



2021 / ANNUAL REPORT



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2021 WAS A BANNER YEAR

2021 was a special year because of the pandemic, but at the same time, for Proviron it was one of the best years ever. That meant that more resources were released to invest in the working environment: a great deal of innovation has now begun both in Ostend and Hemiksem. We celebrated 25 years of presence in Ostend and the United States and 10 years in China. The biggest challenge in 2021 was due to rising costs. Both the price of the raw materials and the price of transportation and energy were high. There was no room for increased profit margins, but we managed to make more profit in 2021. After a difficult 2020, this was a relief for everyone. Therefore, it was a good but not easy year.

"Our teams worked their magic in 2021. For that, we would like to thank them sincerely."

Leo Michiels
/ Chairman

Shared optimism

Of course, we shared the good financial year with our personnel. Not only with two sports gift cards, but also three times with a bonus: an anniversary bonus, the full Corona premium, and the cao 90 wage bonus that we were able to pay out in full. On top of the innovations in our facilities, there is extra space to invest in our facilities. That is how we keep up with the times.

The fact that it was such a good year in financials mainly had to do with an increase in sales. We did not increase the profit margins. Still, for us, the cost increases were extreme. Raw material prices have risen greatly, as have transportation prices. At the end of the year, energy prices also rose to new heights. Fortunately, there was some understanding in the market to pass that on.

Despite the high prices and the transportation at times being very difficult to make available, we were always able to deliver to the customer in a timely manner. Therefore, we remain a reliable supplier. Our teams have really been on the move concerning production planning, and we are very grateful to them for that.

Difficult search for employees

A few incidents regarding product spillage are being followed up very closely, and we should avoid them even further in the future. The spills can be explained on the one hand by the fact that we produced more, and on the other hand, by the difficult organisational circumstances, including the pandemic.

Like other companies, we know that many jobs are difficult to fill. Whereas previously, this was mainly for STEM profiles, we now see a shortage of all profiles.

2021 was a fantastically good but for that reason not an easy year. Large orders and unpredictable deliveries asked a lot of us in terms of organisation. It's a great pleasure to see how strong our team was and what we achieved. We're proud of that.



2022: A LOOK AT THE FUTURE



“With our green soy-based plasticiser, we hope to achieve a breakthrough this year.”

Wim Michiels
/ Managing Director

For 2022, our vision is fully focused on the future. We see more and more focus on sustainability and green solutions, partly under the momentum of the European Green deal. We are also fully committed to this with new products, better facilities and in view of a circular approach.

Supporting growth

In 2021, we renewed a 10-year contract for our largest business. We are now building a new facility for our customer. The product we will make in this facility is about green tires. They have lower rolling resistance and reduce fine dust. Moreover, the formula is better for electric cars because they are heavier and put more force on the tires. It's a very forward-looking product.

Since recently, the fully automated facility for Proviflow (Heat Transfer Fluids) has been in use. What used to be manual is now fully automated. This 'factory of the future' is fully operational and ready to support further growth.

Bio-based products

We see that more and more customers are choosing sustainable, green solutions. This is certainly because of the momentum of the European Green deal, which we fully support. Among other things, we hope to achieve a major breakthrough this year with our soy-based plasticiser. With this, we're continuing the impetus that Proviron has been following for years. Even in 1986, Proviron was already working on the circular story when we were looking for recovery possibilities for brake fluid.

Long-term

The entire organisation has a clear vision for the future. As a family business, we have a family charter, and the new generation is getting prepared. And even though we attach great importance to family values, the company is made up of and supported by all employees. They have a lot of autonomy and their own responsibilities. In chemistry, there is no alternative but always to keep an eye on the future and to work in a process-oriented way. We are rigorous with this, always with a long-term view.

The 5-year plan we are drawing up helps with this. It is a long-term vision that we remake every year. We already see an improvement in the control of the company. A 5-year plan helps to think long-term and make the right big decisions.

The common thread throughout the company is across all areas, not just in 2022: our vision is always focused on the future.



A STRESSFUL, BUT VERY GOOD YEAR



“Cooperation with the weatherman, Geert Naessens, makes us better able to respond to potentially bad weather.”

David Carbonez
/ Business Manager Provifrost®

2021 was the best year ever for Provifrost. However, aviation was held hostage by the many lockdowns versus other sectors. However, because the airports had to remain operational, and there were some winter peaks, we broke all records with the sale of our de-icing products both for aircraft and for runways.

Some winter peaks

At the beginning of 2021, aviation was reduced to 30% of normal compared to 2019. The whole of Europe was in a big lock-down. There were hardly any flights either for tourists or for business. However, airports had to remain operational, and cargo flights continued. Thanks to the winter peaks in the first few months, many products were purchased by the airports. Our products for frost-free runways did especially well.

In the autumn, we could once again expect more sales from aircraft de-icers. Both aircraft and runways were low on stocks at the airports, thus ordering significant volumes in early autumn. Now the aircraft de-icers represent the bulk of sales, mainly because of the supply management and the cold weather.

Furthermore, the Balkan countries had an early winter, which meant that November and December were very good months for the aircraft de-makers. Altogether, that made for a very good 2021.

Collaboration with the weatherman

Since the autumn of 2021, we have worked closely with the weatherman, Geert Naessens, from Radio 1 and others. In fact, he makes a weather report for us with ‘de-icer’s glasses’, with a prediction and a probability. This enables us to respond to potentially bad weather that is coming. Especially now that the logistics chain is so disrupted, this is very important for us. If a customer who orders Provifrost usually expects the delivery within 24 hours, it greatly stresses us. The volumes that can be called up are also often enormous. By better assessing whether we need to start producing in advance, we can relieve that stress and serve our customers better.

