



ANNUAL GENERAL MEETING OF SHAREHOLDERS JULY 11, 2024

CO-DESIGNING **A COLORFUL FUTURE**



1. OPENING

CO-DESIGNING A **COLORFUL** FUTURE



AGENDA (1-7)

1. Opening
2. Report of the Board of Management on the financial year 2023/2024
3. Financial Statements 2023/2024
 - a. Advisory vote regarding the remuneration report financial year (2023/2024) *(advisory vote)*
 - b. Adoption of the financial statements 2023/2024 *(voting item)*
 - c. Compliance with the Dutch Corporate Governance Code
4. Reserves and dividend policy
5. Profit appropriation and dividend
Adoption of the appropriation of the profit *(voting item)*
6. Discharge to the Board of Management *(voting item)*
7. Discharge to the Supervisory Board *(voting item)*

AGENDA (8-11)

8. Strategy of Holland Colours Group 'Accelerate to Win'
9. Authorization to the Board of Management, subject to the approval of the Supervisory Board, to acquire ordinary shares in the Company on behalf of the Company (*voting item*)
10. Any other business
11. Closure

2. REPORT OF THE BOARD OF MANAGEMENT ON THE FINANCIAL YEAR 2023/2024

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REPORT OF THE BOARD OF MANAGEMENT

MANAGING CHALLENGES WHILE FOCUSING ON THE FUTURE

- Year with continued elevated high interest rates with impact on demand and volumes in B&C segment; Q4 volumes better than Q4 PY
- Different market cycles (and business performance) per division
- Improved availability and costs of raw materials; margin management strong in all three divisions
- Opex in control, despite high inflation and one-off costs related to organization redesign
- OWC in control
- All investments from internal cash flow

OVERALL OBJECTIVES

RESULTS 2023/2024

- Zero accidents 0 LTI (L1) | 5 medical treatments (L2)
- ESG on track
- Continued revenue growth - 7.3%
- Innovation index over 10% 7.4%
- Return on Sales of at least 10% 6.8%
- Return on Investment of at least 15% 15.5%
- Solvency remains above 60% 78.4%

