

# 2018 / ANNUAL REPORT



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## ON TRACK IN 2018

2018 involved some significant challenges; however, Proviron anticipated these and stayed on track. Our employees' skills and dedication ensured that service provided to customers remained consistently top of the line. They accomplished this despite the fact that various raw materials were either in short supply or difficult to obtain. The company's margins were put under significant pressure due to the high cost of raw materials. We continued to invest in new products in the areas of animal health, plasticisers, algae and de/anti-icing. Moreover, we expanded our sales team in Asia to speed up the marketing of our algae products in the aquaculture sector.

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"We drew up a five-year strategic plan so that we would be better equipped for the future."

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Leo Michiels  
/ Chairman

### Quality and safety

The quality of our deliveries was a key point of focus, which led to overwhelming satisfaction on the part of our customers. We also scored well in terms of safety with a minimum occurrence of incidents, which will naturally be entirely preventable in future. In addition, we are renovating the Ostend offices to create a more pleasant working environment.

### Strategic approach

Under the impetus of the updated Board of Directors, we carried out a strategic exercise which resulted in the presentation of our five-year plan. This means that we are even better equipped to face the future, one which is sure to entail new opportunities. We will continue profiling ourselves internationally, so that Proviron becomes a well-established player on the global scene.

2018  
REVIEW



## FOCUS ON MARKET GROWTH



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“We will continue focussing on the energy and resource efficiency of our services and end products in the same way we did in 2018.”

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Wim Michiels  
/ CEO

Proviron faced lower margins due to the increase in price of many raw materials. Nevertheless, our products remain well established in the market. That is also why the focus in 2019 will be on market growth. A significant amount of Proviron’s potential remains untapped. In addition to China, we are also expanding our sales department in the United States. The global challenge is to expand the product range within each of the existing business units, ultimately seeking to achieve a broad distribution across every continent.

### **Brexit**

So, what happens in the event of a Brexit? We’re well prepared for it. In all likelihood, the same trade relations that apply to countries bordering the EU will apply to the UK after Brexit. We have our own export licence for each of these countries, so the impact on the business remains limited.

### **Rollout of the five-year plan**

The objectives of each Business Unit have now been defined in quantifiable figures in the five-year plan. The rollout of these objectives has already begun. We’ll continue to provide strategic support for this in the months to come.

### **Sustainability**

In the Proviplast range, we are introducing a PVC plasticiser based on soybean oil. This new product is more environmentally friendly than today’s petroleum-based products. It is an impressive high-performance plasticiser that has properties significantly better than the usual phthalates.

We will continue focussing on the energy and resource efficiency of our services and end products in the same way we did in 2018. By doing this we once again prove that we’re prepared for the future.

We’ve also drawn up a plan to reduce the stress that mobility-related issues cause that encourages the purchase of standard and electric bikes. The plan makes our employees *and* the environment happy.

 provichem

 proviplast

 animalhealth

 microalgae

 tolling

 provifrost

 proviflow



# POSITIVE FIGURES DESPITE CHALLENGES



“We see opportunities for even stronger growth in the NAFTA countries and Asia.”

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Claus Neufeld  
/ Business Manager provichem®

The rise in the price of raw materials left a definite mark on 2018. Nevertheless, the business unit still managed to close the year with positive figures.

#### The products

Our high-quality chemical products have a variety of different applications, and this for a wide range of chemical processes, such as polymerisation, multi-step synthesis and formulation.

#### The markets

The business mainly focusses on the B2B market, which currently suffers from limited opportunities for growth due to fierce competition. To smooth out regional differences, the business unit sells its products worldwide, whether through its own sales offices or through professional agents and/or distributors.

#### The future

Continued growth remains a challenge for all departments. On the one hand we want our growth to keep pace with the global economy, while on the other there are clear opportunities for even stronger growth in the NAFTA countries and Asia.

# SPECIFIC CHALLENGES

Some of the products in the high-quality range of plasticisers had a good year in 2018. Proviplast 024, the plasticiser for nylon, remains the mainstay. The rise in cost price due to the increase in the price of raw materials was, for the most part, passed on to customers, which enabled us to maintain our margins. Despite the acquisition of a new major customer, Proviplast 2624, used in packaging film among other things, had a tough year. Chinese imports have caused a depression in prices, especially in South-eastern Europe.

The adipate plasticisers, used for example in the production of car windows, also demonstrated positive growth. Our main customer has also begun implementing this product in its factory in Asia.

However, the loss of an important chemical crosslinking-related customer left us with a setback.

## A smaller ecological footprint

In 2018, the new Proviplast 2755 product began supplying customers with its first commercial deliveries. This bio-based plasticiser is mainly used in hospital and crèche flooring.

A major advantage to the product is that there aren't any concerns about potential health risks involved, and it is easier to recycle the end product at the end of its life cycle (cradle-to-cradle product).

The additional cost to the customer is an investment in the future, especially for companies striving for sustainability and a lower carbon footprint.

## The future

The cooling economy is sure to present the Proviplast Business Unit with several challenges, such as those related to the automotive market. Proviplast will try to maintain its market share in the area of traditional plasticisers but expects the margin to experience pressure. The calendar also includes a review of plasticiser potential in the manufacture and use of bioplastics. It is likely that European regulations will provide additional incentive for using biodegradable products by tightening up on disposable packaging regulations. In future, the demand for plasticisers for these products will also increase.



