

ANNUAL GENERAL MEETING OF SHAREHOLDERS

July 7, 2022



1. OPENING



AGENDA (1-7)

1. Opening
2. Report of the Board of Management on the financial year 2021/2022
3. Financial Statements 2021/2022
 - a. Advisory vote regarding the remuneration report financial year 2021/2022 (*advisory vote*)
 - b. Adoption of the financial statements 2021/2022 (*voting item*)
4. Reserves and dividend policy
5. Profit appropriation and dividend
Adoption of the appropriation of the profit (*voting item*)
6. Discharge of the Board of Management (*voting item*)
7. Discharge of the Supervisory Board (*voting item*)

AGENDA (8-11)

8. Board of Management

- a. Reappointment of Mr. C.W.H. Vinke as Statutory Director *(voting item)*
- b. Reappointment of Mr. E.M.S. van Hamersveld as Statutory Director *(voting item)*

9. Supervisory Board

Reappointment of Mr. G.H. de Heer as member of the Supervisory Board *(voting item)*

10. Remuneration

- a. Adoption of the remuneration policy of the Board of Management *(voting item)*
- b. Adoption of the remuneration policy of the Supervisory Board *(voting item)*

11. Update on strategy of Holland Colours Group

AGENDA (12-14)

12. 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*)
13. Any other business
14. Close



2.
REPORT OF THE
BOARD OF
MANAGEMENT
ON THE FINANCIAL
YEAR 2021/2022

OUR MISSION

To be
recognized as a
**contributor to the
development of a
sustainable
industry**

To be
our customers'
**co-designer
of color and
functional
solutions**



HCA
HOLLAND COLOURS

THEME OF THIS YEAR'S ANNUAL REPORT

THE POWER OF TEAMWORK

- Clients
- Marketplace
- Internally



REPORT OF THE BOARD OF MANAGEMENT

A STRONG FINANCIAL YEAR

- Living with COVID-19; responding to the situation in the Ukraine
- Revenue growth; maintaining margins and supply
- Higher operating expenses; investment in people and processes
- Operating result and net result up; all investments from own cash flow
- Dividend proposal of EUR 5.91 in July 2022 (EUR 5.50 July 2021)

REPORT OF THE BOARD OF MANAGEMENT

MARKETS

- Packaging: sustainability challenges and new EU food contact legislation
- Building & Construction: demand strongest in Europe and North America
- Coatings & Sealants: strong demand in Europe
- Customers: less time spent on new product development; focus on production output
- Value chain: stocking up at all levels in all core segments



REPORT OF THE BOARD OF MANAGEMENT

OUR BUSINESS

- EMEIA and Americas
 - volume and selling prices up; slower growth second half
 - strong growth in Building & Construction
- Asia
 - growth recovering during second half; Indonesia revenue up; sales price increases
 - export S.E. Asia slow recovery from COVID-19 impact; China dairy stable
- Russia / Ukraine
 - ~ 4% of group annual turnover is at high risk
 - no business development and only very restricted deliveries to existing customers fully under EU sanctions

REPORT OF THE BOARD OF MANAGEMENT

COST AND INVESTMENTS

- Raw materials
 - supply chain disruptions; increase in stocks
 - multiple and continued price increases for almost all raw materials
- Operating expenses
 - increased labor costs
 - higher costs related to 'process improvement and IT' strategic excellence project
- Investments
 - production capacity increase and upgrades in all three divisions
 - relocation of Jakarta sales office



REPORT OF THE BOARD OF MANAGEMENT

DEVELOPMENTS

- Safety: zero accidents (L1+L2) (*), from 8 (20/21) to 7 (21/22)
- Sustainability: measurement, actioning and engagement of employees
- Code of conduct: strengthening compliance after incident in Indonesia
- Organization: few changes of key personnel in tight labor market (Europe and US)
- Strategy 'Growing Together 2023': good progress in 'excellence' program

(*) L1 = Lost Time Injury
L2 = Restricted duty / medical treatment
Goal: L1 + L2 = zero