The supply of raw materials and transportation is no longer as flexible as it used to be, so it’s necessary to be able to anticipate the coming weather sufficiently in advance. Cooperation with Geert Naessens is certainly a great added value, but for 2022 we hope the overall situation in terms of raw materials and logistics will improve significantly. 2021 was a year of very hard work and several stressful situations. Therefore, it’s particularly pleasing that this was such a fantastically good year financially.

COMMITTED TO SUSTAINABILITY

We also saw a nice growth at ProviFlow in 2021. One milestone is the new production and filling plant we have in use, which will provide many benefits in the future. In addition, we are always looking ahead with ProviFlow and continue to explore new markets, always focusing on sustainability.

Sales line on the rise

2021 was once again a good year for ProviFlow. The rising sales line has continued, and thus we sold 30% more volume. A strategic purchasing policy proved crucial to achieving this growth. In the first quarter of 2022, however, we see somewhat of a more wait-and-see attitude among our customers, no doubt partly due to the increase in raw materials prices and price increases in general.

Increased production capacity

Since the end of 2021, we could increase our production capacity thanks to the new automatic production and filling plant. This will certainly positively affect our businesses from this year on. Thanks to the new facility, firstly we can mainly produce faster. It also contributes to better service by increasing flexibility and ensuring faster delivery times.

And a final advantage is because of working capital: thanks to faster and larger production, we can almost reduce the stock of finished products to zero.

Explore new markets

ProviFlow is committed to increasing sales proactively. We are exploring new markets and investigating, for example, the use of antifreeze in sprinkler systems.

Thanks to product optimisation and differentiation, we will be able to distinguish ourselves even more for other applications, and we can develop the business further. Sustainability is important in this story: we clearly see that our customers are increasingly aware of the importance of sustainability and circular thinking.

We see more interest in bio-based MPGs (mono-propylene glycol) and are, therefore, fully involved. Bio-based MPGs could reduce the carbon footprint by up to 60% compared to traditional MPGs.

To approach these new markets, ProviFlow has invested in the development of omnichannel marketing materials in the past year. In the autumn, we launched a dedicated website within the new global web structure highlighting the production benefits and services with specialised content for this sector. For this, we are thinking of Colruyt's customer focus, which had a great deal of reach in the sector supported by a LinkedIn ad campaign. But also by developing online lead generation flows, such as the labelling kit and time-lapse video on corrosion. We can use this material in 2022 to connect more personally with prospects, both in campaigns and events, online and offline.



“Our customers demand more and more sustainable products”

Gregory Jansseune
/ Business Manager ProviFlow®





GREAT FORECASTS

2021 was a good year for tolling, just like the other businesses. We ended up 10% above budget, and many things drove record volumes.

E-mobility

Sulphur chemistry has had a banner year. We turned over the highest volume ever. Sulfur chemistry supplies components for green tires, which have a reduced rolling resistance and thus take care of reducing energy consumption and wear. They are particularly of interest for electric cars. In 2021 the automotive sector returned to normal, and e-mobility was certainly a great success. That certainly played a part in our growth in that domain. We were also able to enter into a new contract for the future by introducing a new product portfolio to replace an existing one. It's about a new type of product for the e-mobility market.

Improved product quality

For the recycling of brake fluids, 2021 was also a banner year with record volumes. This is due, among other things, to the return to normal practice. We were once again driving for more kilometres, with more maintenance and also more brake fluids replacement. In the meantime, we were also able to guarantee better product quality, which will provide a good outlook in 2022.

Good forecasts for 2022

In the US, it was also a good year for tolling. We now have good prospects for various projects and expect to grow in existing product volumes.

For our tolling in the field of polyurethane, 2021 was a challenging year, mainly due to the difficult supply of certain raw materials. We were unable to get the volumes fully back on track. In 2022, we also expect a difficult year in this domain due to the scarcity of specific raw materials in the international markets.

What is important for the future of tolling is that we have been able to renegotiate several contracts, and new contracts have been added. This certainly ensures a stable forecast for the tolling business in the future.



We turned over record volumes for both sulfur chemistry and brake fluids"

Lef Proost

CONTINUED GROWTH



“Therefore, our long-term customer relationships and proactive approach are paying off here”

Perry Walters
/ Business Manager Provichem®

After a good result in 2020, 2021 was a very good year for Provichem, with stable growth. Our customers see more and more of a strategic approach: not short-term profits but long-term continuity. We were able to reap the benefits because we always invest in sustainable customer relationships at Provichem,

Proactive approach

Several opportunities already presented themselves at the beginning of 2021, and we were able to close the year with a very good figure despite the many challenges, such as logistical difficulties worldwide. We can guarantee robust production because Provichem is well integrated in Europe in the field of raw materials. In addition, the team is also committed to transparent and proactive communication with our customers. By taking possible delays into account and communicating clearly to the customers, we were able to guarantee timely delivery to the customer. We felt that this proactive approach was very much appreciated.

Customer Strategy changes

In any case, we feel that the strategy of many customers is shifting from a short-term to a long-term vision. What is now essential for our customers is a reliable supplier who is accommodating, who can be flexible, and who is reliable in terms of deliveries.

Therefore, our long-term customer relationships and proactive approach are beneficial, and we managed to make good long-term agreements with our customers. In 2021, we also looked inwards and focused on strategic growth within Provichem. We looked at our capabilities, where we could improve, and how and where we could grow together with our customers.

Opportunities in the healthcare sector

Some of our products are used in the production of medication. We noticed that there is a need for more European medication production. There too, we see growth for Provichem, although it's a process that needs time. The supply chain in the healthcare sector is very complex; starting up new products in the short term is difficult. Europe is working hard to create a better landscape for this. It's a strategy that takes much time to develop, but Provichem wants to be and will certainly be part of that transition.