“The additional cost borne by the customer for bio-based plasticisers is an investment in the future, especially for companies striving for sustainability and a smaller carbon footprint.”

Koen Engelen

/ Business Manager proviplast®



# REINFORCED MARKET POSITION



“Optigut and Porcestin are growing and establishing themselves as top performers during trials.”

**Frederic Versavel**  
/ Business Manager Animal Health

Last year, the Animal Health Business Unit further reinforced its profile in the market as a producer of high-quality animal feed ingredients based on esterified fatty acids, which provide a good solution for the sector. Our dual approach is having its intended effect. We are introducing two product lines to the market: the ‘pure line’ on the one hand, and the ‘health concepts’ on the other. Year in and year out, we succeed at reinforcing our market position.

## Pure Line

The pure line provides the sector with products used as raw materials to develop their own concepts. We are expanding this range by developing a sound network that makes it possible for us to respond to our customers’ needs. After years of experience with alternatives to antibiotics, nutritionists often form their own distinct image. We can complement this with our wide range and flexible production.

## Health Concepts

This ‘range’ offers our high-quality products in a pre-made mix. Optigut and Porcestin are growing and establishing themselves as top performers during trials. During local trials in Asia, we were able to confirm the success of Nospot performance, which meant that we could go on to valorise the results in sales.

Product managers for each business group helped ensure the growth of the business unit. They provide the scientific basis for the concepts and optimise them for their intended application: aquaculture, poultry or pig farming. We organise sales on a regional basis and the sales team in China is more closely involved.

## The future

Our focus in 2019 will be on continuing to valorise the scientific research of previous years. It also remains important that we keep up with the latest trends. Changes to feed composition, evolving animal genetics and a growing awareness of the disadvantages inherent to antibiotics are determining factors in the alternatives selected. The challenge then is to continue explaining the technical complexity of our high-quality products and to expand the product range as a result of innovative research.

# PROVEN RELIABILITY

Our indoor farmed microalgae products consistently prove reliable.

## 100 reactors are already active

Since 2018, algae farming has been solely an indoor activity. A prerequisite for successful algae farming is a well-controlled system that successfully prevents any and all contamination. Foils are transformed into reactors on our own production line, with 100 currently in service.

We sell the algae as powder to customers in the aquaculture sector. These customers span the global market, however, customers in Asia are a priority focus. It was for this reason that the Asian sales team was expanded in 2018.

## New member of the algae family

We currently offer three types of microalgae. After having developed Nannochloropsis, we introduced Isochrysis in 2017. In 2018, Chaetoceros was successfully launched, adding a new member to the algae family. We are also taking major steps in application research. The sales team focus is on gaining trust through sophisticated marketing campaigns.

## 2019

In future, we will ramp up our emphasis on product diversification and automating production. There is a good chance that we will have the capacity to mix monocultures in specific ratios.



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“The sales team focus is on gaining trust through sophisticated marketing campaigns.”

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**Mark Michiels**  
/ Managing Director





# UNFLAGGING DEMAND IN THE PU INDUSTRY

## Polyurethane

The PU market continues to expand as applications in all kinds of fields continue to multiply. We received a considerable number of leads in 2018, which in principle may result in several new projects over the next few years. For Proviron, this is an indication that the economy is still recovering.

## Sulphur chemistry

Demand for energy-saving tyre components remains incredibly strong, even to the extent that the plant has been obliged to run at full capacity to meet this demand. This capacity utilisation is expected to continue in the coming years.

## Brake fluids

The market for brake fluids is dominated by multinationals. Despite consolidations, Proviron is holding its own as an independent player. Long-time customers retain confidence in our quality and years of excellent service.

## Challenges

The continuation and conclusion of new long-term contracts as a base load for Proviron is a full-time job and a serious challenge. Our objective is to develop ongoing relationships with several clients and continue to facilitate upscaling processes for promising projects.



“Demand for energy-saving tyre components remains incredibly strong.”

Steve Clicteur  
/ business manager tolling



# NEW APPLICATIONS, NEW CHALLENGES

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“We offer customers customised service.”

The ProviFlow business unit consists of a range of heat transfer products. These systems provide a cold air supply while extracting warm air. Heat transfer products save customers so much time that their own efficiency significantly increases.

## Applications

A few examples of applications include air conditioning in airports, shopping malls and other large spaces. The cooling process in breweries and the dairy industry are also areas where these applications are present. In 2018, ProviFlow launched the ProviFlow division as a completely new product. The company's size benefits customers significantly. We care about our customers. In addition, we have an extensive R&D department with the best equipment. That way premium quality is always guaranteed.

## The future

In 2019, the market share will increase as a result of a better geographical spread. New technologies lead to new opportunities. One new emerging market is data centres and data centre cooling. Cooling is a pressing need for these huge spaces that house multiple heat-sensitive server banks. The scratch card market is also a new niche worth exploring. The scratch layer also has to be rapidly cooled down before it can be sold. All of these are exciting opportunities!