FINANCIAL RESULTS FY 2023/2024



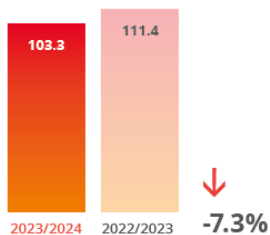
CO-DESIGNING **A COLORFUL FUTURE**



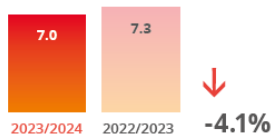
FINANCIAL RESULTS FY 2023/2024

HOLLAND COLOURS GROUP KEY FIGURES

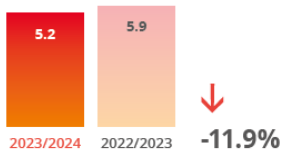
€ Revenue
In million euros



€ Operating Result
In million euros



€ Net Result
In million euros



Return on Sales

2023/2024
2022/2023

6.8%
6.6%

Return on Investment

2023/2024
2022/2023

15.5%
15.8%

Earnings per Share

2023/2024
2022/2023

€ 6.02
€ 6.82

Innovation Index

2023/2024
2022/2023

7.4%
7.0%

OWC as % of Revenue

2023/2024
2022/2023

21%
20%

Solvency

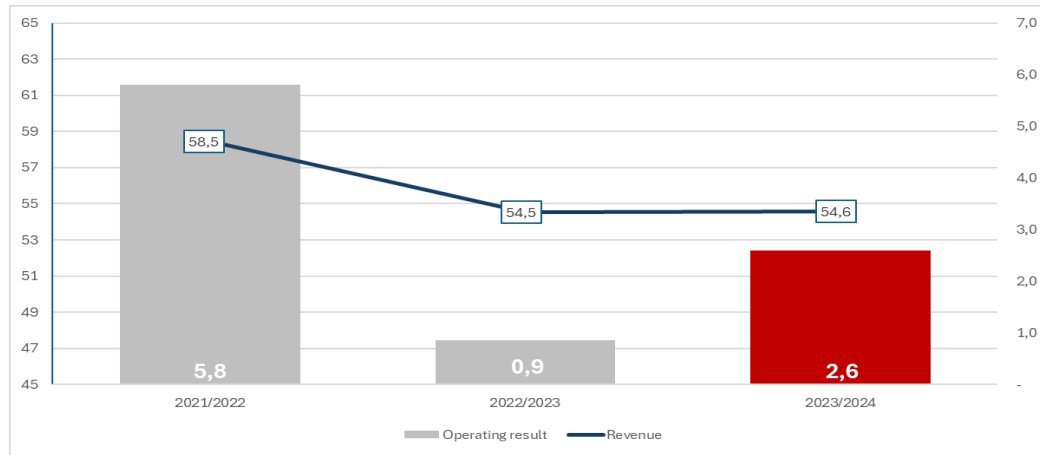
2023/2024
2022/2023

78.4%
79.7%

FINANCIAL RESULTS FY 2023/2024

DIVISION EMEIA

In million euros

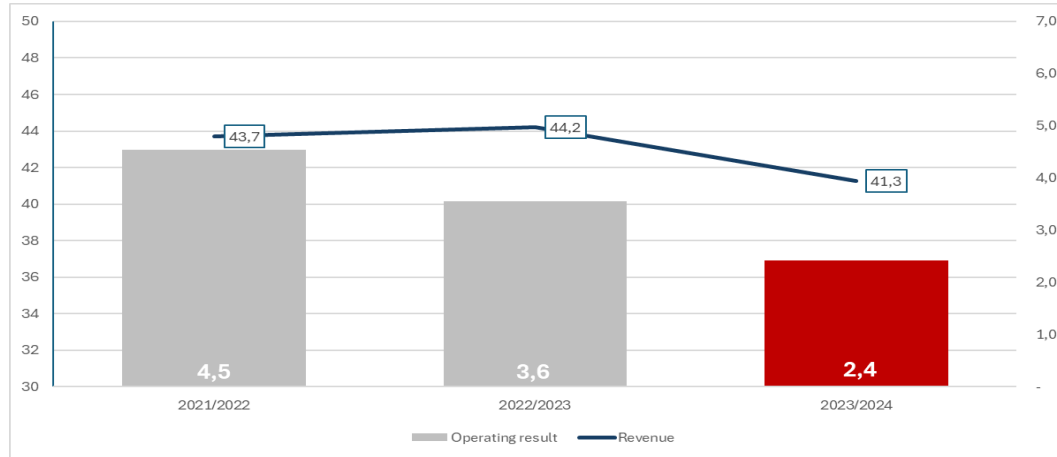


- Volumes higher than PY (C&S + 20%, B&C and PKG + 2%), revenue stable (mix and lower asp)
- New customers gained
- Gross margin (50.7%) improved versus PY (44.6%)
- OPEX 1.2 mEUR higher than PY

FINANCIAL RESULTS FY 2023/2024

DIVISION AMERICAS

In million USD

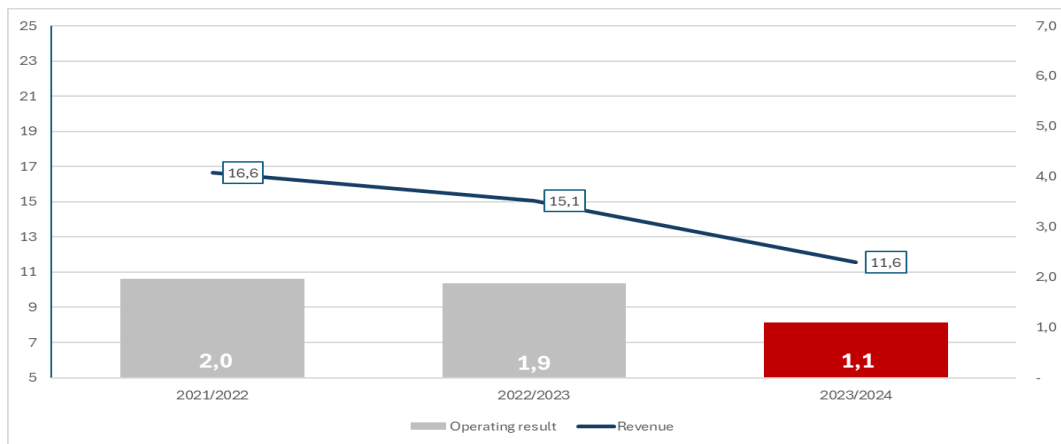


- Revenue and volumes down as a result of lower market demand in Building & Construction (USA) due to elevated interest rates
- Packaging stable (mainly USA, UHT-Dairy and Mexico)
- Gross margin (47.3%) almost the same versus PY (47.4%)
- OPEX 0.3 mUSD higher than PY