FINANCIAL RESULTS

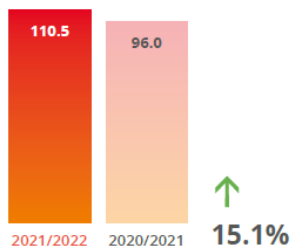
FY 2021/2022



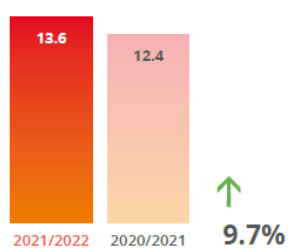
FINANCIAL RESULTS FY 2021/2022

HOLLAND COLOURS GROUP KEY FIGURES

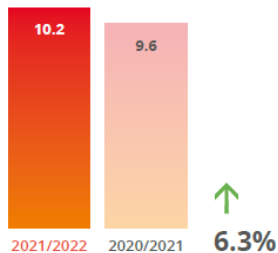
€ Revenue
In million euros



€ Operating Result
In million euros



Net Result
In million euros



Return on Sales

2021/2022
2020/2021

12.3%
12.9%

Return on Investment

2021/2022
2020/2021

34.2%
32.6%

Earnings per Share

2021/2022
2020/2021

€11.83
€11.00

Innovation Index

2021/2022
2020/2021

7.9%
12.9%

OWC as % of Revenue

2021/2022
2020/2021

23.5%
20.4%

Solvency

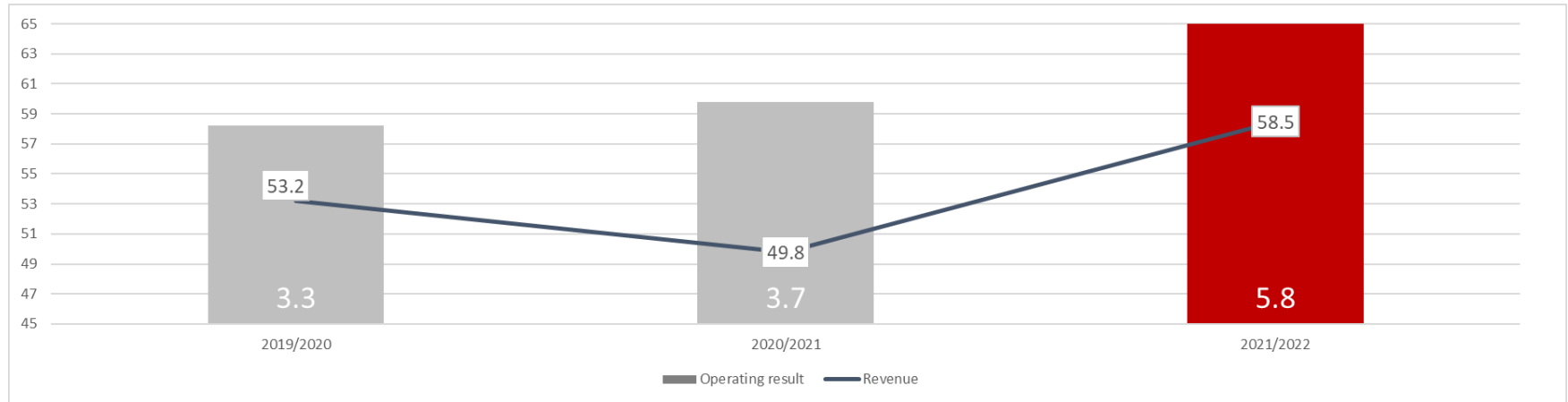