2022

We expect to see good results again in 2022, although new challenges will present themselves. We noticed some uncertainty among customers in the chemical industry, but because of the long-term agreements we have already made, we know very well where we are going and have again projected significant growth. Our ambition is to bring a good story to the next annual report.

GOOD YEAR DESPITE LOGISTICAL CHALLENGES

2021 was a better year for Proviplast than 2020. For our main product, Proviplast 024, it was even an outstanding year. As with the other businesses, we encountered many logistical challenges and unprecedented price increases. Therefore, 2022 is difficult to predict, although we hope for a major breakthrough for our green bio-based plasticiser.

Outstanding year

The plasticiser for nylon Proviplast 024 is mainly used in applications in the automotive and oil and gas industries. Despite the fact that the automotive industry faced many supply problems, it was an outstanding year for Proviplast 024. The rising raw material costs were challenging, but fortunately, there was understanding in the market to pass them on to our customers as well. The fact that our competitors could not deliver in a timely manner also allowed us to consolidate our market share and make it sustainable for the future.

More and more customers also see the benefits of local sourcing. That means that we could enter into new contracts. Customers no longer want to depend on imports outside Europe and choose the security of supply and quality we can offer. Despite the turbulent times, we still managed to make a great year for Proviplast 024.

Green plasticiser

The sale of our fully bio-based PVC plasticiser, Proviplast 2755, remained stable in 2021. Our customers are very satisfied with the technical performance of this product. However, in terms of competitiveness, we want to be even stronger. For that, we are now looking to expand our capacity.

Of course, the European Green deal is also supporting this. We see a great willingness from our customers to invest together in the future of this green plasticiser.

Citrate plasticisers and adipate plasticisers

For our citrate plasticisers, we experienced more problems due to the limited availability of raw materials. For example, we had to limit the production of Proviplast 2624, and we could not meet all the requests.

Therefore, that segment is mainly about consolidating the market and ensuring we can deliver to our existing customers.

Furthermore, our adipate plasticiser for PVB (Proviplast 0142) was further phased out because our customer has a different solution.



“More and more customers see the benefits of local purchases”

Koen Engelen
/ Business Manager Proviplast®





A COMPLETE YEAR OF PREPARATION

2021 was not a commercial outlier for microalgae. Our existing customers stayed, but due to the Coronavirus, it was not a great year. Particularly in the Asian market, a lot of 'hatcheries' hard times had been through the severe lockdowns. Therefore, in 2021 we took the opportunity to develop our online presence further and strengthen the distributor network. The ongoing research around the application of our microalgae products provided new insights that we hope to see quickly. We want to improve our production process even faster with a special project on the use of artificial intelligence,

Commercial stability

After expansion in 2019 and 2020, the portfolio remained unchanged in 2021. Behind the scenes, however, the production process of three difficult microalgae with great potential was brought from the lab to the pre-production level. This confirms the strength and broad availability of our production platform and allows us to actively search for companies that can use our production capacity for algae within the framework of tolling agreements. For that, we are in contact with various companies and expect more news about it in 2022.

Online presence

In 2021, we also worked on our online presence. A dedicated website for Microalgae was built into the new website. In it, we focus more on the application possibilities of the offerings and present several customer testimonials. At the moment, we are in a transition period to get everything in line with Proviron as the main brand without losing sight of the peculiarity of microalgae. We already went to the European Aquaculture fair in Madeira in October with this new look and feel. In 2022, we will continue to build on the online story, including Google ads, a social media strategy, and additional content for the website.

In 2021, we continued to professionalise and strengthen the distribution network. Among other things, there will be more room to include a microalgae training programme for our distributors. All this fits in with the focus on a greater online presence.

Big data and microalgae

In the meantime, research projects are continuing. Within the BlueMarine³.com project, collaboration with the renowned ARC research group of Ghent University, among others, and also from joint tests with our customers, we gained important insights about the use of our algae products in the production of shrimp and oyster. In addition, a doctoral researcher came on board at Proviron in 2021. His research focuses on establishing predictive models to monitor and optimise algae growth and production. That is how we bridge the gap between 'big data' and production. It is a special project on artificial intelligence and how that can help in the production of microalgae.

In 2022, we hope to reap the benefits of further digitisation, strengthen our position, and take new paths.



“A special research project that bridges artificial intelligence with algae production”

Vanessa Doms
/ Commercial Director



GROWTH IN ALL AREAS



“Adding additives via drinking water is an important new innovation”

Frederic Versavel
/ Business Manager Animal Health

For the Animal Health business, 2021 was the best year ever. Our customers increasingly see the benefits of feed additives that keep their animals healthy. As in previous years, we are investing heavily in innovation and research this year and continuing to expand our geographical area.

Strong growth

Our business develops and manufactures feed additives intending to improve animals' intestinal health. If their intestinal health is optimal, they will absorb more nutrients and energy, thus grow better and be healthier. That, in turn, positively affects the reduced need for antibiotics. And a lower consumption of antibiotics fits in with the fight against antibiotic resistance in animals and humans.

2021 was a very good year for Animal Health. We grew substantially in terms of volume - up to 25% - but our sales and margin also increased. Despite the difficult Covid times and the challenges in the logistics chain, we maintained our position well by storing and producing stocks at the right times.

Geographic expansion

In 2021, we also made great strides in expanding geographically. We actively sought new distributors and customers in various countries and continents. For example, we now have a business development manager in Asia to serve the Asian market faster and better. We also went to trade fairs, although, in 2021, it was still at a low level due to the pandemic.