# SUPPLY SECURITY IS OUR ASSET

Guaranteeing flawless service remains paramount.

## De-icing

Proviron de-icing and anti-icing products ensure that even the most challenging winter conditions aren't an obstacle to safe passenger travel by plane. We produce niche chemical products to make and keep runways snow and ice free and de-ice aircraft.

Fully in keeping with previous years, 2018 was another good year for the Provifrost business. The number of customers rose by 18%. The primary source of growth was aircraft de-/anti-icing fluids sales. These are the orange, yellow or green fluids sprayed onto the wings of planes during freezing weather conditions or snowfall. This segment increased by about 20%.

We hired a new sales manager to provide commercial support for growing Provifrost product demand. At the same time, raw material storage capacity was also expanded. Despite Europe's extreme weather conditions, Proviron managed to impress in terms of delivery reliability, once again boasting a 'clean sheet'.

In February and March of 2018, we pledged a 100% delivery guarantee during 'the beast from the East' in Great Britain and offered the same for the weeks of heavy snowstorms and exceptional freezing weather in Austria and Southern Germany at the end of 2018.

## Challenge

Heavy snowfall creates serious logistical challenges. But whenever the demand for our de-icing products is greatest, additional bottlenecks tend to crop up. Container terminals close temporarily, intermodal traffic slows down, and roads are blocked. Lorries are even banned from driving in some countries, and in some cases, border crossings close. Nevertheless, it is imperative that we be prepared for these kinds of scenarios, so that our supply to airports remains uninterrupted.

## The future

Our objective remains, 'be the best, not the biggest'. We will continue to grow steadily, focussing on the continuous assurance of our superior quality and flawless logistics and commercial service.



"We succeed at supplying customers even under the most extreme weather conditions."

Andrew Murray

/ Business Manager proviflow® and provifrost®





# EFFORTS PAY OFF

The entire organisation's hard work has yielded results that have made us tremendously proud.

## Figures

For 2018 we note a frequency rate of industrial accidents involving absence from work of 3.27 and a frequency rate of care of 85. This represents a significant decrease compared to the previous year's rates. What's more, both figures represent one of the best rates achieved in recent years.

## GPP and AAP

In 2018, our annual action plan (AAP) further developed the set objectives of the five-year global prevention plan on the themes of operational safety, process safety, installations, people and the environment, ergonomics and psychosocial well-being.

2018 involved several baby steps toward improvement, a significant share of which included improvements in the area of process safety.

We will also continue to focus on carrying out a proper risk analysis prior to the execution of the works.

## Training

The selection of training courses expanded, and many employees registered unexpectedly and voluntarily. Refresher courses especially drew a great deal of interest.

Safety awareness is further reinforced by focussing on safety issues three times a year via question-and-answer sessions.

## Actions

In terms of ergonomics, a number of remarkable improvements have been made in the production facilities: tools have been provided to improve lifting and hoisting operations when changing filters, mobile access stairs have also been provided to allow safe access to tanker trucks, and, where possible, manual operations have been replaced by automated ones. A significant amount of progress has also been made in the area of preventive maintenance.

In addition to the many technical and organisational elements, psychosocial well-being is one of our key areas of focus. The personal approach has been particularly successful in this regard.

## The future

Our motto remains: 'Working together to make the dynamic risk management system a reality.'



"In terms of ergonomics, a number of remarkable improvements have been made in the production facilities."

Katleen Vanacker  
/ preventieadviseur



# QUALITY ASSURANCE SYSTEM PROVES ITS RELIABILITY



“High praise for the logistics team.”

Petra Haezebrouck  
/ quality manager

The number of customer complaints continued to drop in 2018. For the second year in a row, not a single complaint related to the operational logistics team has been submitted.

#### Audits

The implementation of the new ISO 9001:2015 standard has been successfully completed. Neither the recertification audit in 2018 nor the first follow-up audit in January 2019 established any non-conformities. Meanwhile, internal audits are also carried out according to the new standard, and our internal audit team has been specifically trained to guarantee conformity at all times.

The annual FCA (\*) audit took place in the spring for the Animal Health BU, which yielded one minor administrative incidence of non-compliance. The FCA and non-GMO (\*\*) audits will be combined for the first time in 2019. There is also a new standard for non-GMO, which means additional time will have to be set aside for the preparations. As of 2018 we also acquired Halal certification for a selection of animal feeds.

Four customers performed an audit at our facilities in 2018, each of which had a positive end result. Audits have not been limited to external stakeholders. We have also carried out a few our own audits at key suppliers and third parties.

In terms of risk management – the common theme of the updated ISO standard – these audits have been essential. Animal feeds also need to keep up with the latest trends and developments.

#### Complaints

2018 continues to follow the 2017 trend, with the amount of complaints at an all-time low. With a clean complaints sheet, the logistics team’s fantastic performance is quite remarkable. Whenever a complaint is filed, we do our best to link each complaint or remark to a remedial action, a method that has proven successful. However, this requires additional attention, especially where the launch of new products is concerned. Customer satisfaction surveys also show that customers are satisfied with our service and flexibility.

# POSITIVE EVOLUTION

After the ups and downs of 2017, we observed several positive trends again in 2018.

