,286 million at 30 September 2021 as a result of greater volumes and increased prices of raw materials.

While still high, ROIC excluding goodwill fell to 16.4% at 30 September 2021 from 18.0% at 30 June 2021.

Joint ventures and associates

BioMar manufactures fish feed in China and Turkey through two 50/50 joint ventures with local partners. These activities are not consolidated, but having a strong presence in these markets is very important to BioMar due to their large growth potential.

BioMar	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue	4,127	3,528	9,256	8,604	11,649
EBITDA	282	326	637	707	972
EBIT	190	241	374	456	637
Associates and JVs	36	-44	36	-35	-36

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The two feed businesses reported combined Q3 2021 revenue (100% basis) of DKK 302 million and EBITDA of DKK 25 million, against revenue of DKK 189 million and EBITDA of DKK 10 million in Q3 2020. The revenue improvement was attributable to the operations in China, which also supported the earnings performance, whereas the operations in Turkey remained challenged by difficult market conditions.

The associated businesses include the Chilean fish farming company Salmenes Austral and three minor businesses, Letsea, ATC Patagonia and LCL Shipping.

The non-consolidated joint ventures and associates are recognised in the Q3 2021 consolidated financial statements at a DKK 36 million share of profit after tax, compared with a DKK 44 million share of loss in the Q3 2020 period. The significant improvement was generally attributable to Salmenes Austral in Chile, as settlement prices on farmed salmon are now improving strongly in that market from a low point caused by the coronavirus pandemic.

Business review

BioMar has consistently adapted to the coronavirus situation in each market, implementing a wide range of measures to protect

its employees and to support local communities in the worst affected areas.

The negative impact on BioMar's overall volume sales has been relatively modest to date, but certain markets have faced greater challenges than others. Currently, the most significant impact of the pandemic is the surge in prices of raw materials, freight and energy and the significant challenges relating to the supply of important raw materials, which are affecting BioMar's markets to varying degrees.

In September 2021, BioMar announced plans to establish four new extrusion lines in Ecuador. When fully executed, the investment will expand annual extruded shrimp feed capacity by about 200,000 tonnes. The initial phase of the project, involving an investment of about DKK 125 million in two extrusion lines, is expected to be completed during the second half of 2022.

In February 2021, BioMar signed a partnership agreement with Viet-UC, a leading player in Vietnam's shrimp farming industry. The partnership is still progressing in a promising direction but at a much slower pace than anticipated due to pandemic-related challenges that have impacted severely on Vietnam in recent months. The new partner-

ship is still expected to produce substantial synergies and to strengthen BioMar's global position in the shrimp feed market.

Outlook

From an overall perspective, long-term demand for farmed fish and shrimp generally seems sound, and many markets have overcome most of the disruption caused by the coronavirus pandemic. Against that background, BioMar still expects to grow volume sales in 2021 compared with 2020, supported in part by the effects of the strategic investments made in recent years.

Full-year revenue is, as always, subject to changes in prices of raw materials and developments in foreign exchange rates, but given the current outlook, BioMar continues to guide for FY 2021 revenue of about DKK 13.0 billion.

The current situation of high prices of raw materials, freight and energy is unfortunately not expected to improve over the next few months and the general supply situation is expected to remain challenging. While it will affect earnings in the short term, BioMar makes it a priority to be able to ship goods continually to customers worldwide because BioMar plays an important role in the supply chain and because of the very

strong long-term perspectives of its business. Against this background, BioMar has lowered its 2021 EBITDA guidance to the DKK 890–920 million range from the previous estimate of DKK 940–985 million.

Associates and joint ventures are recognised at a share of profit after tax. The largest contributor in this category is the fish farming company Salmenes Austral, whose results are highly dependent on prices of farmed salmon in Chile. At present, the share of 2021 profits is still expected at about DKK 50 million.

Fibertex Personal Care

Strong revenue growth driven by higher raw materials prices. Positive earnings effect of developments in raw materials prices partially offset by weaker sales in Asia. Full-year guidance reduced.

Fibertex Personal Care is one of the world's largest manufacturers of spunbond/spun-melt nonwovens for the personal care industry. The company has nonwovens production facilities in Denmark and Malaysia.

Operations also include printing on nonwoven textiles for the personal care industry. Fibertex Personal Care is the market leader in this field. Printing operations are based in Germany, Malaysia and the USA. Both business areas focus mainly on materials for diapers, sanitary towels and incontinence products.

Financial performance

Fibertex Personal Care reported Q3 2021 revenue of DKK 593 million, a year-on-year increase of 16% from DKK 509 million in Q3 2020. The improvement was driven by higher prices of raw materials, which triggered higher selling prices on sales volumes that were lower than last year's.

Q3 2021 EBITDA came to DKK 94 million, compared with DKK 97 million in Q3 2020. Relative to Q3 2020, the earnings perfor-

mance was supported by a positive effect from raw materials. However, the effect was partly offset by the tough local competition currently faced by the company's customers in Asia, which has depressed demand for products supplied by the factories in Malaysia. The tougher competitive environment in Asia stems from the logistics challenges currently affecting Asia, which have led competitors of the customers of Fibertex Personal Care in Malaysia to allocate part of the production capacity normally exported to the USA and Europe to local sales.

Fibertex Personal Care increased its working capital from DKK 248 million at 30 September 2020 to DKK 412 million at 30 September 2021. The main reason for the higher working capital was the higher prices of raw materials and the resulting increase in capital tied up in inventories and receivables.

The lower earnings and the increased capital tie-up reduced ROIC excluding goodwill to 12.5% at 30 September 2021 from 13.1% at 30 June 2021.

Business review

In order to accommodate the generally growing demand in Asia, Fibertex Personal Care is expanding capacity by installing a Reicofil R5 production line in Malaysia. The line facilitates more efficient production of

ultrafine fibres, which enables the company to reduce the weight of its products while retaining important features such as strength and softness. The new line will be set up at the factory in Sendayan and is expected to be operational in the first half-year of 2022. In addition to establishing a new nonwovens line in Malaysia, Fibertex Personal Care has added a new print line at its US operations.