Global challenges

Naturally, Animal Health also presents many challenges. The raw material prices remain volatile, for which we feel much uncertainty. The entire logistics chain is impacted, making importing raw materials and exporting finished products challenging. In very concrete terms, the European pork producers have had a very difficult year because of overcapacity. As a result, the market is very volatile for our customers too.

New concepts

In the meantime, we're continuing to invest in R&D and innovation. As is typical in the development of feed additives, a great deal of time is needed from development to effective marketing. That's why we are constantly developing new concepts and 'sowing' now to harvest later and grow further. In 2021, we developed four new concepts that offer unique solutions to our customers. A very important new development is a product range of additives that are not added through the feed but through the drinking water. This allows the farmer to add very flexibly when they consider it necessary, making them less dependent on the feed supplier.

In 2022, we will continue to invest in research and new developments and focus on further geographical expansion.



CUSTOMER SATISFACTION REMAINS AT A HIGH LEVEL



"The positive observations from the audit are a nice boost"

Petra Haezebrouck
/ Quality Manager

In 2021, we also kept Proviron's quality high on every level. Although it was a year with many challenges: the pandemic created logistical challenges, and the "war for talent" is also affecting us. In addition, the rising raw material prices created a volatile market with an additional workload for our staff.

Audits

For the ISO standard 9001, there was a re-certification audit in 2021, unfortunately with some non-compliances. These areas for improvement, such as documentation and training, were actively worked on throughout the year. Therefore, the follow-up audit at the beginning of 2022 was very positive: all the non-conformities of the previous audit were completely eliminated, and no new deviations have been expressed.

The auditor also listed the possible improvement points, the so-called 'opportunities for improvement' (OFIs). Most of them have already been translated into an action plan and are fully in place. We have made great progress over the past year in the area of training and the digitisation and centralisation of documentation.

There were some positive observations from the audit, which is also a nice boost for the whole team. For example, we were praised for securing technical knowledge in the procedures for both production and maintenance.

In the area of Animal Health products, there are specific FCA and Non-GMO certificates. There, too, the audits went well. One new non-conformity arose, which has already been followed up in the meantime. In 2022, these products will be re-certified.

Increase in questionnaires

The pandemic only allowed us to conduct one customer survey on-site in the past year. There were some comments from the customer.

Proviron then proposed an action plan, which the customer has approved in the meantime.

In addition, there were a few online customer surveys, each with a positive result.

We saw an exceptionally big increase in 2021: customer questionnaires about our products and procedures. These questionnaires will no doubt remain at a high level in the future, partly because of the demands in the industry that are becoming more and more stringent.

Follow-up of complaints

The number of complaints remained fairly stable this year. Every complaint has a stringent internal follow-up at Proviron, always looking for possible improvements to prevent similar complaints in the future. Training is a very important pillar here. Unfortunately, there were also some complaints about late deliveries, which are taken very seriously. We are known as a flawless and reliable supplier and want to keep it that way. Therefore, our focus this year is even more on the search for staff combined with thorough training. The latter is certainly essential for quality management and Proviron in general.

Overall customer satisfaction remained high in 2021, and we are proud to have achieved this in such a challenging year. But we're not resting on our laurels. In 2022, we will continue with ongoing evaluation and proactive improvements to guarantee our quality.

SEVERAL ADJUSTMENTS AND INNOVATIONS

As Proviron belongs to the essential industry, we continued operating in 2021. We kept the production at Proviron running, despite the many actions that had to be carried out around Covid-19. In addition, we implemented a completely new work and fire permit system.

Health and safety

In 2021, there were two lost-time work accidents. That is one more than in 2020. However, considering the increased volumes and additional challenges overall, we are still in quite a good shape, but we continue to aim for zero. Another positive is that there were a lot fewer bicycle accidents in 2021.

In 2021, we implemented a completely new work and fire permit system for Proviron. This was accompanied by the necessary training and numerous tests. After starting this in 2020, we could now conclude it.

In the field of fire safety, we organised several sessions in cooperation with the fire brigade in 2021. About thirty fire-fighters came to get to know the Ostend site better. They were also provided with an explanation about the renewed access system that's no longer staffed but works with cameras. These sessions naturally benefit fire safety. The complete fire prevention file was adapted and renewed. For the West site, we started with the expansion of the fixed extinguishing systems; in particular, the hydrant network was expanded.

Among other things, we are also on track for the 5-yearly reviews of HAZOP Risk analyses. We are also on schedule for pipeline inspections.

Environment

There were some incidents where product was spilt. We are following up on this very closely and have set up actions to avoid it

in the future. In 2021, a significant reduction of 35% was achieved in kg of waste per ton of finished product produced, namely 7.5 kg/ton.

A lot of innovation

As in previous years, there were many innovations and changes on the sites. We removed a lot of asbestos. Several older buildings were demolished, and existing roofs were renewed. As a result, the asbestos inventory has become a lot smaller.

Furthermore, we started using a new warehouse for spare parts. The old building wasn't energy efficient and was heated based on steam. By using a completely isolated building, there is now a strong energy reduction.

The loading and unloading areas were renewed in some places to capture possible spills as efficiently and cleanly as possible.

Continuing in the same vein

In 2022, we will continue with the same momentum.

For example, in Ostend, we moved the fire department to a new location at the beginning of this year and also set up a new First Aid room. The new room is more centrally located, at the location of the fire department.

Further projects in the pipeline include fire detection and the centralisation and barrelling of 1,000-litre containers.



“We implemented a completely new licensing system.”

