

## PRESS RELEASE

Genan Holding A/S  
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# Annual Report 2017: Genan shows a profit

***Genan Holding A/S has today presented its annual report for 2017, showing both top-line and bottom-line growth. The Genan group is making money again – and has indeed now worked its way out of the crisis.***

For environmental company Genan, the largest tyre recycler in the world, 2017 became the year when the group succeeded in making its way out of the crisis. The extensive reconstruction initiated in the spring of 2015, continuing as a turnaround during both 2015 and 2016, now proves its worth. Net turnover increased from DKK 299m in 2016 to DKK 321m in 2017 – equalling a just over 7% increase. The so-called normalised EBITDA (earnings before extraordinary impacts) increases from DKK 40m in 2016 to just under DKK 60m in 2017, resulting in earnings after financial items and tax of DKK 17m.

The board, chaired by retiring chairman Peter Thorsen, is thus pleased with the development over the past year:

*- The 2017 annual accounts prove that Genan has now made it out of the crisis and is well back on its feet. This was indeed the most important target for us when we launched the wide-ranging rescue plan, says Peter Thorsen and continues: - Today, we are looking at a Danish company showing solid progress both top and bottom line as well as a solvency ratio of more than 40%. Genan is thus at a good starting point for further growth.*

Peter Thorsen further explains that the 2017 group earnings are significantly impacted by two items with opposite signs. A positive factor is that we have reached a settlement with a supplier, to whom a provision had previously figured in the accounts. This has positively impacted the annual result by nearly DKK 20m. A negative factor is the exchange rate adjustments caused by the falling US dollar rate. These adjustments have negatively impacted the annual result by approx. DKK 24 m.

### **Time is on Genan's side**

The five Genan factories in Denmark, Germany and the USA boast a total annual production capacity of 375,000 tonnes of tyres. Processing through Genan's high-technology production equipment ensures that end-of-life tyres gain new life in other materials and products:

*- There are still many countries in the world, which do not recycle tyres. Instead, end-of-life tyres are incinerated or left at landfills. Currently, nearly 19 million tonnes of worn-down tyres need disposing of each year. Laid flat and lined up, these tyres would reach more than 30 times round the equator. This is a huge problem, to which Genan offers part of the solution. Awareness that incineration and landfilling are most harmful to the environment is spreading – as is the will to do something about it – and we are thus facing a growing market. Genan is both the largest and*



*most experienced player in this respect, and this will further fuel the development of the group in the next few years, explains managing director Poul Steen Rasmussen.*

### **Growth and development**

He further explains that Genan is now moving its focus more and more from the restructuring process towards growth and development. The strategic focus of the Genan group is thus now to continue to optimise and develop the core business – and to strengthen innovation and business development in order to develop new products and define new, environment-friendly applications for processed tyres.

As was announced mid-February 2018, Peter Thorsen will retire from the board in connection with the annual general meeting. Peter Thorsen was instated as Genan chairman in January 2015, and now that the Genan group is shifting focus, he wants to pass the baton to Christian Jørgensen. The latter will take over as new chairman as of 19 March 2018:

*- Working to get Genan back on the right track has been an exciting journey. It has been a demanding job, but we have managed to restore confidence between owners, creditors and other stakeholders. I thus think that the timing is right, Peter Thorsen concludes.*

The new chairman gladly picks up the baton and states:

*- "I look forward to working on the board as well as cooperating with the Genan management, taking Genan even further on its exciting journey. For the sake of the environment, the world needs companies like Genan, and it will be motivating to work to further enhance growth and spread the important message of recycling."*

### **About Genan Holding A/S**

Genan Holding A/S is the parent company of environmental company Genan, the largest 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 strives to run its production so it is as eco-friendly and energy-saving as possible; and all five recycling plants – one in Denmark, three in Germany and one in the USA – have implemented the ISO 14001 environmental management system. The total production capacity allows the company to recycle 375,000 tonnes of tyres per annum.

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Any inquiries relating to this press release may be directed to:

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