Despite the coronavirus pandemic, Fibertex Personal Care has successfully maintained close working relationships with customers and retained its position as a preferred collaboration partner in relation to the long-term development of speciality materials. This is supported by a new development approach that enables the company to keep abreast of global hygiene product trends.

Earlier in the year, as the first nonwovens manufacturer in the world, the Danish factory was certified to the ISCC Plus standard, and the factory in Malaysia is expected to follow suit on this sustainability certification in the final quarter of 2021.

Following the successful installation of solar panels on a 10,000 m² area on the roof of its largest factory in Malaysia, the company has launched yet another environmental project concerning a system for the collection and reuse of rainwater that is expected to replace

more than 20% of the factory's total water consumption.

Outlook

Fibertex Personal Care is still affected by supply chain challenges caused partly by capacity problems at polypropylene suppliers and partly by a global container transport market under severe pressure. The serious situation is expected to continue in the fourth quarter, and as polypropylene is the company's most important raw material, the situation is being monitored closely.

Fibertex Personal Care now expects to generate full-year 2021 revenue of about DKK 2.2 billion. This estimate is slightly lower than the most recent guidance, but as always, revenue may be affected by changes in raw materials prices and foreign exchange rates.

After the end of the second quarter, it was expected that raw materials prices would decline towards the end of the year, thus reducing the overall negative earnings effect of 2021 developments in raw materials prices. However, current prospects indicate that the decline in raw materials prices will be less than previously assumed, and as a result, Fibertex Personal Care lowers its EBITDA guidance to the DKK 310–330 million range from previously DKK 320–360 million.

Fibertex Personal Care	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue	593	509	1,681	1,593	2,118
EBITDA	94	97	235	322	406
EBIT	61	64	135	219	269

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Fibertex Personal Care	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue (DKK m)	593	509	1,681	1,593	2,118
- nonwovens Denmark	220	163	576	530	696
- nonwovens Malaysia	283	253	860	804	1,065
- printing activities	90	94	246	260	357

Fibertex Nonwovens

Reduced revenue and earnings due to lower demand in the North American market and from the European automotive industry. Full-year guidance lowered to the level originally expected at the beginning of the year.

Fibertex Nonwovens is a globally leading manufacturer of nonwovens, i.e. fibre sheets produced on high-tech processing facilities with various purpose-specific post-processings. The products are used for a number of different industrial and healthcare purposes. The company's core markets are in Europe and in North and South America, while its secondary markets are in Africa.

Financial performance

Fibertex Nonwovens reported Q3 2021 revenue of DKK 417 million, a year-on-year decline of 13% from DKK 478 million in Q3 2020. The setback was driven by the global shortage of raw materials and components, which has forced the European automotive industry to scale down production. Moreover, the earlier build-up of buffer stocks by a number of North American customers has led to reduced demand for filtration materials and materials for disposable wipes.

Q3 2021 EBITDA came to DKK 38 million, down from DKK 80 million in Q3 2020, which was considerably less than expected. The lower earnings were mainly attributable to reduced sales in the quarter and a changed product mix. Attempts were made in the third quarter to mitigate the negative impact of surging prices of raw materials, freight and energy by targeted efforts to offset higher costs in selling prices.

The company's working capital grew from DKK 481 million at 30 September 2020 to DKK 538 million at 30 September 2021. The lower level of activity has resulted in a reduction of trade receivables, whereas surging raw materials prices have led to additional capital being tied up in inventories of raw materials and finished goods. ROIC excluding goodwill fell from 16.2% at 30 June 2021 to 13.3% at 30 September 2021, due mainly to lower earnings.

Business review

Over the last few years, Fibertex Nonwovens has consolidated its position as a leading manufacturer of special-purpose nonwovens. Recent years' investments to expand global production capacity proved instrumental in the first half of the year for the company to capitalise on the opportunities arising in the wake of the coronavirus pandemic, based on a surge in the consumption of filtration materials and materials for wipes, much of which is used for cleaning and disinfection purposes.

However, market conditions were difficult during the third quarter, and some market segments were significantly affected by a shortage of raw materials and components. By way of example, the shortage of electronics components forced the automotive industry to cut back on production,

which caused a similar reduction of sales in Fibertex Nonwovens. Moreover, the strong demand for filtration materials and materials for wipes witnessed in the first half of the year is believed to have been partially caused by efforts on the part of North American customers to build buffer stocks, as a result of which demand for those products is currently muted.

Meanwhile, however, the steep increase in freight rates and longer transit times are underpinning the need for local production of nonwovens in both Europe and North America. Therefore, despite the currently subdued sales, Fibertex Nonwovens sees continued growth in underlying demand, especially for the more specialised applications in, for example, the healthcare sector as well as other high-tech, sustainable and processed products.

Outlook

Global shortages of raw materials and components have led to massive increases in raw materials prices and supply shortages. Combined with surging freight rates and higher energy prices, this will put pressure on earnings in the upcoming period until a new equilibrium has been established.

As market activity levels are expected to be significantly affected by the prevailing

Fibertex Nonwovens	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue	417	478	1,448	1,315	1,791
EBITDA	38	80	216	194	270
EBIT	13	50	140	114	166

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global challenges, sales are expected to be depressed through the remainder of the year. Fibertex Nonwovens will not be able to reach the high level of capacity utilisation achieved in the first six months of 2021. This is due mainly to reduced activity in the European automotive industry, which normally accounts for about 25% of the company's revenue, and the currently muted demand for advanced filtration materials and materials for wipes in North America.

Against this background, Fibertex Nonwovens now expects to generate full-year 2021 revenue of DKK 1.8–1.9 billion, compared with the previous estimate of DKK 1.9–2.0 billion. Similarly, EBITDA guidance is lowered to the range of DKK 220–240 million, which is within the original guidance range provided at the beginning of the year but below the range of DKK 270–290 million guided after the end of Q2 2021.

GPV

High level of activity and solid earnings improvement despite continuing pressure on global supply chains. Plan for additional capacity expansion launched. Full-year revenue and earnings guidance upgraded.

