

HOLLAND COLOURS HALF YEAR RESULTS 2022/2023

- Revenues at EUR 62.9 million against EUR 54.7 million previous year, an increase of 15%, of which 8% was due to a favorable translation from USD to EUR;
- Operating result amounts to EUR 5.3 million versus EUR 7.9 million previous year;
- Net result of EUR 4.1 million versus EUR 6.1 million prior year resulting in net earnings per share of EUR 4.75 versus EUR 6.99 prior year.

The EMEIA division saw a fractional decrease of revenue. Due to customer inventory destocking and lower market demand in markets Building & Construction and Coatings, Sealants & Adhesives, volumes were down. This effect was largely compensated by sales price increases. Revenue growth in Asia in functional currency was mainly the result of increased sales prices. The revenue of division Americas in functional currency increased due to higher volumes in Q1 and higher sales prices.

The direct contribution margin for the Group was EUR 26.8 million, an increase of EUR 0.8 million compared to the same period last year. The margin as a percentage of revenue ended at 43%, versus 48% in the previous year. The drop is largely explained by an increased difficulty to pass on continued and sharply rising raw material prices, timely and in full to our end markets. The net revaluation of inventories (EUR 0.5 million) favorably impacted the margin with 1% point.

Operating expenses were EUR 21.5 million, up by EUR 3.4 million (19%) from the previous year, primarily due to higher labor-, energy-, consulting-, travel costs and unfavorable exchange rate differences. The increase is to a large extent related to the Groups' ongoing program of process optimizations and IT upgrades.

The operating result was EUR 5.3 million, versus EUR 7.9 million for the previous year. The net result was EUR 4.1 million (EUR 4.75 per share) versus EUR 6.1 million in the previous year (EUR 6.99 per share).

Net cash flow was negative at EUR 4.9 million versus a negative cashflow of EUR 1.9 million last year. The negative net cash flow was a result of unfavorable development in the cash flow from operating activities and from financing activities. These were partially compensated by translation differences in Cash and Cash Equivalents.

The lower cash flow from operating activities is mainly explained by an increase in working capital. The higher working capital is a result of higher inventory because of higher raw material prices and higher stock positions to avoid supply disruptions. The lower cash flow from financing activities is caused by expenditures in fixed assets, such as new machines.

OUTLOOK 2022/2023

The situation in Ukraine and the current global economic climate contribute to a high level of uncertainty related to market developments. In line with previous years, Holland Colours refrains from making forward-looking statements.

Apeldoorn, October 21st, 2022

Board of Management

Coen Vinke
Eelco van Hamersveld
Geert Rutgers

Key Figures

| | April 1, 2022/ September 30, 2022 | April 1, 2021/ September 30, 2021 |
|---|--------------------------------------|--------------------------------------|
| RESULTS (in millions of euros) | | |
| Revenue | 62,9 | 54,7 |
| Revenue growth versus comparable period | 15,0 | 12,7 |
| Operating result | 5,3 | 7,9 |
| Net result | 4,1 | 6,0 |
| CASH FLOW (in millions of euros) | | |
| Net cash flow | (4,9) | (1,9) |
| Investments | 2,7 | 1,4 |
| Depreciations | (1,5) | 1,4 |
| BALANCE SHEET (in millions of euros) | | |
| Trade working capital ¹ | 25,7 | 23,1 |
| Invested capital | 49,6 | 38,5 |
| Shareholders equity (excl. Minority interest) | 60,4 | 50,0 |
| Balance-sheet total | 78,9 | 70,2 |
| RATIOS | | |
| Return on Sales (ROS) (%) | 8,4 | 14,4 |
| Solvency ² (%) | 76,5 | 74,4 |
| Return on invested capital ³ (ROI) (%) | 22,2 | 36,5 |
| Working capital (%) | 21,6 | 22,4 |
| FIGURES PER SHARE (In euros) | | |
| Total net result | 4,8 | 6,99 |
| Growth of earnings per share (%) | (32,0) | 34,4 |
| Equity (excl. Minority interest) | 70,2 | 58,12 |
| Closing price | 123,0 | 153,50 |
| OTHER DATA | | |
| Number of outstanding shares | 860.351 | 860.351 |
| Average number of employees (fte's) | 464 | 431 |