## Waste, soil and water

In 2018, we reversed the trend in production waste, which had been on the rise since 2012. We produced 10.4 kg waste per tonne of final product in 2018. Nearly half a kilo down compared to 2017, which is a slight, but helpful decrease. The process water's organic load also dropped for the second year running (11 kg/tonne of end product compared to 12.2 kg/tonne of end product in 2017). The product mix variability is the root cause of these decreases. The battle against past soil pollution also continued. 761 tonnes of polluted soil were removed, freeing up space for the storage of recently excavated soil. The excavated soil was replenished with fresh soil. In March 2018, we suddenly detected high concentrations of an organic component in our cooling water. After drawing up a partial stream survey, a remediation plan was drawn up. We closed a part of the sewer system, in that way implementing a permanent solution to the issue.

## Permits

At the end of 2017, we expanded the effluent discharge permit for BSC production at our main discharge point to encompass an additional parameter. As a result, the discharge standard will be better adapted to the current situation from 2018 onwards.

In 2018, we also made preparations for updating our basic permit in 2019.

## Environmental incidents

The number of incidents involving product exemptions decreased significantly in comparison with 2017. However, we remain committed to an incident-free working environment.

## Energy

The outdated compressed air compressors from the former water management services have been replaced by new installations, and it goes without saying that these comply with the latest energy efficiency standards.

## Digitisation

We have been using our main waste collector's digital platform for over two years now, which has led to a significant reduction of our needless paper production and optimised our waste disposal requests.

The government has also required that construction and permit requests no longer be submitted by paper, but digitally using the online platform. The intent, among others, is to improve the communications efficiency between companies and public authorities. After having submitted two files, our outlook is fairly positive, and we hope to find a quick solution to the variety of growing pains associated with this process.



“The number of incidents involving product exemptions decreased significantly in comparison with 2017.”

Bart Van De Geuchte  
/ Environmental Department





# INVESTING IN EMPLOYEES

## Project

In 2018 we introduced two actions within the framework of the Demography Fund. Both will be rolled out further in 2019.

The intense shift system, especially where older employees are concerned, poses several specific challenges.

A working group is researching alternative shift schedules to see if there is a system that can result in a manageable workload and satisfy shift workers.

The second action provides every employee with the opportunity to purchase a standard or electric bicycle through the company. It benefits the employee financially and helps them exercise more, which obviously is good for well-being.

## Training

HR-related training received a significant makeover and was expanded with a wider range of training courses. This year a new tool, called 'Totara' will be tested and implemented afterwards. This digital interface provides employees with an overview of their training plan, the range of courses on offer and how far they have progressed in their training programme. At a later stage there will also be a new range of courses available on this online platform.

## Staff transfers and restructuring

Due to the restructuring of the engineering team, the position of process engineers was integrated into the production team. Both in East and West, this reinforcement has proven itself to have been a decision for the better.

As far as inflow is concerned, we began implementing experience traineeships in the areas of production and building maintenance for foreign refugees, in cooperation with the VDAB and Oostende Werkt. The final traineeships were in the context of setting up an individual cleaning service, which was officially launched in February.

We continue to actively recruit new production staff, but unfortunately have been forced to conclude that outflow still outweighs inflow. This is mainly attributable to demographic shifts, long-term illness and, to a lesser extent, the spontaneous departure of some employees.

HR joined colleagues from the chemical sector in Ghent to exchange ideas and promote our company. A final comparative check with the chemistry sector reveals that we score quite well in terms of absenteeism! For several years already, our absenteeism level has been lower than the chemical industry average. We aim to maintain and strengthen this position.



“In 2018, the development of a demographics fund was a key point of focus. Two actions really stood out: looking into a new shift system and a bicycle lease plan.”

Katrien De Zutter  
/ HR manager



# SATISFIED WITH 2018



“The general increase in raw material prices put our margins under significant pressure. EBITDA fell this year. ‘All told, we are satisfied with the consolidation of the market.’”

Serge Maes  
/ Financial Director

It wasn't an easy year – nevertheless, we are able to present good figures.

## Figures

The profit before amortisation of consolidated goodwill amounts to around 2 million euros. The general increase in raw material prices, which we passed on to customers to a limited extent, put our margins under significant pressure. EBITDA (operating cash flows) decreased this year. All told, we are satisfied with the consolidation of the market.

## Investments

Compared to 2017, the level of investment has been lower. 60% was invested in replacement investments, while 40% was invested in product and market development, mainly in the areas of animal health, algae cultivation and PVC plasticisers.

The non-recurring items evidence a sale of unused industrial sites and that we have included the CAPEX record in the results due to the discontinuation of development projects.

Although long-term debt fell by EUR 2.6 million, the debt ratio rose temporarily. We saw an opportunity to purchase a large amount of consignment stock, resulting in a temporary increase in debt.

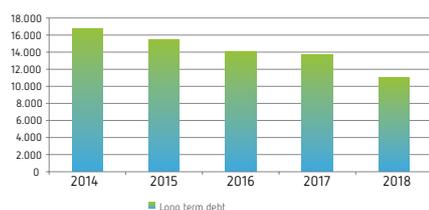
## The future

Our expectation is that EBITDA will increase again, and we have budgeted for a rapid rate of growth. The debt ratio will re-stabilise, returning to a normal level. Based on the momentum of further product and market development, we estimate a slight increase in the level of investment.