GPV is a leading European EMS (Electronics Manufacturing Services) company. The company is a high-mix/low-medium volume manufacturer in the B2B market. Core products are electronics, mechanics, cable harnessing, mechatronics (combination of electronics, mechanics and software) and associated services.

The company's customers are mainly major international businesses typically headquartered in Europe or North America, and GPV supplies its customers' international units in more than fifty countries. GPV has a strong production platform and operates production facilities in Denmark, Switzerland, Germany, Austria, Slovakia, Thailand, Sri Lanka and Mexico.

Financial performance

GPV reported Q3 2021 revenue of DKK 799 million, a 4% decline from DKK 836 million in Q3 2020. It should be noted, however, that GPV in Q3 2020 delivered most of a major one-off order to a MedTech customer in the ventilator segment. On the other hand, many of the company's other customers stepped up demand in Q3 2021, leading to higher-than-anticipated overall activity.

The supply of production materials remained under pressure in the third quarter, resulting in high component prices and long

lead times. As a result, GPV has encouraged customers to apply longer-than-normal forecast periods, which has obviously made for a longer order horizon.

The Q3 2021 earnings performance was better than expected, resulting in EBITDA of DKK 102 million, up from DKK 84 million in Q3 2020. Earnings were supported by higher sales to a broad range of customers along with efficient cost management and high capacity utilisation at GPV's factories.

Working capital grew from DKK 805 million at 30 September 2020 to DKK 892 million at 30 September 2021. ROIC excluding goodwill increased to 16.0% at 30 September 2021 from 14.8% at 30 June 2021, driven by the improved earnings.

Business review

Meeting customer requirements for high quality standards and reliability of supply is a main priority for GPV. Needless to say, the standard the company aims to uphold for reliability of supply has unfortunately come under pressure due to the challenges of sourcing materials for the company's production.

GPV expanded production capacity at several factories in the first half of 2021, and with a view to ensuring adequate flexibility

and ability to serve customers, GPV has launched a plan to install additional capacity in the second half of 2021 and the beginning of 2022. In addition, GPV runs an ongoing investment programme aiming to increase automation and efficiency. This involves ongoing focus on digitising business processes, including the use of video streaming for customer audits, certification audits and implementing new products.

As previously announced, GPV has decided to consolidate its manufacturing operations in Asia at two major factories, one in Thailand and one in Sri Lanka, and is in that connection launching two planned expansion projects at the two sites. Combined with investments made previously, these two projects represent an investment of about DKK 200 million. The closure of the Chinese manufacturing unit was finalised in Q3 2021, and future operations in China will concentrate on sourcing materials and procuring components for GPV's factories.

Outlook

GPV expects the positive business activity experienced in 2021 to date to continue into the fourth quarter, while it remains more uncertain how demand will develop in 2022. GPV also continues to anticipate some degree of uncertainty in relation to the coro-

navirus pandemic and how it may impact the company in early 2022.

GPV has a strong pipeline with an ongoing inflow of new contracts and new customers that are expected to help drive business activity in the slightly longer term. At the moment, however, activity levels are impacted by considerably extended lead times for electronics components due to increased demand and by several important suppliers being unable to meet their usual levels of supply accuracy. This creates challenging conditions, which GPV is trying to deal with in close collaboration with its customers.

Based on the high level of business activity in the first nine months of the year and the good prospects for the fourth quarter, GPV raises its full-year revenue guidance to DKK 3.0–3.1 billion from the previous forecast of DKK 2.9–3.0 billion and upgrades EBITDA guidance to a range of DKK 300–320 million from previously DKK 260–300 million.

GPV	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue	799	836	2,303	2,191	2,887
EBITDA	102	84	254	191	271
EBIT	73	55	169	103	151

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HydraSpecma

Strong revenue and earnings performance on the back of increasing sales of products to the vehicles segment. Capacity expansion to generate future growth. Full-year guidance raised.

HydraSpecma is a manufacturing, trading and engineering company specialising in Power & Motion whose core business is hydraulic components and systems for industry and the aftermarket. The company is a market leader in the Nordic region and also serves customers from units in Poland, the UK, China, India, Brazil and the USA.

Financial performance

HydraSpecma reported Q3 2021 revenue of DKK 526 million, an 11% increase from DKK 473 million in Q3 2020. The improvement was driven by continued strong demand for components and systems for the vehicles segment, especially from customers within the Commercial Vehicles, Construction Equipment and Material Handling segments. Conversely, sales to the wind turbine segment weakened despite an inflow of new customers and despite the company's market share among existing customers apparently remaining intact.

EBITDA for Q3 2021 was DKK 65 million, a 14% increase from DKK 57 million in Q3 2020. The Q3 2021 performance was affected by the challenging supply situation and supplier price increases, but also by increased efficiency as a result of the investments made in capacity and new machinery as well as full capacity utilisation at all factories.

HydraSpecma's working capital grew from DKK 624 million at 30 September 2020 to DKK 698 million at 30 September 2021, driven by an increase in customers' business activity levels and an increase in inventories for purposes of being able to serve customers. ROIC excluding goodwill improved from 16.3% at 30 June 2021 to 16.5% at 30 September 2021 due to the increased earnings.

Business review

HydraSpecma's new logistics and production facilities covering 11,000 m² in the Gothenburg area in Sweden were put into operation at the beginning of the third quarter, which has led to improved production flows and increased production capacity, particularly in relation to customers in the Commercial Vehicles segment.

Next, the Polish production facilities at Stargard will be expanded in the near future. The existing facilities at Stargard were commissioned in early 2019, and the upcoming expansion is mainly intended to accommodate increasing demand for products for the vehicles segment.

In Denmark, the new tech centre at Ishøj commenced operations in September. The centre is intended to serve as HydraSpecma's pick-up site for customers in the Zealand region, and assisted by the company's

strong logistics setup provided by the site at Skjern in Jutland and the company's webshop, the new centre will offer a level of service that is second to none in the industry.