Unaudited

Condensed interim consolidated Income Statement

| In thousands of EUR | April 1, 2022/ September 30, 2022 | April 1, 2021/ September 30, 2021 |
|--|--------------------------------------|--------------------------------------|
| | | |
| Revenue | 62.921 | 54.709 |
| Cost of Materials | (36.113) | (28.698) |
| Direct Contribution Margin | 26.808 | 26.011 |
| Personnel Expenses | (12.112) | (10.772) |
| Amortization and Impairments | (43) | (44) |
| Depreciation and Impairments | (1.454) | (1.398) |
| Other Operating Expenses | (7.895) | (5.923) |
| Total Operating Expenses | (21.504) | (18.136) |
| Operating Result | 5.304 | 7.875 |
| Finance Income | 68 | 50 |
| Finance Expense | (106) | (86) |
| Finance Income and Expense | (38) | (36) |
| Result before Income Tax | 5.266 | 7.839 |
| Income Tax | (1.176) | (1.789) |
| Net Result | 4.090 | 6.050 |
| Attributable to: | | |
| ▪ Shareholders of the Company | 4.090 | 6.016 |
| ▪ Non-controlling interest | - | 34 |
| | <u>4.090</u> | <u>6.050</u> |
| Earnings per share in euros | | |
| Average number of shares issued | 860.351 | 860.351 |
| Earnings per Share from Continued Operations | 4,75 | 6,99 |
| Earnings per Share from Total Net Result | 4,75 | 6,99 |

Unaudited

Condensed interim consolidated Statement of Comprehensive Income

| In thousands of euros | April 1, 2022/ September 30, 2022 | April 1, 2021/ September 30, 2021 |
|--|--------------------------------------|--------------------------------------|
| Net Result | 4.090 | 6.050 |
| Items that will not be reclassified to the Income Statement | | |
| Actuarial result on Employee Benefits, after Tax | - | |
| Other comprehensive income that could in future be classified to the income statement | | |
| Foreign Currency Translation Differences | 4.044 | 306 |
| Other Comprehensive Income and Expenses | 4.044 | 306 |
| Total Comprehensive Income after Expenses | 8.135 | 6.356 |
| Attributable: | | |
| Shareholders of the Company | 8.135 | 6.322 |
| Non-controlling Interest | - | 34 |
| | 8.135 | 6.356 |

Unaudited

Condensed interim consolidated Balance Sheet

| In thousands of EUR | April 1, 2022/ September 30, 2022 | April 1, 2021/ September 30, 2021 |
|--|--------------------------------------|--------------------------------------|
| Non-Current Assets | | |
| Intangible Assets | 25 | 112 |
| Property, Plant and Equipment | 23.336 | 19.765 |
| Right-of-Use Assets | 970 | 1.481 |
| Deferred Tax Assets | 1.526 | 456 |
| Long-Term Receivables | - | 60 |
| | 25.857 | 21.874 |
| Current Assets | | |
| Inventory | 21.677 | 16.411 |
| Trade and Other Receivables | 18.335 | 18.555 |
| Income Tax Receivables | 1.001 | 363 |
| Cash and Cash Equivalents | 12.029 | 13.004 |
| | 53.042 | 48.332 |
| Total Assets | 78.899 | 70.206 |
| Equity | | |
| Share Capital | 1.953 | 1.953 |
| Share Premium Reserve | 1.219 | 1.219 |
| Other Reserves | 4.027 | (1.327) |
| Retained Earnings | 53.181 | 50.003 |
| Equity Attributable to Shareholders of the Company | 60.380 | 51.848 |
| Non-Controlling Interest | - | 375 |
| Total Equity | 60.380 | 52.223 |
| Non-Current Liabilities | | |
| Long-Term Debt | - | - |
| Lease Liabilities | 457 | 917 |
| Employee Benefit Obligations | 1.138 | 1.029 |
| Deferred Tax Liabilities | 272 | 33 |
| | 1.867 | 1.979 |
| Current Liabilities | | |
| Lease Liabilities | 406 | 483 |
| Trade and Other Liabilities | 14.348 | 14.443 |
| Income Tax Liabilities | 1.810 | 995 |
| Employee Benefit Obligations | 88 | 84 |
| | 16.652 | 16.005 |
| Total Equity and Liabilities | 78.899 | 70.206 |