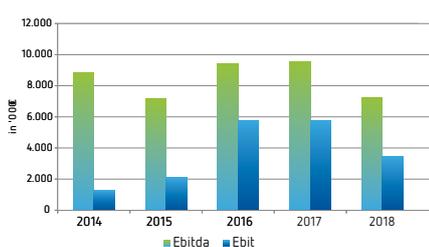
# KEY FIGURES

## 2014 - 2018

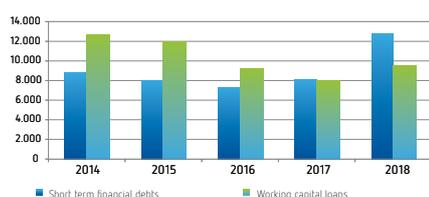
### Long-term debt



### Operating cash flow & operating profit



### Short-term financial debts in relation to working capital loans



### Proviron Holding Consolidated - in '000 €

Income statement	2014	2015	2016	2017	2018
Operating income	169.238	125.994	70.868	80.988	76.379
Goods for resale, consumables and raw materials	114.265	71.703	23.706	32.776	31.593
<b>Margin</b>	<b>54.973</b>	<b>54.291</b>	<b>47.162</b>	<b>48.212</b>	<b>44.786</b>
Services & other goods	24.226	24.763	19.262	20.335	19.130
Remuneration	20.970	20.931	17.576	17.311	17.409
Other costs	1.189	1.727	1.133	1.090	1.106
Provisions	-324	-290	-150	-130	-79
Write-downs	83	-4	-94	40	-11
<b>EBITDA</b>	<b>8.829</b>	<b>7.163</b>	<b>9.434</b>	<b>9.565</b>	<b>7.232</b>
Amortisation	7.522	5.059	3.636	3.792	3.752
<b>Operating profit</b>	<b>1.307</b>	<b>2.105</b>	<b>5.798</b>	<b>5.773</b>	<b>3.481</b>

### Proviron Holding Consolidated - in '000 €

Balance sheet	2014	2015	2016	2017	2018
	31/Dec	31/Dec	31/Dec	31/Dec	31/Dec
Net Working Capital	5.626	5.147	3.041	310	-1.902
Working capital	12.704	11.926	9.210	7.959	9.536
Short-term financing	7.078	6.779	6.169	7.649	11.438



# PROVIRON HOLDING NV

## 1. CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

ASSETS		Codes	31.12.2018 in '000 Euro	31.12.2017 in '000 Euro
<b>FIXED ASSETS</b>		<b>20/28</b>	<b>55.167</b>	<b>56.931</b>
I.	Formation expenses	20	4	6
II.	Intangible fixed assets	21	10.395	8.356
III.	Positive consolidation differences	9920	2.704	3.892
IV.	Tangible fixed assets	22/27	42.057	44.670
	A. Land and buildings	22	21.366	22.258
	B. Plants, machinery and equipment	23	19.011	14.585
	C. Furniture and vehicles	24	300	257
	D. Lease and other similar rights	25	140	67
	E. Other tangible fixed assets	26		
	F. Assets under construction and advance payments	27	1.240	7.503
V.	Financial fixed assets	28	7	7
	A. Companies assessed using the equity method	9921	0	0
	1. Participating interests	99211		
	2. Receivables	99212		
	B. Other companies	284/8	7	7
	1. Participating interests, shares and share certificates	284	3	3
	2. Receivables	285/8	4	4
<b>CURRENT ASSETS</b>		<b>29/58</b>	<b>33.505</b>	<b>31.161</b>
VI.	Amounts receivable after over a year	29	3.309	2.228
	A. Trade receivables	290		
	B. Other receivables	291	3.309	2.228
	C. Deferred tax assets	292		
VII.	Stocks and contracts in progress	3	13.557	13.080
	A. Stocks	30/36	13.557	13.080
	1. Raw materials and consumables	30/31	4.591	4.321
	2. Work in progress	32		
	3. Finished product	33	6.157	6.202
	4. Goods for resale	34	2.809	2.557
	5. Immovable property reserved for sale	35		
	6. Advance payments	36		
	7. Contracts in progress	37		
VIII.	Amounts receivable within one year	40/41	14.943	15.098
	A. Trade receivables	40	13.144	13.432
	B. Other receivables	41	1.799	1.665
IX.	Cash investments	50/53	0	0
	A. Own shares	50		
	B. Other investments	51/53	0	0
X.	Liquid assets	54/58	1.316	465
XI.	Prepayments and accrued income	490/1	379	291
<b>TOTAL ASSETS</b>		<b>20/58</b>	<b>88.672</b>	<b>88.093</b>