HydraSpecma continues to expect that the geographical distribution of the business will shift towards Asia in the coming years, with business activity growing especially in the wind turbine segment. To accommodate this shift, HydraSpecma has begun to establish new production facilities on the outskirts of Chennai in India, where the company has operated from relatively small premises for a number of years. Initially, the new facilities will include a leased building of some 4,200 m², which is expected to be ready in the second quarter of 2022.

HydraSpecma continually reviews its product offering and takes steps to strengthen its competence centres in the most important segments, whether in terms of its proprietary, specialty or customised products, with a view to offering customers the best Power & Motion solutions. The recently established electrification competence centre has attracted a positive response in the market and has led to new projects in several customer segments.

In addition, the company remains dedicated to optimising its Nordic logistics set-up with

efforts including expanding the webshop and rolling out the strong product offering to industrial and aftermarket customers in the Nordic region.

Outlook

HydraSpecma expects sales to global customers in the vehicles segment to remain buoyant in the fourth quarter, while at the same time activity levels in the wind turbine segment are expected to normalise at a higher level.

The current challenges in relation to suppliers, in terms of significantly reduced supplier accuracy, long lead times and higher prices of materials and freight, are expected to prevail also in the upcoming period. This is due to continued strong demand for steel, aluminium and hydraulics and electric components, but HydraSpecma is working closely with customers and suppliers to mitigate the consequences.

The full-year performance will be favourably affected by the high level of activity, and based on the current outlook, HydraSpecma is raising its guidance for full-year revenue to about DKK 2.3 billion (from previously DKK 2.2–2.3 billion) and for EBITDA in the DKK 265–275 million range (from previously DKK 230–250 million).

HydraSpecma	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue	526	473	1,710	1,464	1,977
EBITDA	65	57	215	160	211
EBIT	42	35	146	96	123

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Borg Automotive

Revenue strongly ahead and earnings up on the back of increased demand and acquisition of trading business SBS Automotive. Full-year EBITDA guidance is narrowed to the lower end of the previous guidance range.

Borg Automotive	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Revenue	434	242	999	647	871
EBITDA	43	38	130	73	108
EBIT	22	26	80	37	60

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Europe's largest independent remanufacturing company, Borg Automotive, produces, sells and distributes remanufactured automotive parts to aftermarket customers and OE manufacturers in Europe. Headquartered in Silkeborg, Denmark, Borg Automotive has a sales subsidiary in Belgium and production facilities in Poland, the UK and Spain.

Borg Automotive sells its remanufactured products under four different brands: the international brand Lucas and the company's three proprietary brands: Elstock, DRI and TMI. The company's main products are starters, alternators, brake callipers, air-condition compressors, EGR valves, steering racks, pumps and turbochargers. The company's business model is supported by a sales deposit system that encourages customers to return defective spare parts as they are replaced, so they can be used as cores for remanufacturing purposes.

Effective 1 July 2021, Borg Automotive acquired SBS Automotive, a trading company based in Støvring, Denmark, and with sales offices in Germany, France and Russia. SBS Automotive sells its goods under two brands: NK and Eurobrakes.

Financial performance

Borg Automotive reported an increase in business activity in several markets during

the third quarter of 2021. The company was further supported by positive effects of the successful start to sales of turbochargers and acquired revenue of DKK 130 million from SBS Automotive. Revenue for the third quarter came to DKK 434 million, up from DKK 242 million in Q3 2020, during which period activity levels were still depressed due to the coronavirus pandemic.

EBITDA grew to DKK 43 million from DKK 38 million in Q3 2020, although earnings were impacted by a negative inventory adjustment of DKK 4 million caused by the purchase price allocation made in connection with the acquisition of SBS Automotive. The improvement was mainly attributable to the increase in business activity, but the initiatives and cost adjustments launched in prior periods contributed as well.

Working capital increased from an unusually low DKK 60 million at 30 September 2020 to DKK 342 million at 30 September 2021 with SBS Automotive accounting for DKK 45 million. Affected mainly by SBS Automotive, ROIC excluding goodwill fell from 23.8% at 30 June 2021 to 20.6% at 30 September 2021.

Business review

Business activity continued to improve in Q3 2021. Borg Automotive's customer base

was largely the same as in the year before, other than the natural addition of customers in connection with the acquisition of the operations of Spanish turbocharger company Turbo Motor Inyección (TMI) shortly before the end of 2020 and the acquisition of trading business SBS Automotive effective 1 July 2021.

An ongoing priority at Borg Automotive has been to develop the product programme, and the acquisition of the turbocharger operations in Spain accommodates customer demand. In addition, the company has focused on optimising production and ensuring complementary operations at the production units in Poland, the UK and Spain.

Effective from 1 July 2021, Borg Automotive acquired SBS Automotive, a trading company dealing in automotive spare parts headquartered in Støvring, Denmark. Employing some 135 people, SBS Automotive complements Borg Automotive's operations and is considered an important factor in Borg Automotive's strategic development.

Outlook

General demand trends have been positive during 2021 to date, to which should be added the positive effects of the acquisition of the TMI turbocharger operations in Spain effective from 1 January 2021 and trading

company SBS Automotive effective from 1 July 2021. However, as Borg Automotive generates 10-15% of its overall sales in the UK, that country's exit from the EU has led to a more complex trading environment and added costs. Also, generally increasing production costs are causing some uncertainty in the market.

In its raised guidance announced after the second quarter, Borg Automotive had factored in the expected effects of the SBS Automotive acquisition, and the company still expects to generate 2021 revenue of about DKK 1.3 billion. The actual EBITDA guidance, on the other hand, is narrowed to the range of DKK 160-170 million, from which should be deducted the expected negative effect of approximately DKK 10 million in inventory adjustments in connection with the purchase price allocation made after the acquisition of SBS Automotive that was not reflected in the previously guided range of DKK 160-180 million.