FINANCIAL RESULTS FY 2023/2024

DIVISION ASIA

In million USD

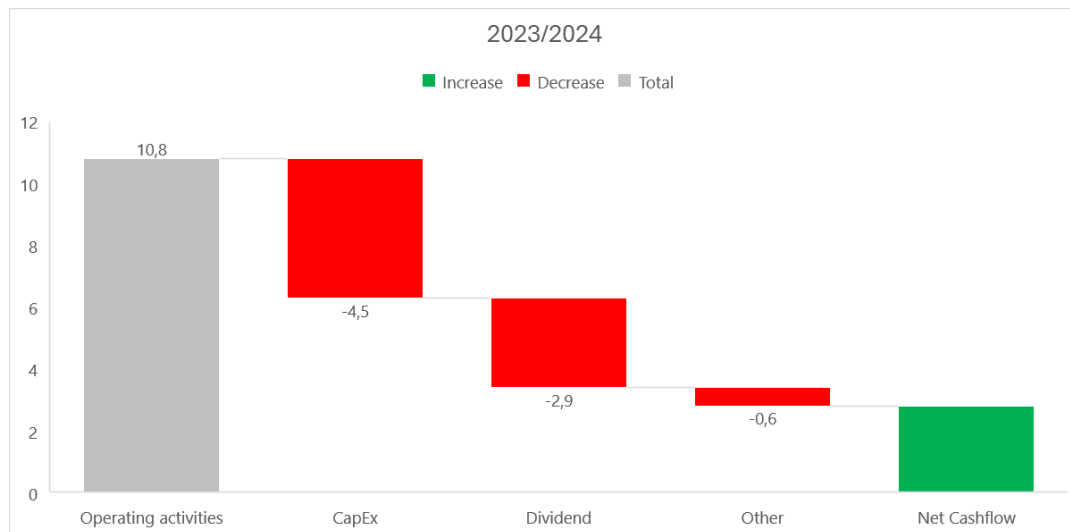


- Both domestic and export markets were significantly down (23.2 % in USD)
- Packaging (UHT-Dairy) in China continued to feel strong pressure from alternative packaging concepts
- Loss of some customers in Indonesia and other countries due to low prices from China
- Gross margin (48.8%) improved versus PY (44.7%)
- OPEX 0.3 mUSD lower than PY

FINANCIAL RESULTS FY 2023/2024

CASH FLOW DEVELOPMENT

In million euros



- Positive cash flow from business
- Capital expenditures (o.a. Project NEFEX Apeldoorn)
- Dividend payout according to policy

FINANCIAL RESULTS FY 2023/2024

DIVIDEND DISTRIBUTION 5 YEAR OVERVIEW (per share)

	FY 2019/2020	FY 2021/2022	FY 2021/2022	FY 2022/2023	FY 2023/2024	5 year total
Net result	EUR 9.09	EUR 11.00	EUR 11.83	EUR 6.82	EUR 6.02	EUR 44.76
Interim dividend	-	EUR 4.55	-	-	-	EUR 4.55
Final dividend	-	EUR 5.50	EUR 5.91	EUR 3.41	EUR 3.01	EUR 17.83
Total dividend	-	EUR 10.05	EUR 5.91	EUR 3.41	EUR 3.01*	EUR 22.38
Dividend in % of net result	0%	91%	50%	50%	50%	50%

* proposal



OUTLOOK 2024/2025

HIGH DEGREE OF UNCERTAINTY ABOUT GLOBAL DEVELOPMENTS

- Continuing higher interest rates have a negative influence in the building and construction industry
- Packaging markets are primarily consumer related, and demand here is less subject to business cycles
- Our renewed strategy includes specific initiatives to accelerate the growth of our core business and to explore new business opportunities
- We will invest in our commercial and technology capabilities
- Holland Colours does not make financial forward-looking statements

RISK MANAGEMENT AND INTERNAL CONTROL (1)

- New accountant KPMG
 - Transfer went smoothly
 - Open communication

- Risk Management
 - Risk assessment carried out by Board of Management and Supervisory Board and on this basis the risk matrix has been updated. This has also been discussed with the accountant.

RISK MANAGEMENT AND INTERNAL CONTROL (2)

- Internal control:
 - Main observations from the auditor include:
 - further developing and formalizing of the internal control framework as well the year-end closing process is necessary also given the expected inclusion in the Corporate Governance Code for a so-called “Verklaring Omtrent Risicobeheersing” to be issued by Holland Colours.
 - at group and EMEIA level the financial administration was short in staff and consisted of some new (interim) employees.
 - the knowledge available is mostly tacit. Proper documentation of considerations and positions taken by Holland Colours in the past was not always readily available.
 - The data analyses used for revenues, cost of goods sold, and purchases provided high matching percentages and did not result in significant findings.
 - Management is working on further professionalizing the Finance organization and improving the internal control framework.