2021/2022
2020/2021

72.5%
73.6%

FINANCIAL RESULTS FY 2021/2022

DIVISION EMEIA

In million euros

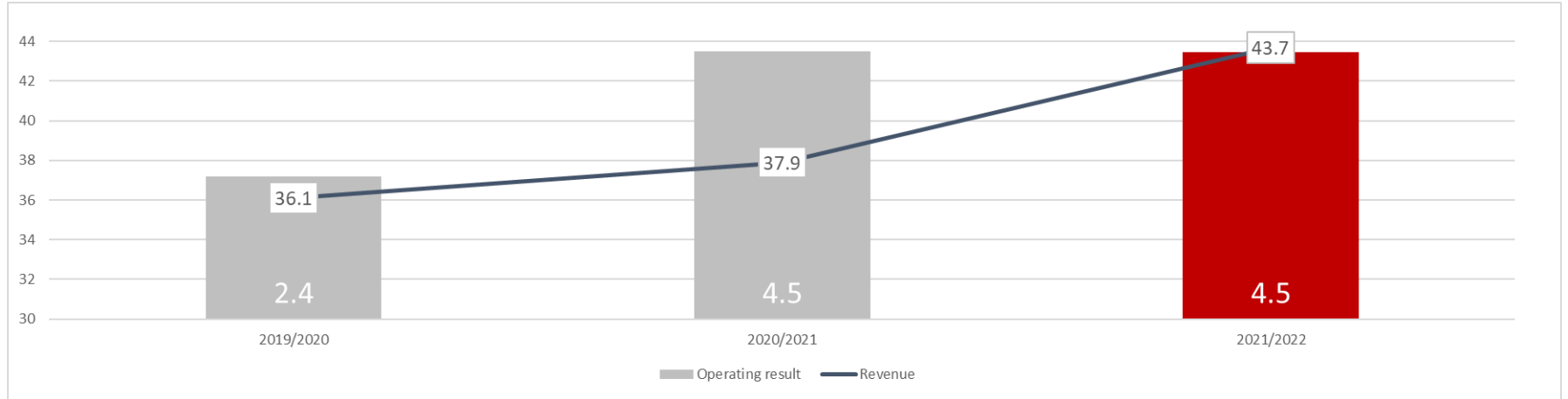


- Higher revenue for this financial year due to higher average sales prices and volume increase.
- All focus segments were higher compared to the previous year.

FINANCIAL RESULTS FY 2021/2022

DIVISION AMERICAS

In million USD

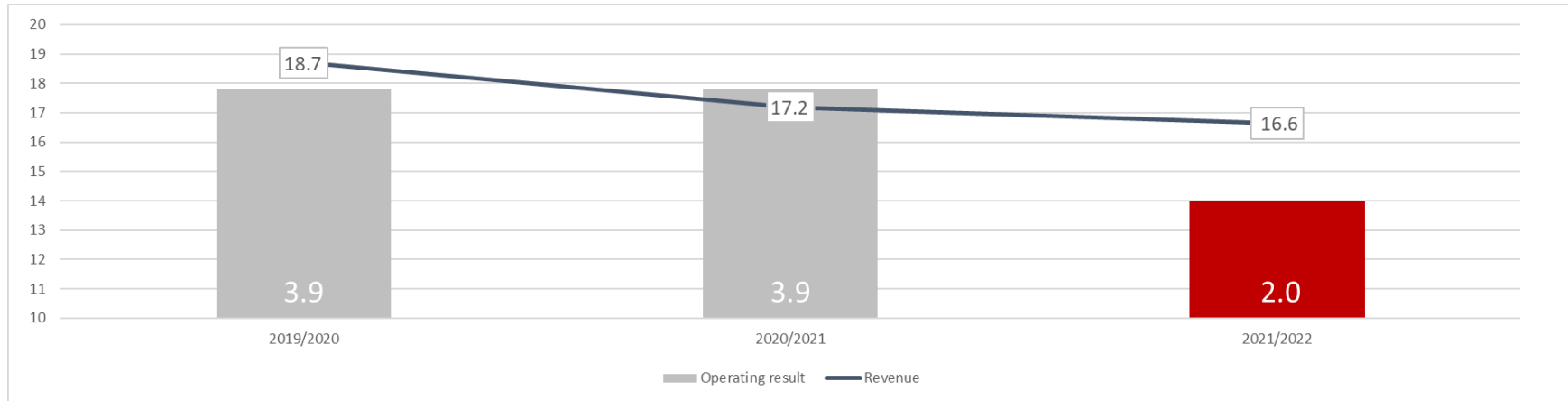


- Higher revenue for this financial year due higher average sales prices and volume increase.
- Americas division benefited from a very strong building & construction and packaging segments.