LIABILITIES		Codes	31.12.2018 in '000 Euro	31.12.2017 in '000 Euro
<b>EQUITY CAPITAL</b>		<b>10/15</b>	<b>38.808</b>	<b>38.606</b>
I.	Capital	10	49.170	49.170
	A. Issued capital	100	49.170	49.170
	B. Uncalled capital (-)	101		
II.	Share premiums	11		
III.	Revaluation surplus	12	13.112	13.974
IV.	Consolidated reserves (+)(-)	9910	-23.385	-24.350
V.	Negative consolidation differences	9911	26	26
VI.	Translation differences (+)(-)	9912	-115	-215
VII.	Capital grants	15		
<b>MINORITY INTEREST</b>			<b>13</b>	<b>13</b>
VIII.	Minority interest	9913	13	13
<b>PROVISIONS, TAX DEFERRALS AND DEFERRED TAX LIABILITIES</b>		<b>16</b>	<b>9.166</b>	<b>9.570</b>
IX.	Provisions for liabilities and charges	160/5	6.591	6.959
	A. Pensions and similar obligations	160	76	293
	B. Tax liabilities	161		
	C. Major repairs and maintenance work	162		
	D. Environmental liabilities	163	6.377	6.665
	E. Other liabilities and charges	164/5	138	1
	F. Tax deferrals and deferred tax liabilities	168	2.574	2.612
<b>LIABILITIES</b>		<b>17/49</b>	<b>40.686</b>	<b>39.904</b>
X.	Amounts payable after over a year	17	8.588	11.280
	A. Financial liabilities	170/4	8.588	11.280
	1. Subordinated loans	170		
	2. Unsubordinated debentures	171		
	3. Lease and other similar payables	172	107	52
	4. Credit institutions	173	8.181	10.553
	5. Other loans	174	300	675
	B. Trade payables	175	0	0
	1. Suppliers	1750		
	2. Bills of exchange payable	1751		
	C. Advances received on contracts	176		
	D. Other liabilities	178/9		
XI.	Amounts payable within one year	42/48	31.991	28.532
	A. Amounts payable within one year falling due this year	42	2.437	2.418
	B. Financial liabilities	43	12.754	8.114
	1. Credit institutions	430/8	12.754	8.114
	2. Other loans	439		
	C. Trade payables	44	12.972	13.548
	1. Suppliers	440/4	12.972	13.548
	2. Bills of exchange payable	441		
	D. Advances received on contracts	46	113	48
	E. Amounts payable related to taxes, remuneration and social security payments	45	3.674	4.242
	1. Taxes	450/3	1.484	1.917
	2. Remuneration and social security payments	454/9	2.190	2.324
	F. Other liabilities	47/48	41	162
XII.	Prepayments and accrued income	492/3	106	92
<b>TOTAL LIABILITIES</b>		<b>10/49</b>	<b>88.672</b>	<b>88.093</b>



# PROVIRON HOLDING NV

## 2. CONSOLIDATED INCOME STATEMENT

	Codes	2018 in '000 €	2017 in '000 €
<b>I. Operating income</b>	<b>70/76A</b>	<b>78.235</b>	<b>81.547</b>
A. Turnover	70	70.948	73.653
B. Changes to stocks of finished goods, work and contracts in progress (increase +, decrease -)	71	-131	2.303
C. Capitalised production costs	72	2.746	3.358
D. Other operating income	74	2.815	1.674
E. Non-recurring operating income	76A	1.856	559
<b>II. Operating costs</b>	<b>60/66A</b>	<b>-74.652</b>	<b>-75.552</b>
A. Raw materials, consumables and goods for resale	60	31.593	32.776
1. Purchases	600/8	32.006	31.986
2. Stock: decrease (increase)	609	-413	790
B. Services & other goods	61	19.130	20.335
C. Remuneration, social security payments and pensions	62	17.409	17.311
D. Amortisation and write-down of formation expenses, intangible and tangible fixed assets	630	3.949	3.990
E. Write-down on stocks, contracts in progress and trade receivables: additions (write-backs)	631/4	-11	40
F. Provisions for liabilities and charges: additions (expenditures and write-backs)	635/8	-79	-130
G. Other operating costs	640/8	1.106	1.090
H. Capitalised operating costs as restructuring costs (-)	649		
I. Amortisation of positive consolidation differences	9960		
J. Non-recurring operating costs	66A	1.556	139
<b>III. Operating profit (Loss) (+)(-)</b>	<b>70/64</b>	<b>3.583</b>	<b>5.995</b>

	Codes	2018 in '000 €	2017 in '000 €
<b>IV. Financial income</b>	<b>75/76B</b>	<b>417</b>	<b>321</b>
Recurring financial income	75	417	321
Income from financial fixed assets	750		15
Income from current assets	751	203	89
Other financial income	752/9	214	217
Non-recurring financial income	76B		
<b>V. Financial costs</b>	<b>65/66B</b>	<b>-2.082</b>	<b>-2.467</b>
Recurring financial costs	65	2.082	2.467
Liability charges	650	523	666
Amortisation of consolidation differences	9961	1.188	1.188
Write-downs on current assets other than those referred to in II.E (additions +, write-backs -)	651		
Other financial costs	652/9	371	613
Non-recurring financial costs	66B		
<b>VI. Profit (loss) for the financial year before taxes</b>	<b>9903</b>	<b>1.917.800</b>	<b>3.848.952</b>
<b>VII. A. Withdrawal from deferred taxes and deferred tax liabilities</b>	<b>780</b>	<b>9</b>	
B. Transfer from deferred taxes and deferred tax liabilities	680	-544	-190
<b>VIII. Income taxes (+)(-)</b>	<b>67/77</b>	<b>-441</b>	<b>-833</b>
A. Taxes (-)	670/3	-551	-977
B. Adjustment of income taxes and write-back of tax provisions	77	110	145
<b>IX. Profit (loss) for the financial year (+)(-)</b>	<b>9904</b>	<b>941</b>	<b>2.826</b>
<b>X. Share in the result of companies assessed using the equity method</b>	<b>9975</b>	<b>0</b>	<b>0</b>
A. Profit results	99751		
B. Loss results	99651		
<b>XI. Consolidated profit (loss)</b>	<b>9976/66</b>	<b>941</b>	<b>2.826</b>
A. Minority interests (+)(-)	99761	0	1
B. Group share (+)(-)	99762	940	2.826