3. FINANCIAL STATEMENTS 2023/2024

- a. **Advisory vote regarding the remuneration report financial year 2023/2024 (*advisory vote*)**
- b. **Adoption of the financial statements 2023/2024 (*voting item*)**
- c. **Compliance with the Dutch Corporate Governance code**





AGM Presentation Holland Colours N.V.

11 July 2024



Our audit process

01. Our reports



Financial statements

- Auditor's report on consolidated and parent company financial statements.
- Our opinion: unqualified.
- Report of Board of Management and other information:
 - *In accordance with ISA 720. No indications of material inconsistencies with the financial statements identified nor with knowledge obtained during the audit.*

05. Communication



- Frequent communication with management and Supervisory Board.
- Attended Audit Committee discussions.
- Reports discussed with Board of Management and Audit Committee:
 - *Audit plan;*
 - *Management letter;*
 - *Audit report; and*
 - *Long Form Auditor's Report.*

04. Specialists involvement



- IT specialist;
- Forensic/fraud specialist;
- Tax specialist; and
- Sustainability specialist.



02. Materiality



Materiality of EUR 1 million

- 0,97% of 2023-2024 total revenues.
- Misstatements above EUR 50,000 are reported to the Supervisory Board.

03. Group audit



Audit response:

- The following group components were in full scope:
 - *Holland Colours Europe B.V.;*
 - *Holland Colours Americas Inc;*
 - *Holland Colours Canada Inc; and*
 - *P.T. Holland Colours Asia.*
- Supervision and involvement of component auditors.
- Performed site visits on all locations, except at Holland Colours Canada Inc.
- Considering component audits and work performed at central level, obtained a coverage of 90% of total assets and 97% of total revenues.

General audit observations

Key audit matters

- Revenue recognition.

Going concern

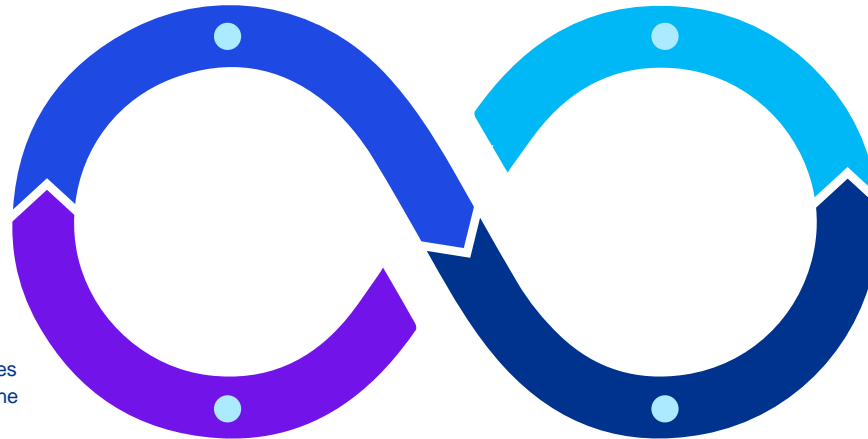
- Performed risk assessment procedures on the going concern assumption of the Board of Management.
- Based on the outcome of our procedures we concur that the use of the going concern principle is appropriate and identified no indication to perform further audit work.

Non-compliance with laws and regulations

- Risk of non-compliance with laws and regulations identified, as the Company engages with sales agents in high-risk countries.
- No indications and/or reasonable suspicion of non-compliance that are considered material for our audit have been identified.

Fraud risks and approach

- Fraud risks on revenue recognition and management override of controls identified.
- We performed our audit in accordance with our audit plan. Procedures were performed by both component teams and centrally.
- No indications and/or reasonable suspicion of fraud that are considered material for our audit have been identified.



Specific audit observations

Estimates

- Overall assessment of management making estimates.
- Balanced.

Climate-related risks

- Based on the procedures performed, we found climate related risks have no material impact on the current financial statements and no material impact on our key audit matters.

Cyber

- No cyber incidents identified that impacted our audit approach.

Non-financial information

- Performed audit procedures on non-financial information in accordance with ISA 720.
- No assurance provided.

Internal control

- Internal control environment assessed as part of our audit.
- Key observations reported in management letter.

Next years' audit

- Our expected audit approach for next year is largely in accordance with the current audit approach.
- Impact new auditing standard group audits.
- Limited assurance on disclosures prepared in accordance with CSRD applicable as per financial year 2025-2026.