Interim financial statements

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Statements of income and comprehensive income

Note	Income statement	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
1	Revenue	6,891	6,060	17,383	15,800	21,273
	Cost of sales	-5,867	-5,050	-14,595	-13,190	-17,746
	Gross profit	1,023	1,010	2,788	2,610	3,528
	Other operating income	6	8	34	21	27
	Distribution costs	-408	-330	-1,131	-989	-1,331
2	Administrative expenses	-229	-208	-673	-614	-831
	Other operating expenses	0	-14	-3	-27	-17
	EBIT	392	465	1,015	1,002	1,376
	Profit after tax in associates	27	-44	20	-43	-44
	Profit after tax in joint ventures	9	1	17	8	8
	Gains on divestments	0	0	3	2	2
	Financial income	20	24	80	48	76
	Financial expenses	-57	-55	-139	-142	-209
	Profit before tax	392	391	995	875	1,209
	Tax on profit for the period	-83	-95	-234	-217	-300
	Profit for the period	309	296	762	658	909
	Shareholders of Schouw & Co.	309	296	761	662	912
	Non-controlling interests	0	0	1	-4	-3
	Profit for the period	309	296	762	658	909
6	Earnings per share (DKK)	12.89	12.36	31.72	27.61	38.04
6	Diluted earnings per share (DKK)	12.82	12.36	31.56	27.59	38.00

Note	Statement of comprehensive income	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
	Items that cannot be reclassified to the income statement:					
	Actuarial gains/losses on defined benefit pension liabilities	0	0	0	0	-17
	Items that can be reclassified to the income statement:					
	Foreign exchange adjustments of foreign units, etc.	76	-214	184	-417	-492
	Value adjustment of hedging instruments	-6	-5	6	5	-8
	Hedging instruments transferred to cost of sales	0	0	8	-2	-2
	Hedging instruments transferred to financials	-3	0	-7	-1	2
	Other comprehensive income from associates and JVs	0	0	0	0	-11
	Other adjustments to other comprehensive income	1	0	2	0	-2
	Tax on other comprehensive income	-2	1	-1	-1	3
	Other comprehensive income after tax	66	-218	192	-415	-528
	Profit for the period	309	296	762	658	909
	Total recognised comprehensive income	375	78	953	242	381
	Attributable to					
	Shareholders of Schouw & Co.	373	78	950	245	383
	Non-controlling interests	2	0	3	-3	-2
	Total recognised comprehensive income	375	78	953	242	381

Balance sheet • Assets and liabilities

Note	Assets	30/9 2021	31/12 2020	30/9 2020	31/12 2019
	Intangible assets	3,546	3,423	3,421	3,568
	Property, plant and equipment	4,913	4,659	4,690	4,956
	Lease assets	698	721	736	827
	Equity investments in associates	387	347	361	427
	Equity investments in joint ventures	154	134	134	136
	Securities	82	80	79	79
	Deferred tax	129	104	122	122
	Receivables	40	41	70	107
	Total non-current assets	9,949	9,509	9,613	10,222
	Inventories	4,800	3,692	3,482	3,868
3	Receivables	5,253	4,071	4,577	4,112
	Income tax receivable	48	88	35	37
	Cash and cash equivalents	754	635	671	538
	Total current assets	10,856	8,486	8,766	8,554
	Total assets	20,804	17,994	18,379	18,777

Note	Liabilities and equity	30/9 2021	31/12 2020	30/9 2020	31/12 2019
6	Share capital	255	255	255	255
	Hedge transaction reserve	-4	-10	-1	-3
	Exchange adjustment reserve	-71	-253	-167	251
	Retained earnings	10,057	9,257	9,357	8,658
	Proposed dividend	0	357	0	357
	Equity attributable to parent company shareholders	10,238	9,606	9,444	9,519
	Non-controlling interests	13	0	-1	2
	Total equity	10,251	9,605	9,444	9,521
	Deferred tax	359	357	389	409
	Other payables	553	344	278	306
	Interest-bearing debt	1,978	1,742	1,750	2,976
	Non-current liabilities	2,890	2,443	2,417	3,691
	Interest-bearing debt	1,165	856	1,154	909
	Trade payables and other payables	5,977	4,574	4,833	4,173
	Liability regarding put option	363	360	378	369
	Corporate income tax	160	155	154	114
	Current liabilities	7,664	5,946	6,518	5,565
	Total liabilities	10,554	8,389	8,935	9,256
	Total equity and liabilities	20,804	17,994	18,379	18,777

Notes without reference 5 and 7-9.

Cash flow statement

Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Profit before tax	392	391	995	875	1,209
Adjustment for non-cash operating items etc.:					
Depreciation and impairment losses	222	211	642	624	833
Other non-cash operating items, net	-1	-2	-20	-12	-7
Provisions	-3	3	25	6	24
Share of profit after tax in associates and JVs	-36	44	-36	35	36
Financial income	-20	-24	-80	-48	-76
Financial expenses	57	55	139	142	209
Cash flows from operations before changes in working capital	610	677	1,665	1,622	2,228
Changes in working capital	-33	466	-747	477	471
Cash flows from operations	578	1,142	918	2,099	2,699
Interest received	5	5	12	11	19
Interest paid	-27	-20	-73	-86	-113
Cash flows from ordinary activities	556	1,127	857	2,024	2,605
Income tax paid	-67	-49	-198	-157	-309
Cash flows from operating activities	489	1,079	658	1,867	2,296
Purchase of intangible assets	-8	-6	-31	-17	-48
Purchase of property, plant and equipment	-202	-154	-526	-366	-454
Sale of property, plant and equipment	2	2	39	4	9
4 Acquisitions	2	0	-45	0	-60
Divestments	0	0	1	0	0
Additions/disposals of other financial assets	8	-2	-3	6	22
Cash flows from investing activities	-198	-159	-565	-373	-533

Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Loan financing:					
Repayment of non-current liabilities	-24	-86	-125	-328	-360
Proceeds from non-current liabilities incurred	8	1	81	75	0
Increase of bank overdrafts	-90	-757	390	-751	-945
Cash flows from debt financing	-106	-842	346	-1,004	-1,305
Shareholders:					
Capital contributions, etc. by non-controlling interests	1	0	1	0	0
Dividends paid	0	0	-336	-336	-336
Purchase/sale of treasury shares, net	0	2	0	11	11
Cash flows from financing activities	-105	-840	11	-1,329	-1,630
Cash flows for the period	186	79	105	166	133
Cash and cash equivalents, beginning of period	558	615	635	538	538
Value adjustment of cash and cash equivalents	10	-23	14	-33	-37
Cash and cash equivalents, end of period	754	671	754	671	635

Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Shareholders' equity
Equity at 1 January 2020	255	-3	251	8,658	357	9,519	2	9,521
Profit and other comprehensive income:								
Foreign exchange adjustments of foreign subsidiaries		0	-418	0	0	-418	1	-417
Value adjustment of hedging instruments for the period		5	0	0	0	5	0	5
Hedging instruments transferred to cost of sales		-2	0	0	0	-2	0	-2
Hedging instruments transferred to financials		-1	0	0	0	-1	0	-1
Other comprehensive income from associates and joint ventures		0	0	0	0	0	0	0
Other adjustments to other comprehensive income		0	0	0	0	0	0	0
Tax on other comprehensive income		-1	0	0	0	-1	0	-1
Profit for the period		0	0	662	0	662	-4	658
Total recognised comprehensive income		2	-418	662	0	245	-3	242
Transactions with owners:								
Share-based payment		0	0	15	0	15	0	15
Distributed dividends		0	0	21	-357	-336	0	-336
Value adjustment of put option		0	0	-9	0	-9	0	-9
Treasury shares bought/sold		0	0	11	0	11	0	11
Total transactions with owners during the period		0	0	38	-357	-319	0	-319
Equity at 30 September 2020	255	-1	-167	9,357	0	9,444	-1	9,444
Equity at 1 January 2021	255	-10	-253	9,257	357	9,606	0	9,605
Profit and other comprehensive income:								
Foreign exchange adjustments of foreign subsidiaries		0	182	0	0	182	2	184
Value adjustment of hedging instruments for the period		6	0	0	0	6	0	6
Hedging instruments transferred to cost of sales		8	0	0	0	8	0	8
Hedging instruments transferred to financials		-7	0	0	0	-7	0	-7
Other adjustments to other comprehensive income		0	0	2	0	2	0	2
Tax on other comprehensive income		-1	0	0	0	-1	0	-1
Profit for the period		0	0	761	0	761	1	762
Total recognised comprehensive income		6	182	762	0	950	3	953
Transactions with owners:								
Share-based payment		0	0	20	0	20	0	20
Distributed dividends		0	0	21	-357	-336	0	-336
Additions/disposals of non-controlling interests		0	0	0	0	0	10	10
Value adjustment of put option		0	0	-3	0	-3	0	-3
Total transactions with owners during the period		0	0	39	-357	-318	10	-308
Equity at 30 September 2021	255	-4	-71	10,057	0	10,238	13	10,251

Notes to the financial statements

1

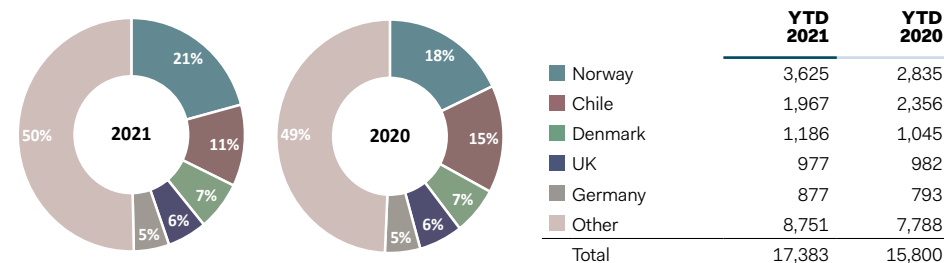
Segment reporting

Reporting segments YTD 2021	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	HydraSpecma	Borg Automotive	Reporting segments	Non-reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	9,256	1,667	1,448	2,303	1,710	999	17,383	0	0	0	17,383
Intra-group revenue	0	14	0	0	0	0	14	0	8	-23	0
Segment revenue	9,256	1,681	1,448	2,303	1,710	999	17,397	0	8	-23	17,383
EBITDA	637	235	216	254	215	130	1,686	0	-29	0	1,657
Depreciation and impairment losses	263	99	76	84	69	50	642	0	1	0	642
EBIT	374	135	140	169	146	80	1,044	0	-30	0	1,015
Share of profit in associates and JVs	36	0	0	0	0	0	36	0	0	0	36
Tax on profit for the period	-96	-34	-32	-21	-32	-16	-231	0	-3	0	-234
Profit for the period	263	94	94	139	107	52	749	0	13	0	762
Segment assets:	10,114	2,293	2,100	2,786	1,885	2,092	21,269	0	11,180	-11,644	20,804
Of which goodwill	1,456	99	118	173	143	516	2,506	0	0	0	2,506
Equity investments in associates and JVs	534	0	0	0	8	0	541	0	0	0	541
Segment liabilities	6,927	1,173	1,310	1,782	1,230	1,046	13,468	0	1,968	-4,882	10,554
Working capital	1,134	412	538	892	698	342	4,017	0	-8	0	4,009
Net interest-bearing debt	1,758	608	892	660	667	159	4,744	0	-2,387	0	2,357
Cash flows from operating activities	330	36	102	18	97	25	608	0	35	16	658
Capital expenditure	81	159	152	63	46	16	517	0	1	0	518
Acquisitions and divestments	39	0	0	0	0	6	45	0	-1	0	44
Average no. of employees	1,389	773	1,052	3,802	1,186	1,759	9,961	0	15	0	9,976

Based on management control and financial management, Schouw & Co. has identified six reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens, GPV, HydraSpecma and Borg Automotive. All inter-segment transactions were made on an arm's length basis.

The data on revenue by geography are based on customers' geographical location, while data on intangible assets and property, plant and equipment 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.