# PROVIRON HOLDING NV

## 3. INTANGIBLE FIXED ASSETS STATEMENT

	Research and development costs	Concessions, patents, licences, etc.	Goodwill	Advance payments
<b>ACQUISITION COST</b>				
At the end of the previous financial year	13.875	7.059	1.377	
Movements during the financial year:				
Acquisitions, including the capitalised production costs				
Sales and disposals (-)	-263			
Transfers from one item to another (+)(-)	85	3.044		
Translation differences (+)(-)	18			
Other changes				
At the end of the financial year	13.714	10.104	1.377	
<b>AMORISATIONS AND WRITE-DOWNS</b>				
At the end of the previous financial year	8.510	4.069	1.377	
Movements during the financial year:				
Recorded	481	608		
Write-back due to surplus (-)				
Acquired from third parties				
Written off after sale and disposal (-)	-263			
Transfer from one item to another (+)(-)				
Translation differences (+)(-)	18			
Other changes				
At the end of the financial year	8.745	4.677	1.377	
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>4.969</b>	<b>5.426</b>	<b>0</b>	

## 4. TANGIBLE FIXED ASSETS STATEMENT

	Land and buildings	Plants, machinery and equipment	Furniture and vehicles	Lease and other similar rights	Other tangible fixed assets	Assets under construction and advance payments
<b>ACQUISITION COST</b>						
At the end of the previous financial year	14.568	105.244	2.885	7.190	0	7.503
<b>Movements during the financial year:</b>						
Acquisitions, including the capitalised production costs	585		74	67		5.686
Sales and disposals (-)	-63	-98	-55			-1.607
Transfers from one item to another (+) (-)	313	6.778	90	34		-10.343
Translation differences (+) (-)	72	114	8	3		
Other changes						
At the end of the financial year	15.476	112.037	3.002	7.294	0	1.240
<b>CAPITAL GAINS</b>						
At the end of the previous financial year	16.396					
<b>Movements during the financial year:</b>						
Recorded						
Acquired from third parties						
Write-offs (-)	-1.411					
Transfers from one item to another (+) (-)						
Translation differences (+)(-)						
Other changes						
At the end of the financial year	14.985					
<b>AMORISATIONS AND WRITE-DOWNS</b>						
At the end of the previous financial year	8.706	90.658	2.628	7.124	0	0
<b>Movements during the financial year:</b>						
Recorded	353	2.355	122	27		
Write-back due to surplus (-)						
Acquired from third parties						
Written off after sale and disposal (-)		-71	-55			
Transfer from one item to another (+) (-)						
Translation differences (+)(-)	35	84	7	3		
Other changes						
At the end of the financial year	9.094	93.026	2.703	7.154	0	0
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR</b>	<b>21.366</b>	<b>19.011</b>	<b>300</b>	<b>140</b>	<b>0</b>	<b>1.240</b>



# PROVIRON HOLDING NV

## 5. CASH FLOWS FROM OPERATIONS, INVESTMENTS AND FINANCING

GROSS OPERATING PROFIT	2018
Consolidated profit (loss) after tax + non-cash costs	7.772
Liability charges	523
<b>OPERATING CASH FLOW AFTER TAX</b>	<b>8.295</b>
CHANGES IN NET WORKING CAPITAL REQUIREMENT	
Current corporate assets	-400
Short-term working capital loan	-1.185
Translation differences on items other than fixed assets	31
<b>TOTAL CHANGES TO NET OPERATING WORKING CAPITAL</b>	<b>-1.554</b>
<b>CASH FLOW FROM OPERATIONS</b>	<b>6.741</b>
INVESTMENTS IN FIXED ASSETS AND CONSOLIDATED PARTICIPATING INTERESTS	
Formation expenses	0
Intangible fixed assets	-3.129
Tangible fixed assets	-1.587
Financial fixed assets	
Amounts receivable after over a year	-1.081
Consolidated participating interests	
Loss on disposal of fixed assets	-1.537
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-7.334</b>
<b>FREE OPERATING CASH FLOW AFTER INVESTMENTS</b>	<b>-593</b>
LOAN CAPITAL FINANCING	
Liability charges	-523
Financial liabilities	1.394
Profit share to be distributed by the group (-)	
Profit share to be distributed by third parties (-)	
External equity capital excluding negative consolidation differences, translation differences and capital grants	573
Capital grants	
<b>NET CASH FLOW FROM FINANCING</b>	<b>1.444</b>
<b>NET CASH FLOWS FROM OPERATIONS, INVESTMENTS AND FINANCING</b>	<b>851</b>
Opening balance (liquid assets + cash investments)	465
Closing balance (liquid assets + cash movements)	1.316
<b>MOVEMENTS IN THE BALANCE SHEET</b>	<b>851</b>