Wim Denecker
/ SHE Manager





A FRESH BREEZE AND MANY CHALLENGES

The HR department has recently been almost completely renewed because several people have retired. That means a fresh breeze and new energy, but also many challenges to carry on the knowledge that was there. In terms of recruitment, it was not an easy year either: finding new employees remains a major challenge.

Finding the right profiles

In 2021 we recruited over 25 new people at Proviron. That's a lot, but it wasn't simple. Finding the right technical profiles is and remains difficult, and other profiles are also difficult to find. At Proviron, we are therefore clearly feeling the shortage in the labour market.

New people at Proviron get a godfather or godmother who trains them during the first weeks. The fact that godfathering and godmothering are welcomed is very positive, and we will certainly continue to consolidate it. We want to make the whole onboarding process even more attractive and play shorter on the ball.

Employer branding

We continued working on our employer branding in 2021 to strengthen the 'war for talent'. We want to make our culture and DNA – which is such a great story – more prominent and visible. We're working closely with the marketing team to achieve this. In this way, we hope that people will really get to know Proviron and will choose us.

Dual learning

New in 2021 is that we now also have recognition for a dual learning programme. The youth from secondary education receive part-time training at our workplace. We now have our first student who is trained in the field of dual learning in Ostend, and we definitely want to expand that further.

HR as a partner and advisor

Current projects on ergonomics and the bicycle lease plan were also continued in 2021. For the bicycle lease plan, we certainly feel a lot of enthusiasm. We're also maintaining focus on retention and are committed to training and development. We are looking at several training courses on soft skills, and we also want to optimise further and formalise the performance reviews.

Above all, in 2022, we want to become even more a partner and advisor as HR colleagues, with a low threshold for everyone and a supportive role. In this way, together, we can build on the many opportunities that are coming.



“To be stronger in the war for talent, we also continued to work on our employer branding in 2021.”

Marleen Stubbe
/ HR Manager



A YEAR WITH GOOD GROWTH



“We see that more and more customers want to buy closer to home.”

Serge Maes
/ Financial Director

2021 was a very good year for Proviron. So good as every business showed growth. Even with an increasing turnover, we managed to balance the balance sheet structure and reduce debt.

Good figures

In 2021, the pandemic still affected us, of course. As an essential sector, we remained operational in 2021. With COVID-19 in the background, it wasn't always easy. This added to the erratic supply of raw materials. 2021 also required a great deal of flexibility and energy from our employees, an effort that was rewarded with very good figures for 2021. From a turnover of 57 million in 2020, we increased to a turnover of 81 million in 2021. EBITDA increased from 6.5 to 10.9 million. Growth was noticeable in all businesses, with an average growth of around 10%. In some businesses it was a lot more than 10%.

Balance structure in balance

In 2021, we worked hard to balance the balance sheet structure. Our debt ratio decreased from 2.8 to 1.6. In addition, the long and short-term debt is now better aligned. Although we had an increasing business in 2021 and therefore needed more working capital, we managed to reduce the net financial debt by 1 million.

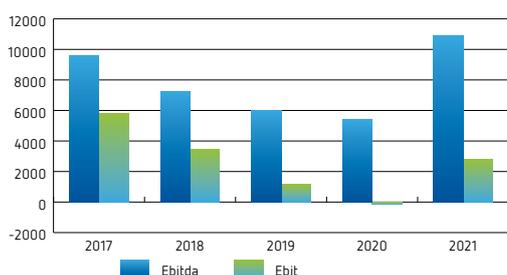
Continuing in the same vein

For 2022, we aim to repeat this good year, although it will certainly not be easy. On the positive side, we are still gaining market share. We also see in all businesses that more and more customers want to buy closer to home because the market outside Europe is too uncertain. On the other hand, there is also a great deal going on in the market: raw materials prices are increasing, and nobody knows what the consequences will be in geopolitical terms. We also see a large increase in personnel costs in Belgium. So, there are certainly many challenges ahead in 2022, but we are continuing the momentum of last year and have much confidence in it.

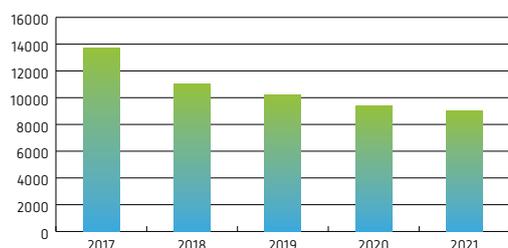
KEY FIGURES

2017 - 2021

Operating Cash Flow & Operating Profit



Long-term Financial Debts



Proviron Holding Consolidated - in '000 €					
Income statement	2017	2018	2019	2020	2021
Operating Revenue	81,547	78,235	69,693	60,277	87,560
Commercial goods, consumables and raw materials	32,776	31,593	28,189	20,256	38,293
Margin	48,771	46,643	41,504	40,021	49,268
Services & miscellaneous goods	20,335	19,130	17,380	15,138	18,930
Remuneration	17,311	17,409	17,190	17,366	18,194
Other costs	1,090	1,106	1,043	1,082	1,092
Facilities	-130	-79	-158	-130	25
Non-recurring operating costs	139	1,556	475	15	128
EBITDA	10,025	7,521	5,573	6,551	10,899
Depreciations	40	-11	37	118	180
Write-offs	3,792	3,752	4,855	5,530	7,586
Operating profit	6,192	3,780	681	903	3,134
Financial results	-958	-477	-157	-563	-243
Result for tax & goodwill write-offs	5,234	3,303	524	340	2,891

Proviron Holding Consolidated - in '000 €					
Financing	2017	2018	2019	2020	2021
working capital	31/dec	31/dec	31/dec	31/dec	31/dec
Net working capital to be financed	7,649	11,438	8,305	9,069	8,361
Short-term Financing	8,114	12,754	9,671	11,388	9,857
Liquid assets	465	1,316	1,365	2,319	1,496