Revenue by country:



Notes to the financial statements

1

Segment reporting (continued)

Reporting segments YTD 2020	BioMar	Fibertex Personal Care	Fibertex Nonwovens	GPV	HydraSpecma	Borg Automotive	Reporting segments	Non-reporting segments	Parent company	Group eliminations, etc.	Total
External revenue	8,604	1,578	1,315	2,191	1,464	647	15,799	1	0	0	15,800
Intra-group revenue	0	15	0	0	0	0	15	0	8	-23	0
Segment revenue	8,604	1,593	1,315	2,191	1,464	647	15,814	1	8	-23	15,800
EBITDA	707	322	194	191	160	73	1,648	1	-22	0	1,626
Depreciation and impairment losses	251	103	81	88	64	36	623	0	1	0	624
EBIT	456	219	114	103	96	37	1,025	1	-23	0	1,002
Share of profit in associates and JVs	-35	0	0	0	0	0	-35	0	0	0	-35
Tax on profit for the period	-100	-49	-20	-21	-16	-7	-212	0	-4	0	-217
Profit for the period	274	160	67	64	50	25	639	0	18	0	658
Segment assets:	9,174	2,054	1,953	2,496	1,671	1,506	18,854	11	10,348	-10,834	18,379
Of which goodwill	1,358	99	118	174	138	516	2,403	0	0	0	2,403
Equity investments in associates and JVs	487	0	0	0	8	0	495	0	0	0	495
Segment liabilities	6,130	915	1,286	1,623	1,126	472	11,551	6	1,930	-4,552	8,935
Working capital	966	248	481	805	624	60	3,184	0	-12	0	3,172
Net interest-bearing debt	1,655	367	884	757	674	-70	4,268	4	-2,081	0	2,190
Cash flows from operating activities	872	371	168	95	173	138	1,817	1	38	11	1,867
Capital expenditure	127	78	71	24	73	5	379	0	0	0	379
Acquisitions and divestments	0	0	0	0	0	0	0	0	0	0	0
Average no. of employees	1,371	744	1,004	3,626	1,168	1,456	9,369	0	14	0	9,383

Notes to the financial statements

2

Costs

Share-based payment: Share option programme

The company maintains an incentive programme for the Executive Management and senior managers, including the executive managements of subsidiaries. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at around the time of grant plus a calculated rate of interest from the date of grant until the date of exercise. The 2021 grant is described in greater detail in company announcement no. 2/2021 of 12 March 2021.

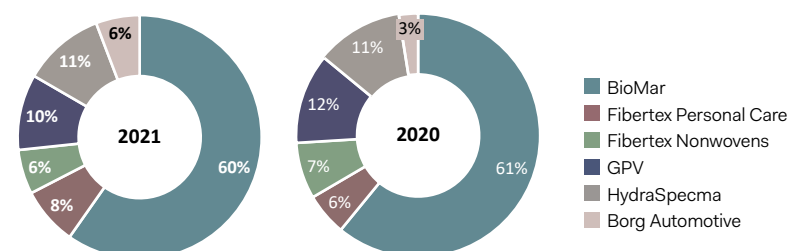
Outstanding options	Executive management	Other	Total
Total outstanding options at 31 December 2020	217,000	1,050,000	1,267,000
Lapsed in 2021	-55,000	-212,000	-267,000
Granted in 2021	40,000	363,000	403,000
Total outstanding options at 30 September 2021	202,000	1,201,000	1,403,000

3

Receivables (current)

	30/9 2021	30/9 2020
Trade receivables	4,869	4,241
Other current receivables	306	273
Prepayments	78	64
Total current receivables	5,253	4,577

Trade receivables by portfolio company:



Amounts in DKK million

	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
30/9 2021					
Total receivables	4,218	390	177	251	5,036
Impairment losses on trade receivables	-28	-7	-9	-123	-167
Trade receivables, net	4,190	383	167	128	4,869

Proportion of total receivables expected to be settled					96.7%
Impairment rate	0.7%	1.7%	5.3%	49.0%	3.3%

	Not fallen due	Due between (days)			Total
		1-30	31-90	>91	
30/9 2020					
Total receivables	3,539	437	164	256	4,395
Impairment losses on trade receivables	-30	-4	-3	-117	-155
Trade receivables, net	3,508	433	161	139	4,241

Proportion of total receivables expected to be settled					96.5%
Impairment rate	0.9%	0.9%	2.1%	45.8%	3.5%

Impairment losses on trade receivables

	30/9 2021	30/9 2020
Impairment losses, beginning of period	-142	-171
Foreign exchange adjustments	-2	6
Additions on company acquisitions	-7	0
Impairment losses for the period	-16	-17
Realised loss	0	26
Impairment losses, end of period	-167	-155

Notes to the financial statements

4

Acquisitions

	Viet-Uc	TMI	SBS Automotive	YTD 2021	YTD 2020
Brands	0		36	36	0
Property, plant and equipment	25		38	63	0
Lease assets	2		11	12	0
Financial assets	0		1	1	0
Inventories	1		160	161	0
Receivables	0		122	122	0
Tax asset	0		4	4	0
Cash and cash equivalents	1		2	2	0
Credit institutions	0		-52	-52	0
Provisions	0		-4	-4	0
Trade payables	0		-102	-102	0
Other payables	0		-67	-67	0
Tax payable	0		-2	-2	0
Net assets acquired	29		146	175	0
Of which non-controlling interests	-9		0	-9	0
Goodwill	86		0	86	0
Acquisition cost	105		146	251	0
Of which cash and cash equivalents	-1		-2	-2	0
Contingent consideration (earn-out)	-66		-146	-212	0
Earn-out settled	0	8	0	8	0
Total cash acquisition costs	39	8	-2	45	0

Viet-Uc

By taking over a majority shareholding in Vietnamese shrimp feed producer Viet-Uc, BioMar has taken an important step towards establishing a global presence in the production of shrimp feed. The acquisition provides crucial access to the Vietnamese market for shrimp farming, whose annual production of more than 600,000 tonnes of shrimp makes it one of the world's largest of its kind.

BioMar acquired 67.5% of the shares effective 1 May 2021 at an expected total purchase price of DKK 105 million. The purchase sum consists of DKK 39 million in cash and expected earn-out payments of DKK 66 million. The final purchase price will be made up on the basis of the company's EBITDA for the years 2024 and 2025.

The acquisition does not involve identifiable added values in the company. The acquisition involves goodwill of DKK 86 million. The acquisition of Viet-Uc involved costs of DKK 1.1 million, which amount has been recognised under administrative expenses. Had the company been acquired effective from 1 January 2021, its EBITDA would have been DKK 2 million less, while revenue would have been the same.