FINANCIAL RESULTS FY 2021/2022

DIVISION ASIA

In million USD

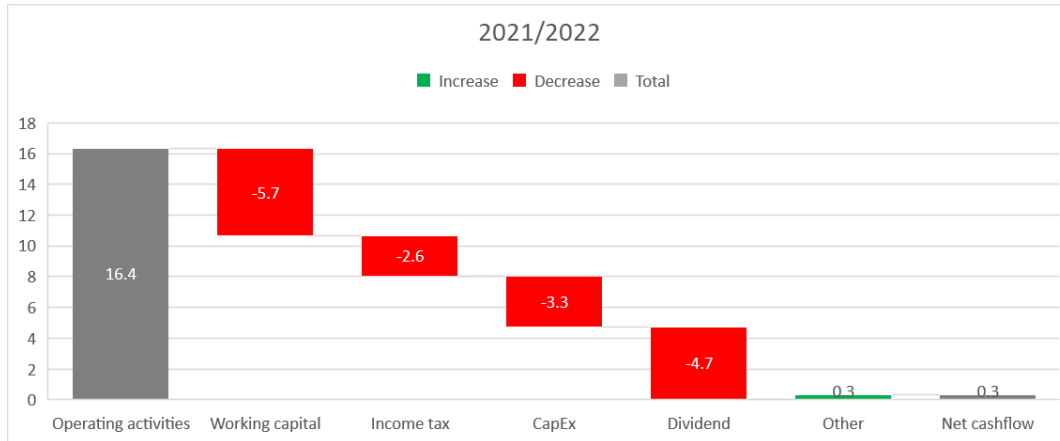


- A revenue decrease of 3%.
- Packaging in China was flatter as the growth in the market for yoghurt drinks looks to have passed its peak.
- Asian export markets were largely stagnant due to COVID-19.

FINANCIAL RESULTS FY 2021/2022

CASH FLOW DEVELOPMENT

In million euros



- Strong cash flow from business
- Unfavorable effect in working capital due to higher inventory
- Capital expenditures in line with previous years
- Dividend payout according to policy

FINANCIAL RESULTS FY 2021/2022

DIVIDEND DISTRIBUTION 5 YEAR OVERVIEW (per share)

	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	5 year total
Net result	EUR 6.78	EUR 7.04	EUR 9.09	EUR 11.00	EUR 11.83	EUR 45.74
Interim dividend	-	-	-	EUR 4.55	-	EUR 4.55
Final dividend	EUR 3.39	EUR 3.52	-	EUR 5.50	EUR 5.91	EUR 18.32
Total dividend	EUR 3.39	EUR 3.52	-	EUR 10.05	EUR 5.91*	EUR 22.87
Dividend in % of net result	50%	50%	0%	91%	50%	50%