Proviron Holding Consolidated - in '000 €					
Balance (reworked)	2017	2018	2019	2020	2021
	31/dec	31/dec	31/dec	31/dec	31/dec
Fixed Active	53,039	52,463	53,294	51,990	49,177
Consolidation differences	3,892	2,704	1,516	328	0
LT Receivables	2,228	3,309	3,663	3,793	2,584
Working capital	10,377	11,973	6,846	6,791	11,863
Liquidities	465	1,316	1,365	2,319	1,496
Active (reworked)	70,001	71,766	66,684	65,222	65,119
Equity	38,618	38,821	37,933	35,467	37,586
Facilities	9,570	9,166	8,903	8,977	8,669
Financial Debts	21,813	23,779	19,849	20,778	18,864
Passive (reworked)	70,001	71,766	66,684	65,222	65,119



PROVIRON HOLDING NV

1. CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

ASSETS		Codes	31.12.2021 In '000 Euros	31.12.2020 In '000 Euros
FIXED ASSETS		20/28	49,177	52,318
I.	Start-up costs	20	0	0
II.	Intangible fixed assets	21	10,332	11,991
III.	Positive consolidation differences	9920	0	328
IV.	Tangible fixed assets	22/27	38,842	39,995
	A. Land and buildings	22	20,778	20,450
	B. Facilities, machinery and equipment	23	16,217	17,421
	C. Furniture and rolling stock	24	272	270
	D. Leasing and similar rights	25	149	262
	E. Other tangible fixed assets	26		
	F. Assets in construction and advance payments	27	1,426	1,592
V.	Financial fixed assets	28	3	3
	A. Companies accounted for by the equity method	9921	0	0
	1. Participations	99211		
	2. Receivables	99212		
	B. Other undertakings	284/8	3	3
	1. Participations, shares and certificates	284		
	2. Receivables	285/8	3	3
CURRENT ASSETS		29/58	36,401	27,578
VI.	Receivables greater than one year	29	2,584	3,793
	A. Commercial receivables	290		
	B. Other receivables	291	2,584	3,793
	C. Deferred tax assets	292		
VII.	Stocks and orders in progress	3	14,075	10,823
	A. Stocks	30/36	14,075	10,823
	1. Raw materials and consumables	30/31	5,697	4,381
	2. Goods in process	32		
	3. Finished products	33	4,915	3,262
	4. Commercial goods	34	3,462	3,180
	5. Real estate held for sale	35		
	6. Advance payments	36		
	7. Orders in progress	37		
VIII.	Receivables up to one year	40/41	18,132	10,373
	A. Commercial receivables	40	13,658	9,382
	B. Other receivables	41	4,474	991
IX.	Cash investments	50/53	0	0
	A. Own shares	50		
	B. Other investments	51/53	0	0
X.	Cash and cash equivalents	54/58	1,495	2,319
XI.	Accruals and deferred income	490/1	115	269
TOTAL ASSETS		20/58	85,578	79,895

LIABILITIES		Codes	31.12.2021 In '000 Euros	31.12.2020 In '000 Euros
EQUITY CAPITAL		10/15	37,573	35,724
I.	Capital	10	49,170	49,170
	A. Subscribed capital	100	49,170	49,170
	B. Uncalled capital (-)	101		
II.	Issue Premiums	11		
III.	Revaluation surcharges	12	12,043	12,043
IV.	Consolidated reserves (+)(-)	9910	-23,663	-25,234
V.	Negative consolidation differences	9911	26	26
VI.	Currency conversion differences (+)(-)	9912	-4	-282
VII.	Capital subsidies	15		
THIRD-PARTY INTERESTS			13	12
VIII.	Third-party interests	9913	13	12
PROVISIONS, DEFERRED TAXES AND TAX LATENCIES		16	8,669	8,708
IX.	Provisions for risks and costs	160/5	6,132	6,097
	A. Pensions and similar obligations	160	36	39
	B. Tax liabilities	161		
	C. Major repair and maintenance work	162		
	D. Environmental obligations	163	5,940	6,046
	E. Other risks and costs	164/5	155	13
	F. Deferred taxes and tax latencies	168	2,537	2,611
DEBTS		17/49	39,323	35,451
X.	Debts of more than one year	17	6,028	6,477
	A. Financial debts	170/4	6,028	6,477
	1. Subordinated loans	170		
	2. Non-subordinated debentures	171		
	3. Leasing debts and similar debts	172	57	150
	4. Credit institutions	173	5,670	5,927
	5. Other loans	174	300	400
	B. Commercial debts	175	0	0
	1. Suppliers	1750		
	2. Bills of exchange payable	1751		
	C. Prepayments received on orders	176		
	D. Other debts	178/9		
XI.	Debts up to one year	42/48	32,899	28,820
	A. Debts of more than one year which expire within the year	42	2,979	2,912
	B. Financial debts	43	9,857	11,388
	1. Credit institutions	430/8	9,807	11,388
	2. Other loans	439	50	
	C. Commercial debts	44	15,216	9,491
	1. Suppliers	440/4	15,216	9,491
	2. Bills of exchange payable	441		
	D. Pre-payments received on orders	46	30	37
	E. Debts related to taxes, remuneration and social security contributions	45	4,779	4,953
	1. Taxes	450/3	2,169	2,699
	2. Remuneration and social charges	454/9	2,609	2,253
	F. Other debts	47/48	37	39
XII.	Accruals and deferred income	492/3	397	154
TOTAL LIABILITIES		10/49	85,578	79,895