## 6. CONSOLIDATION DIFFERENCES

	Consolidation differences	
	Positive	Negative
<b>NET BOOK VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR</b>	<b>3.892</b>	<b>26</b>
<b>Movements during the financial year:</b>		
As a result of an increase in the percentage of participating interests		
As a result of a decrease in the percentage of participating interests	-1.188	
Amortisation		
Recorded differences on income statement		
Other changes		
<b>NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR:</b>	<b>2.704</b>	<b>26</b>

Consolidation differences	Initial	already amortised	31.12.2017 Statement	2018		31.12.2018 Statement
				increase / decrease	amortisation	
<b>due to the incorporation of Proviron NV</b>						
positive goodwill	12.242	11.393	849		487	362
negative goodwill	-26		-26			-26
goodwill allocated to:						
Land	2.978		2.978			2.978
Buildings	3.948	3.398	550		197	353
<b>due to the incorporation of Proviron Holding</b>						
goodwill	14.020	10.976	3.043		701	2.342
<b>Total</b>	<b>33.162</b>	<b>25.767</b>	<b>7.395</b>	<b>0</b>	<b>1.385</b>	<b>6.009</b>

## 6. FINANCIAL LIABILITIES (with an initial term of more than one year)

	FINANCIAL LIABILITIES WITH A TERM OF		
	no more than 1 year	more than 1 year but not exceeding 5 years	more than 5 years
1. Subordinated loans			
2. Unsubordinated debentures			
3. Lease and other similar	36	107	
4. Credit institutions	2.401	8.181	
5. Other loans		300	
<b>Total financial liabilities</b>	<b>2.437</b>	<b>8.588</b>	<b>0</b>





# BOARD OF DIRECTORS

## Chairman

Leo Michiels

## Directors

Mark Michiels  
gedelegeerd bestuurder

Wim Michiels  
gedelegeerd bestuurder

## Non-executive directors

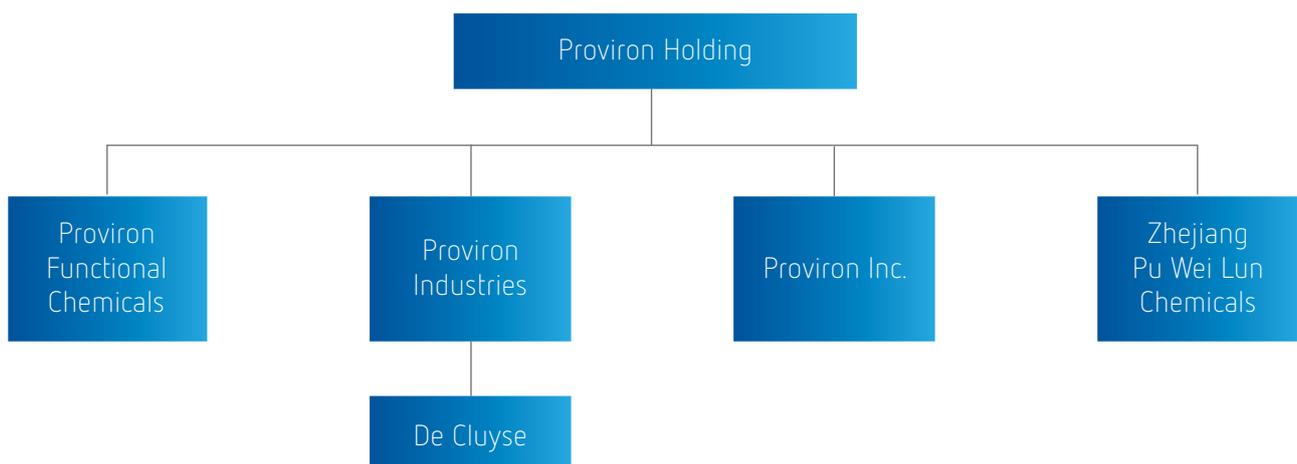
Karen van Griensven (as of 19 april 2018)

BVBA Batiline, with Carl Van Camp acting as permanent representative (vanaf 19 april 2018)

## Statutory Auditor

CVBA BDO, Registered Auditors,  
represented by Philip Vervaeck

# PROVIRON SHAREHOLDERS ORGANISATION CHART



# THE EXECUTIVE COMMITTEE

## Commercial

Vanessa Doms

## Financial

Serge Maes

## Development

José Vanheule

## Chairman

Wim Michiels





[info@proviron.com](mailto:info@proviron.com) / [www.proviron.com](http://www.proviron.com)

BELGIUM / USA / CHINA

PROVIPLAST / PROVIFROST / PROVICHEM / PROVIFLOW  
ANIMALHEALTH / MICROALGAE / TOLLING

