

PRESS RELEASE

Genan Holding A/S
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Annual Report 2020: Genan consolidates in a year impacted by Coronavirus

International environmental company Genan was in 2020 less impacted by the Corona crisis than expected. Turnover dropped marginally by 6% to EUR 49m, while EBITDA decreased by 2% to just under EUR 12m. Nevertheless, thanks to significantly increasing market focus on sustainability, the Genan group is generally performing well – and now adding a resource in sales and marketing.

Environmental group Genan convincingly made its way through a challenging 2020 with several Corona-related bumps along the way. Turning over nearly EUR 52.5m in 2019, the company, which is the largest mechanical tyre recycler in the world, counting six recycling plants located in Denmark, Germany, Portugal and the USA, sold for EUR 49m in total in 2020. Turnover has thus declined by 6% – mainly due to periodic factory shutdowns, customer shutdowns etc. Sales have primarily failed to materialise in the USA, where also the declining USD exchange rate has had a significant impact on the decrease in turnover manifested in EUR.

- 2020 turned out to be a different year in every aspect. Almost all international companies have been affected by the global pandemic in one way or another, and for us at Genan, 2020 was a year where we had to stick together while keeping a distance, says Group CEO Poul Steen Rasmussen and continues:

- In the light of the circumstances, we are generally very satisfied with how things developed during 2020, and I would like to take this opportunity to thank all our 300 employees for making an exemplary effort – by being flexible as well as by making ends meet and by looking out for each other at the same time.

For 2020, Genan's EBITDA showed just over EUR 11.8m compared to EUR 12.1m the previous year. Still, earnings after taxes for the year reached nearly EUR 8.5m compared to just under EUR 6.2m the previous year, which corresponds to a 37% increase. Included in this figure is a EUR 4.5m tax asset charged as revenue. This means that shareholders' equity has now increased to EUR 57.9m:

- Despite the Corona pandemic and the consequently declining level of activity, we manage to keep EBITDA at last year's level; and this is indeed positive. Generally, we experience an increasing interest in our company as well as in our product, as sustainability keeps moving up the agenda. Not only in Denmark – but also in the other countries in which we operate, Poul Steen Rasmussen continues.

Genan is indeed the epitome of an environmental company. Every day of the year, five million tyres are dismantled from vehicles around the globe, resulting in an entire 20 million tonnes of end-of-life tyres (ELT) annually. Scrapped tyres are either deposited in landfills or incinerated to the detriment of the environment – unless they end up at Genan or similar such recycling enterprise. The total, annual production capacity of Genan's six recycling plants is 400,000 tonnes of tyres; and Genan can thus single-handedly handle approx. 2% of all tyre waste in the world. These large volumes of ELT are then turned into an output of approx. 75% rubber granulate, 15% steel and 10% textile fibres.

Rubber granulate is used in numerous different industries and for many different applications – e.g. as an alternative to virgin rubber for the production of a wide range of rubber products such as wheels, mats and tiles, just as it is used for shock-absorbing base layers at playgrounds and artificial turf pitches.

Efforts to develop new, sustainable and environmentally correct applications must be intensified within the next couple of years, for which reason Thomas Ballegaard has just been recruited as new Group CCO. He shall be responsible for product management, global marketing as well as European sales – and shall in short to a wider extent put tyre recycling on the agenda.

- I have now been at Genan for two months, and I am very impressed by the company and the role it plays in society. The fact that we have a Danish company recycling 2% of all tyre waste in the world is indeed impressive; and I have no doubt that this is a large and most exciting, global potential, Thomas Ballegaard says and continues:

- We are in contact with many different industries looking to cooperate with us – not in the least because our business model is centred around recycling and sustainability, leaving us in a better position than anyone else to upcycle tyre waste back into the value chain. Genan has been doing this a long time before sustainability, recycling and cradle-to-cradle became popular parameters. There is no doubt that the Genan recycling concept helps solve an immense waste problem – for the good of the entire world.

About Genan Holding A/S

Genan Holding A/S is the parent company of environmental company Genan, the largest and technologically highly advanced tyre recycler in the world. Sustainability is the core value of the Genan group; and by utilising the resources of vast amounts of end-of-life tyres, Genan helps solve a wide-ranging, global problem. Genan operates six recycling plants in four different countries. The annual production capacity of the company totals more than 400,000 tonnes of tyres; and with continuous optimisation of production and technology, Genan is constantly striving to run all plants, so they are as environmentally friendly and energy-saving as possible.

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