PROVIRON HOLDING NV

2. CONSOLIDATED INCOME STATEMENT

	Codes	2021 in '000 €	2020 in '000 €
I. Operating Revenue	70/76A	87,560	60,277
A. Turnover	70	81,475	56,992
B. Change in stocks of work in progress and finished products and orders in progress (increase +, decrease -)	71	1,675	-2,212
C. Fixed assets produced	72	2,017	2,147
D. Other operating income	74	2,053	2,300
E. Non-recurring operating income	76A	341	1,050
II. Operating costs	60/66A	-84,427	-59,529
A. Commercial goods, raw materials and consumables	60	38,293	20,256
1. Purchasing	600/8	39,869	20,151
2. Inventory: decrease (increase)	609	-1,577	104
B. Services and various goods	61	18,930	15,138
C. Remuneration, social charges and pensions	62	18,194	17,366
D. Depreciation and amortisation of founding costs on intangible and tangible fixed assets	630	6,238	5,686
E. Increase in value of stocks, orders in progress and commercial receivables: additions (reversals)	631/4	180	118
F. Provision for liabilities and charges: additions (expenditures and reversals)	635/8	25	-130
G. Other operating costs	640/8	1,092	1,082
H. Operating costs capitalised as restructuring costs (-)	649		
I. Write-offs of positive consolidation differences	9960		
J. Non-recurring operating costs	66A	1,475	15
III. Operating profit (Loss) (+)(-)	70/64	3,134	748

	Codes	2021 in '000 €	2020 in '000 €
IV. Financial income	75/76B	497	406
Recurring financial income	75	497	406
Income from financial fixed assets	750		
Income from current assets	751	245	232
Other financial income	752/9	252	173
Non-recurring financial income	76B		
V. Financial costs	65/66B	-1,067	-2,157
Recurring financial costs	65	1,067	2,157
Debt Costs	650	397	508
Write-offs of consolidation differences	9961	328	1,188
Depreciations on current assets, other than mentioned under II.E (additions +, Then referred to under II.E (additions +, reversals -)	651		
Other financial costs	652/9	342	461
Non-recurring financial costs	66B		
VI. Profit (loss) of the fiscal year before tax	9903	2,563	-1,004
VII. A. Withdrawal from deferred taxation and tax latencies	780	76	444
B. Transfer to deferred taxation and the tax latencies	680		
VIII. Taxes on the results (+)(-)	67/77	-1,067	-362
A. Taxes (-)	670/3	-1,068	-383
B. Adjustment of taxes and recovery of provisions for taxes	77	1	21
IX. Profit (loss) of the financial year (+)(-)	9904	1,572	-922
X. Share in the result of companies to which the equity method is applied	9975	0	0
A. Resulting profits	99751		
B. Resulting losses	99651		
XI. Consolidated profit (loss)	9976/66	1,572	-922
A. Third-party share (+)(-)	99761	0	0
B. Group share (+)(-)	99762	1,571	-922



PROVIRON HOLDING NV

3. STATEMENT OF INTANGIBLE ASSETS

	Cost of research and development	Concessions, patents, licences, etc.	Goodwill	Advance payments
ACQUISITION VALUE				
At the end of the previous financial year	11,859	15,533	1,377	
Changes during the financial year:				
Acquisitions including the fixed assets produced				
Transfers and decommissioning (-)	-308	-751		
Transfers from one item to another (+)(-)	91	2,017		
Currency conversion differences (+)(-)	31			
Other changes				
At the end of the financial year	11,674	16,799	1,377	
DEPRECIATION AND WRITE-OFFS				
At the end of the previous financial year	9,138	6,264	1,377	
Changes during the financial year:				
Booked	1,509	2,258		
Withdrawn because surplus (-)				
Acquired from third parties				
Written off after transfer and decommissioning (-)	-308	-751		
Transferred from one item to another (+)(-)				
Currency conversion differences (+)(-)	31			
Other changes				
At the end of the financial year	10,370	7,771	1,377	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	1,304	9,028	0	

4. STATE OF THE TANGIBLE FIXED ASSETS

	Land and buildings	Installations, machinery and equipment	Furniture and rolling stock	Leasing and similar rights	Other tangible fixed assets	Assets under construction and advance payments
ACQUISITION VALUE						
At the end of the previous financial year	15,922	116,298	3,205	7,550	0	1,592
Changes during the financial year:						
Acquisitions including the fixed assets produced	343		43			4,891
Transfers and decommissioning (-)			-22			-590
Transfers from one item to another (+)(-)	103	2,135	124			-4,470
Currency conversion differences (+)(-)	135	210	9	6		2
Other changes						
At the end of the financial year	16,504	118,643	3,358	7,555	0	1,426
ADDED VALUES						
At the end of the previous financial year	14,189					
Changes during the financial year:						
Booked						
Acquired from third parties						
Depreciated (-)						
Transfers from one item to another (+)(-)						
Currency conversion differences (+)(-)						
Other changes						
At the end of the financial year	14,189					
DEPRECIATION AND WRITE-OFFS						
At the end of the previous financial year	9,662	98,878	2,935	7,287	0	0
Changes during the financial year:						
Booked	175	3,372	158	114		
Withdrawn because surplus (-)						
Acquired from third parties						
Written off after transfer and decommissioning (-)			-15			
Transferred from one item to another (+)(-)						
Currency conversion differences (+)(-)	79	175	9	6		
Other changes						
At the end of the financial year	9,915	102,426	3,086	7,406	0	0
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	20,778	16,217	272	149	0	1,426