Unaudited

Condensed interim consolidated Statement of Changes in Equity

| In thousands of EUR | Equity attributable to Shareholders of the Company | | | | | | Controlling Interest | Total Equity |
|--|--|-----------------|------------------|----------------|-------------------|---------|----------------------|--------------|
| | Share Capital | Premium Reserve | Currency Reserve | Legal Reserves | Retained Earnings | Total | | |
| As at March 31, 2021 | 1.953 | 1.219 | (1.399) | (234) | 48.719 | 50.258 | 341 | 50.599 |
| Net result 1st half year 2021/2022 | - | - | - | - | 6.016 | 6.016 | 34 | 6.050 |
| Other Comprehensive Income | - | - | 306 | - | - | 306 | - | 306 |
| Total Comprehensive Income | 1.953 | 1.219 | (1.093) | (234) | 54.735 | 56.580 | 375 | 56.955 |
| Transfer of Reserve for Intangible Assets | - | - | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | (4.732) | (4.732) | - | (4.732) |
| As at September 30, 2021 | 1.953 | 1.219 | (1.093) | (234) | 50.003 | 51.848 | 375 | 52.223 |
| Net result 2nd half year 2021/2022 | - | - | - | - | 4.163 | 4.163 | 30 | 4.193 |
| Other Comprehensive Income | - | - | 1.237 | - | 82 | 1.319 | 15 | 1.334 |
| Total Comprehensive Income | - | - | 1.237 | - | 4.245 | 5.482 | 45 | 5.527 |
| Transfer of Reserve for Intangible Assets | - | - | - | 72 | (72) | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | - |
| As at March 31, 2022 | 1.953 | 1.219 | 145 | (162) | 54.176 | 57.330 | 420 | 57.750 |
| Net Result for the 1st half year 2022/2023 | - | - | - | - | 4.090 | 4.090 | - | 4.090 |
| Other Comprehensive Income | - | - | 4.044 | - | - | 4.044 | - | 4.044 |
| Buy out of minority shareholder | - | - | - | - | - | - | (420) | (420) |
| Total Comprehensive Income | - | - | 4.044 | - | 4.090 | 8.135 | (420) | 7.715 |
| Transfer of Reserve for Intangible Assets | - | - | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | (5.085) | (5.085) | - | (5.085) |
| As at September 30, 2022 | 1.953 | 1.219 | 4.189 | (162) | 53.181 | 60.380 | - | 60.380 |

Unaudited

Condensed interim consolidated Statement of Cash Flows

| In thousands of euros | April 1, 2022/ September 30, 2022 | April 1, 2021/ September 30, 2021 |
|--|--------------------------------------|--------------------------------------|
| Operating Result | 5,304 | 7,875 |
| Adjustments for: | | |
| Amortisation of Intangible Assets and Impairments | 43 | 44 |
| Depreciation of Property, Plant and Equipment and Impairments | 1,207 | 1,398 |
| Depreciation of Right-of-Use Assets | 247 | |
| IFRS 16: reversal of lease costs | (266) | |
| Changes in Provisions | (51) | (70) |
| Exchange-rate Differences | (439) | (353) |
| Cash Flow from Operating Activities before Changes in Working Capital, Tax and Interest | 6,045 | 8,894 |
| Changes in Working Capital | (2,684) | (3,882) |
| Income Tax Paid | (1,759) | (689) |
| Interest Received | - | 0 |
| Interest Paid | (6) | (11) |
| Cash Flow from Operating Activities | 1,596 | 4,312 |
| Capital Expenditures in Intangible Assets | (2,666) | (1,445) |
| Disposal of Property, Plant and Equipment | - | - |
| Capital Expenditures in Property, Plant and Equipment | - | - |
| Cash Flow from Investment Activities | (2,666) | (1,445) |
| Dividends Paid | (5,085) | (4,732) |
| Cash Flow from Financing Activities | (5,085) | (4,732) |
| Exchange-rate and Translation Differences on Cash and Cash Equivalents | 1,225 | (7) |
| Net Cash Flow | (4,930) | (1,873) |
| Cash and Cash Equivalents as at April 1 | 16,959 | 14,877 |
| Cash and Cash Equivalents as at September 30 | 12,029 | 13,004 |
| Net Cash Flow | (4,930) | (1,873) |