* proposal

OUTLOOK 2022/2023

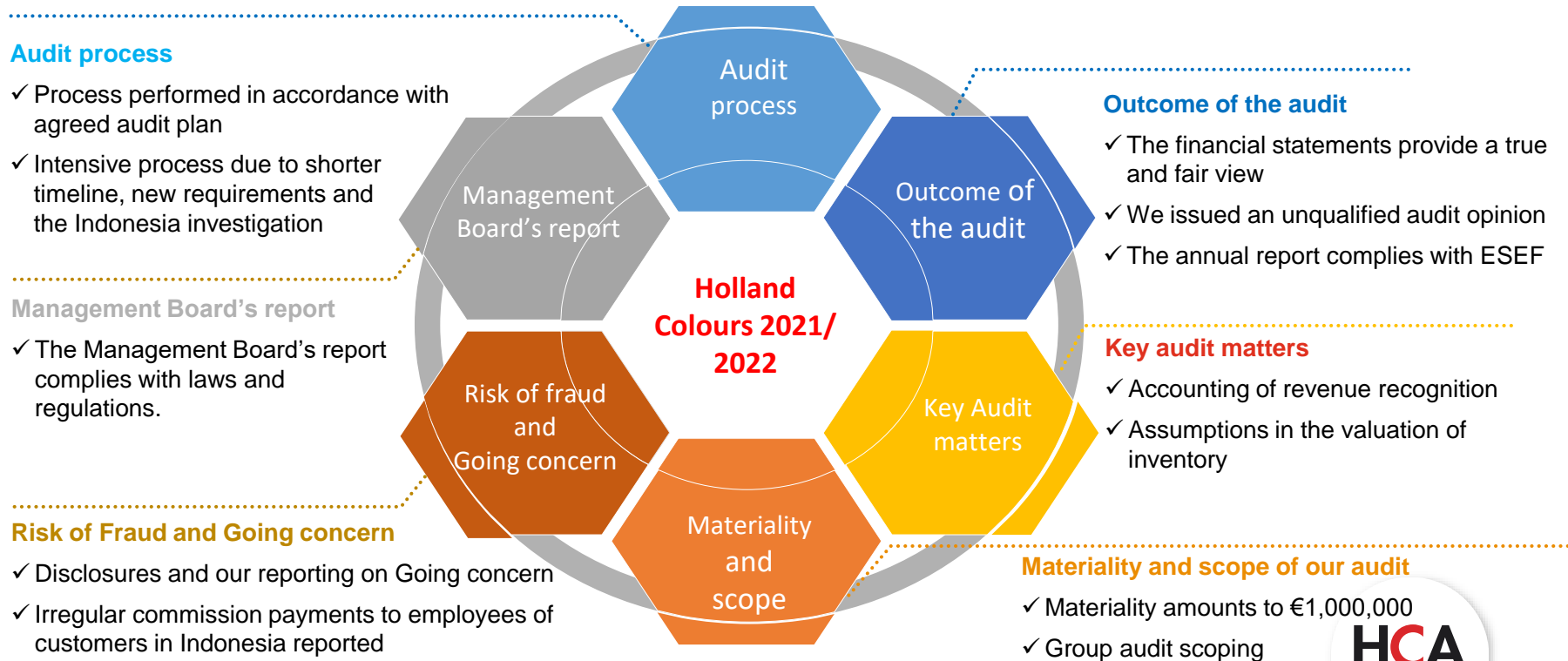
High degree of uncertainty

- Uncertainty related to COVID-19
- Uncertainty related to the situation in Ukraine
- Uncertainty related to the global economy (e.g. GDP and inflation)
- Holland Colours does not make forward looking statements

3. FINANCIAL STATEMENTS FY 2021/2022

- a. Advisory vote regarding the remuneration report financial year 2021/2022 (*advisory vote*)
- b. Adoption of the financial statements 2021/2022 (*voting item*)

Report of the auditor PwC: our key messages



4.
RESERVES AND
DIVIDEND
POLICY



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)

DIVIDEND PROPOSAL FY 2021/2022

- It is proposed to distribute EUR 5.91 as a final dividend for the FY 2021/2022
- Final dividend payable July 22, 2022

6.
DISCHARGE OF THE
BOARD OF
MANAGEMENT

(voting item)

7.
DISCHARGE OF
THE SUPERVISORY
BOARD

(voting item)

8. BOARD OF MANAGEMENT

- a. Reappointment of Mr. C.W.H. Vinke as Statutory Director *(voting item)*
- b. Reappointment of Mr. E.M.S. van Hamersveld as Statutory Director *(voting item)*

9. SUPERVISORY BOARD

Reappointment of
Mr. G.H. de Heer as member
of the Supervisory Board

(voting item)

10. REMUNERATION

- a. Adoption of the remuneration policy of the Board of Management (*voting item*)
- b. Adoption of the remuneration policy of the Supervisory Board (*voting item*)

ADOPTION OF THE REMUNERATION POLICY OF THE BOARD OF MANAGEMENT *(voting item)*

- The company will introduce a Long-Term Incentive (LTI) Plan for the Board of Management in financial year 2022/2023. The aim is to drive long term value creation as set out in the Dutch Corporate Governance Code.
- The mechanism for the LTI is an incentive multiplier.
- A key thing to note is that under the new Long-Term Incentive plan, the maximum amounts that can be paid as an incentive (short and long term) to members of the Board of Management will not change.