PROVIRON HOLDING NV

5. CASH FLOWS FROM OPERATIONS, INVESTMENTS AND FINANCING

	2021
OPERATING GROSS PROFIT	
Consolidated profit (loss) after tax + non-cash costs	9,632
Debt Costs	397
OPERATING CASH FLOW AFTER TAX	10,029
CHANGES IN NET WORKING CAPITAL REQUIREMENT	
Current operating assets	-11,036
Short-term operating debt	5,786
Conversion differences for items other than fixed assets	185
TOTAL CHANGES IN OPERATING NET WORKING CAPITAL	-5,065
CASH FLOW FROM OPERATIONS	4,963
INVESTMENTS IN FIXED ASSETS AND CONSOLIDATED INVESTMENTS	
Start-up costs	
Intangible fixed assets	-2,108
Tangible fixed assets	-2,573
Financial fixed assets	
Receivables greater than one years	1,210
Consolidated shareholdings	
Capital losses on realisation of fixed assets	-8
NET CASH FLOW FROM INVESTMENTS	-3,479
FREE OPERATING CASH FLOW AFTER INVESTMENTS	1,484
FINANCING WITH FINANCIAL DEBT	
Debt Costs	-397
Financial debts	-1,913
Profit share to be paid from the group (-)	
Profit share to be paid from third-parties (-)	
Financing with provisions, deferred taxes and deferred tax liabilities	2
External capital excluding negative consolidation differences, exchange differences and capital subsidies	
Capital subsidies	
NET CASH FLOW FROM FINANCING	-2,308
NET CASH FLOW FROM OPERATIONS, INVESTMENTS AND FINANCING	-824
Start-up Cash (liquid assets and cash equivalents)	2,319
Final Cash (liquid assets + cash movements)	1,496
MOVEMENT IN CASH	-824

6. CONSOLIDATION DIFFERENCES

	Consolidation differences	
	Positive	Negative
NET BOOK VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR:	328	26
Changes during the financial year:		
As a result of an increase in the participation rate		
As a result of a decrease in the participation rate		
Write-offs	-328	
Differences recognised in result		
Other changes		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR:	0	26

Consolidation differences	Original	already depreciated	Status 31.12.2020	2021		Status 31.12.2021
				increase / decrease	depreciation	
As a result of the founding of Proviron NV						
positive goodwill	12,242	12,242	0			0
negative goodwill	-26		-26			-26
allocated goodwill to:						
Land	2,978		2,978			2,978
Buildings	3,948	3,948	0			0
As a result of the founding of Proviron Holding						
goodwill	14,020	13,692	328		328	0
Total	33,162	29,882	3,280	0	328	2,952

6. FINANCIAL LIABILITIES (with an initial maturity of more than 1 year)

	FINANCIAL DEBTS WITH A MATURITY OF		
	no more than 1 year	more than 1 year, but not more than 5 years	more than 5 years
1. Subordinated loans			
2. Non-subordinated bond loans			
3. Leasing debts and similar	93	57	
4. Credit institutions	2,886	5,670	
5. Other loans		300	
Total financial debts	2,979	6,028	0





THE BOARD OF DIRECTORS

Chairman

Leo Michiels

Directors

Mark Michiels
Managing Director

Wim Michiels
Managing Director

Non-executive directors

Batiline BV, with permanent representative
Carl van Camp

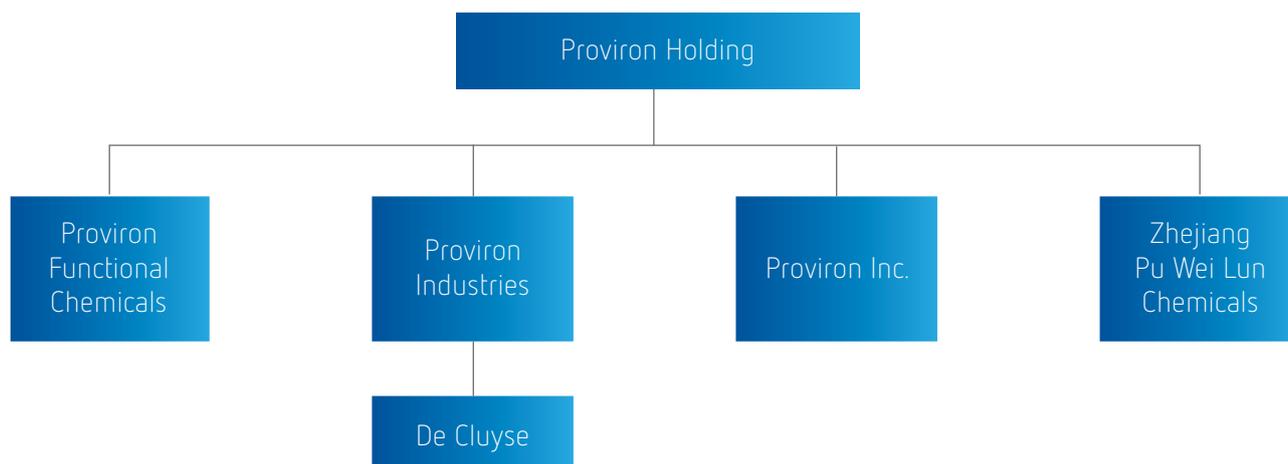
The Dewi Corp BV, with permanent representative
Dewi Van De Vyver

IMbox BV, with permanent representative
Saïd El Majdoub

Commissioner

CVBA BDO, Auditors,
represented by Veerle Catry

ORGANISATION CHART PROVIRON SHAREHOLDERS



THE EXECUTIVE COMMITTEE

Financial

Serge Maes

Commercial

Vanessa Doms

Development

José Vanheule

Chairman

Wim Michiels

Operations

Hemiksem

Mark Michiels

Operations

Ostend

Dieter Ulrichs





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