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Segment Information for the first half year of 2022/2023

| Segments (first half year of 2022/2023) | EMEIA | Americas | Asia | Adjustments and Other eliminations | | Total |
|---|--------|----------|--------|------------------------------------|----------|---------|
| Revenue | 29.217 | 25.239 | 8.465 | - | - | 62.921 |
| Inter segmental transactions | 771 | 14 | - | - | (785) | - |
| Revenue Including Intersegmental Transactions | 29.988 | 25.253 | 8.465 | - | - | 63.706 |
| Depreciation, Amortisation and Impairments | (813) | (498) | (219) | (95) | 127 | (1.497) |
| Operating Result | 818 | 2.629 | 1.107 | 4.145 | (3.395) | 5.304 |
| Financial Income | 1 | 6 | 8 | 53 | - | 68 |
| Financial Expense | (65) | (5) | (7) | (29) | - | (106) |
| Tax | - | - | - | - | (1.176) | (1.176) |
| Net Result | - | - | - | - | 4.090 | 4.090 |
| Non-current Assets | 12.926 | 7.080 | 3.326 | 65.553 | (63.028) | 25.857 |
| Current Assets | 25.271 | 23.246 | 11.255 | 4.193 | (10.923) | 53.042 |
| Liabilities | 17.269 | 6.425 | 2.381 | 9.457 | (17.012) | 18.520 |
| Total Investments | 2.265 | 229 | 158 | 14 | (0) | 2.666 |
| Average Number of Employees (in FTE) | 204 | 102 | 137 | 22 | - | 464 |

Segment Information for the first half year of 2021/2022

| Segments (first half year of 2021/2022) | EMEIA | Americas | Asia | Adjustments and Other eliminations | | Total |
|---|--------|----------|--------|------------------------------------|----------|---------|
| Revenue | 29.534 | 18.401 | 6.774 | - | - | 54.709 |
| Inter segmental transactions | 590 | 29 | - | - | (619) | - |
| Revenue Including Intersegmental Transactions | 30.124 | 18.430 | 6.774 | - | (619) | 54.709 |
| Depreciation, Amortisation and Impairments | (626) | (350) | (170) | (125) | (170) | (1.442) |
| Operating Result | 3.673 | 2.029 | 984 | 1.189 | - | 7.875 |
| Financial Income | 2 | 4 | 9 | 35 | - | 50 |
| Financial Expense | (37) | - | (4) | (25) | (20) | (86) |
| Tax | - | - | - | - | (1.789) | (1.789) |
| Net Result | - | - | - | - | 6.050 | 6.050 |
| Assets | 37.311 | 22.901 | 12.525 | 59.559 | (62.089) | 70.207 |
| Liabilities | 18.319 | 4.457 | 2.603 | 7.397 | (14.792) | 17.984 |
| Total Investments | 953 | 271 | 163 | 58 | - | 1.445 |
| Average Number of Employees (in FTE) | 204 | 98 | 111 | 18 | - | 431 |

Unaudited

NOTES

Basis of preparation

The interim financial information regarding the period ending September 30, 2022 has been prepared in accordance with the principles for consolidation and financial reporting, as described in the annual report of Holland Colours NV for the fiscal year 2021/2022 and do not include all the information and disclosures required for the annual financial statements. Accordingly, they should be read in conjunction with the financial statements for the year ended March 31, 2022, which have been prepared in accordance with IFRS EU.

Audit

No audit nor review was performed on the information presented in this half year report.

COMPANY PROFILE

Holland Colours develops and manufactures groundbreaking solid and liquid color concentrates, masterbatches, and additive concentrates for rigid and flexible PVC for the building and construction industry, and for the production of PET and polyolefin-based packaging. We also produce color concentrates for use in coatings, sealants & adhesives and other applications.

As a company, we set out to deliver customer peace of mind through superior product performance, world-leading product stewardship, and outstanding technical service. Our experts co-design color and functional solutions with our customers, develop solutions to support recycling, and actively contribute to creating a more sustainable industry overall.

Holland Colours is a Dutch company, founded in 1979 and listed on the Euronext Amsterdam Stock Exchange. With committed employee shareholders and production locations in the Americas, Europe, and Asia, we serve customers in every continent. To find out more, visit us at hollandcolours.com.

KEY DATES *(indicative)*

| | |
|---------------|---|
| June 1, 2023 | Publication of 2022/2023 financial statements |
| July 13, 2022 | Annual General Meeting of Shareholders |

Holland Colours NV

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