TMI

In June 2021, Borg Automotive paid DKK 8 million as the initial part of earn-out payments relating to the acquisition of Turbo Motor Inyección (TMI). The second and final part of the earn-out payments is expected to be paid in 2022. The acquisition of TMI was recognised in 2020.

SBS Automotive

Borg Automotive acquired SBS Automotive (SBS) effective at 1 July 2021, opening the door to a new market in which the company has not previously played an active role. Based in Støvring, Denmark, SBS Automotive is a trading company with its main focus on the sale of brake discs, but also an active player in the sale of steering components, wheel bearings and shock absorbers. SBS has distribution centres in Denmark, Germany, France and Poland and a workforce of about 135 employees. In 2020, SBS generated revenue of DKK 455 million and an EBITDA of about DKK 20 million.

The entire purchase price is based on an earn-out model, under which Borg Automotive will pay five times SBS's normalised 2022 EBITDA. Borg Automotive currently estimates that the net cash consideration will amount to DKK 146 million to be settled at the beginning of 2023. In a preliminary purchase price allocation prepared in connection with the acquisition, values in excess of carrying amounts in inventories and in intangible assets in the form of brands have been identified whereas values lower than carrying amounts have been estimated for property, plant and equipment. Goodwill has not been calculated in connection with the acquisition.

Had the company been acquired effective at 1 January 2021, revenue would have been DKK 252 million higher and profit would have been DKK 11 million higher. The acquisition involved acquisition costs of DKK 7 million, of which half was incurred in 2020. The acquisition costs have been recognised under administrative expenses.

Notes to the financial statements

5

Capital resources

It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/renewal 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 in an adequate manner to operate the business and to react to unforeseen fluctuations in its cash holdings.

Facility	Loans and lines	Of which utilised	Unutilised	Commitment	Avg. term to maturity
Revolving credit facility	3,275	258	3,017	Committed	2 yrs 3 mths (+2 yrs)
Other credit facilities	945	882	63	Uncommitted	
Schuldschein	1,011	1,011	0	Committed	2 yrs 11 mths
Mortgages	108	108	0	Committed	4 yrs 4 mths
Other long-term debt	142	142	0	Uncommitted	3 yrs 10 mths
Leases	742	742	0	Committed	
Cash and cash equivalents			754		
30 September 2021	6,224		3,834		

The Group's companies get a significant proportion of their financing from resources and credit facilities of the parent company Schouw & Co. The parent company Schouw & Co.'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 (of which DKK 500 million as an accordion). The facility has a three-year term with an option for a one-year extension after the first and second year. In addition, in April 2019, the parent company Schouw & Co. issued Schuldscheins for a total of EUR 136 million (DKK 1,011 million) maturing in 2024 (80%) and 2026 (20%).

6

Share capital and earnings per share (DKK)

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. Each share carries one vote. All shares rank equally. The share capital is fully paid up and no changes have been made during the past five years.

Treasury shares	Number of shares	Nominal value (DKK)	Cost	Percentage of share capital
Treasury shares held at 1 Jan. 2020	1,544,280	15,442,800	469	6.06%
Share option programme	-23,556	-235,560	-3	-0.09%
Treasury shares held at 30 Sep. 2020	1,520,724	15,207,240	466	5.96%
Share option programme	0	0	0	0.00%
Treasury shares held at 31 Dec. 2020	1,520,724	15,207,240	466	5.96%
Share option programme	0	0	0	0.00%
Treasury shares held at 30 Sep. 2021	1,520,724	15,207,240	466	5.96%

The Group's holding of treasury shares had a market value of DKK 939.8 million at 30 September 2021. The portfolio of treasury shares is recognised at DKK 0.

	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Share of the profit for the year attributable to shareholders of Schouw & Co.	309	296	761	662
Average number of shares	25,500,000	25,500,000	25,500,000	25,500,000
Average number of treasury shares	-1,520,724	-1,522,541	-1,520,724	-1,528,441
Average number of outstanding shares	23,979,276	23,977,459	23,979,276	23,971,559
Average dilutive effect of outstanding share options *	122,614	6,939	115,202	11,640
Diluted average number of outstanding shares	24,101,890	23,984,398	24,094,478	23,983,199
Earnings per share of DKK 10	12.89	12.36	31.72	27.61
Diluted earnings per share of DKK 10	12.82	12.36	31.56	27.59

* See note 2 for information on options that may cause dilution.

Notes to the financial statements

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Fair value of categories of financial assets and liabilities

	30/9 2021	31/12 2020	30/9 2020
Financial assets			
Other securities and investments (2)	81	79	78
Derivative financial instruments (2)	41	12	35
Other securities and investments (3)	1	1	1
Financial liabilities			
Derivative financial instruments (2)	20	53	23

Securities measured at fair value through other comprehensive income (level 3) amounted to DKK 1 million at the beginning of the year and DKK 1 million at the end of the third quarter.

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). The fair values applied are calculated mainly by external sources on the basis of discounted future cash flows. 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. In addition, fair values are based on non-observable market data, including exchange rate volatilities, or correlations between yield curves and credit risks.

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.

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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, the Executive Management and senior 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, 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. Management's share option programmes are set out in note 2.

	YTD 2021	YTD 2020
Joint ventures:		
During the reporting period, the Group sold goods in the amount of	2	11
At 30 September, the Group had a receivable of	15	30
At 30 September, the Group had debt in the amount of	1	1
Associates:		
During the reporting period, the Group sold goods in the amount of	231	275
During the reporting period, the Group bought goods in the amount of	77	19
At 30 September, the Group had a receivable of	145	187
At 30 September, the Group had debt in the amount of	16	23

During 2021, the Group has traded with BioMar-Sagun, BioMar-Tongwei, LetSea, Salmenes Austral, ATC Patagonia, 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. (5.96%).

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Special risks, judgments and estimates, and accounting policies

For the Group's special risks, judgments and estimates, and accounting policies please see the Management's report page 6.

schouw+co

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