4. RESERVES AND DIVIDEND POLICY

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PROFIT APPROPRIATION AND DIVIDEND POLICY

- Holland Colours intends to distribute at least 50% of its net profit in the form of dividend
- Under the condition that the solvency ratio after distribution is at least 40%

5. ADOPTION OF THE APPROPRIATION OF THE PROFIT (*voting item*)

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DIVIDEND PROPOSAL FY 2023/2024

- It is proposed to distribute EUR 3.01 as a final dividend for the FY 2023/2024
- Final dividend payable July 26, 2024

6. DISCHARGE OF THE BOARD OF MANAGEMENT (*voting item*)

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7. DISCHARGE OF THE SUPERVISORY BOARD (*voting item*)

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8. STRATEGY

HOLLAND COLOURS GROUP

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PURPOSE

FINDING A BETTER WAY BY
WORKING TOGETHER

MISSION

CO-DESIGNING INNOVATIVE
SOLUTIONS FOR A SUSTAINABLE
INDUSTRY

VISION

TO BE THE BEST CUSTOM SOLUTION
AND SERVICE PROVIDER

CORE VALUES

TEAMWORK

RESPONSIBILITY

PASSION

COURAGE

OUR COMPANY OBJECTIVES

ZERO ACCIDENTS

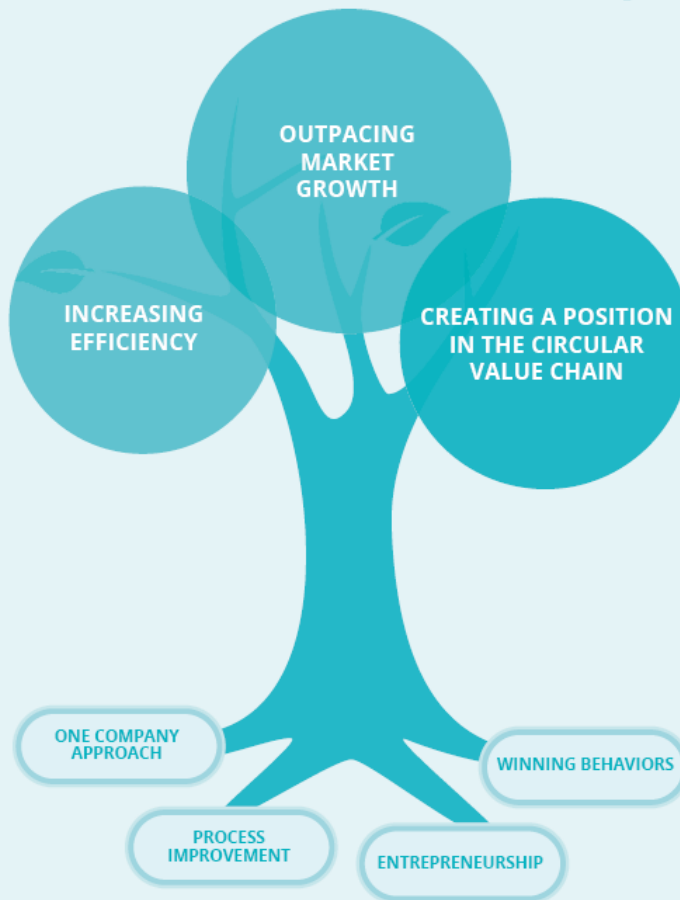
ESG GOALS 2030

INNOVATION
INDEX 10%

RETURN ON
SALES 10%

RETURN ON
INVESTMENT 15%

HCA
ACCELERATE
TO WIN



OUR STRATEGY

Our goals will provide direction for successful long term value creation.

OUTPACING MARKET GROWTH

We strengthen our leadership position in our core segments Building & Construction, Packaging as well as in the selected applications Coatings and Sealants.

We accelerate extra growth through business and product development with respect to:

- Additives for packaging and solutions for PET recycling
- Siding and Sealant solutions
- Coatings and Coated Fabrics
- A/B customers in Asia for selected applications

INCREASING EFFICIENCY

We strengthen our competitiveness and commercial cloud through continuous cost optimization opportunities.

CREATING A POSITION IN THE CIRCULAR VALUE CHAIN

We co-create sustainable solutions and we contribute to the development of

- a growing recycling market
- a circular value chain
- renewable ingredients

WINNING BEHAVIORS

TEAM UP TO EXCEL

BEAT CUSTOMERS'
EXPECTATIONS

DARE TO TAKE
CHANCES AND WIN

COMMIT TO
SUSTAINABILITY

9. AUTHORIZATION TO THE BOARD OF MANAGEMENT, subject to the approval of the Supervisory Board, to acquire ordinary shares in the Company on behalf of the Company (*voting item*)

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10. ANY OTHER BUSINESS

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11. CLOSURE

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**THANK YOU
FOR YOUR ATTENTION!**

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