ADOPTION OF THE REMUNERATION POLICY OF THE BOARD OF MANAGEMENT *(voting item)*

- The Supervisory Board has set long term environmental and sustainability goals, like CO2 reduction and innovation. The progress made towards achieving these goals will be assessed annually and will influence the payment or not of any incentive via this multiplier.

$$\text{STI Bonus} = \frac{\text{STI Target}}{\text{percentage}} \times \left[\left[\text{Total Financial Score} \right] \times 50\% + \left[\text{Total Projects Score} \right] \times 50\% \right] \times \text{Total ESG Score (as multiplier)}$$

ADOPTION OF THE REMUNERATION POLICY OF THE SUPERVISORY BOARD *(voting item)*

- The remuneration policy has been updated (for reference see website HCA)
- The remuneration of the Supervisory Board had not been updated since 2013
- A remuneration benchmark was done to establish whether the remuneration of the members of the Supervisory Board is still appropriate or requires adjustment
- The remuneration provides only fixed cash compensation, which means that no variable or performance related compensation nor pension contributions are provided and does not include the award of shares or options on shares.

ADOPTION OF THE REMUNERATION POLICY OF THE SUPERVISORY BOARD *(voting item)*

- Based on the benchmark the proposal is to increase the remuneration of the Supervisory Board Members and the Chairman to:

<i>Fixed Fee Per Financial Year</i>	<i>2022 / 2023</i>	<i>2021 / 2022</i>
Chair	45,000	38,000
Member	32,000	26,000

11.
UPDATE
ON STRATEGY OF
HOLLAND COLOURS
GROUP



OUR STRATEGIC GOALS

FOCUS ON CURRENT AND RELATED PRODUCT/MARKET SEGMENTS

- Extending and protecting global market positions in Packaging
- Extending and protecting global market positions in Building & Construction
- Extending market positions in Coatings & Sealants, primarily in EMEIA



THE CHOICES WE MADE IN 2019



REVENUE GROWTH

Grow core

Geographic focus

Portfolio expansion

CONTINUOUS
IMPROVEMENT

Commercial excellence

Operational excellence

People excellence

Innovation excellence

STRATEGIC ROADMAP – GROWING TOGETHER 2023

EXTERNAL

- Continue organic top-line growth

- Implement sustainability vision

- Objectives

- We invest at least 2% per year of our personnel expenses in responsible care for our employees
- By 2030, we will have reduced the CO2 impact of our operational activities by between 30% and 50%
- By 2030, 90% of our revenue will be based on products that contribute to sustainability

- Updated measurement approach and detail

- Engage whole organization

WE ENVISION A
COLORFUL WORLD
IN WHICH WE ARE
THE WINNING
SUSTAINABLE
SOLUTION



Our People



Our Processes



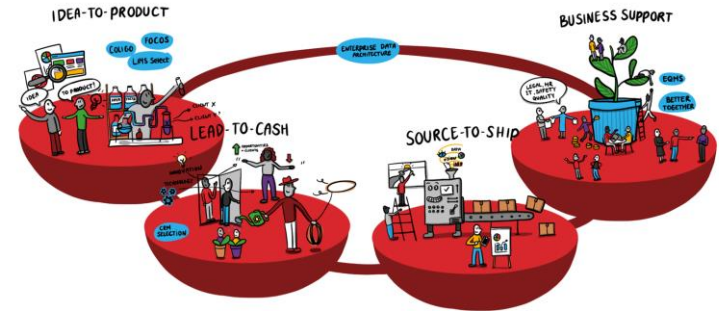
Our Products

STRATEGIC ROADMAP: GROWING TOGETHER 2023

INTERNAL

- Implement and transition Business Processes and IT
 - Align and optimize activities across integral customer-oriented processes
 - Renew supporting IT and data solutions
 - Develop organizational skills and capabilities

- Increasing investments in systems, equipment and people to maintain competitiveness and secure growth



12. 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)

13.
ANY OTHER
BUSINESS



14.
CLOSE



OUR CORE VALUES



TEAMWORK



PRO-ACTIVENESS



ACCOUNTABILITY



COMPETENCE



RESPONSIBILITY

THANK YOU
FOR YOUR
ATTENTION

