



2023 / ANNUAL REPORT



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INTENSE INVESTMENTS TO SERVE NEW MARKETS

For Proviron, 2023 was a year of growth and investment, with innovation, sustainability and business expansion leading the way. With a focus on various market segments and the development of new production lines, we laid a solid foundation for further growth in the coming years.

“We were able to invest at a strategic moment and we are already harvesting benefits from that.”

Leo Michiels
/ chairman

Greatest investment year to date

Last year, we invested in two major plants, which are essential to supply new markets. First, in cooperation with our customer, a new production unit in Ostend was launched that makes raw materials for green tires. This step marked not only a milestone in the cooperation, but also in our overall strategy to develop products and processes that contribute to a sustainable environment. The second installation is a salts plant with an automated filling and stacking system in Hemiksem for our Animal Health division. This new line enables us to meet increasing customer requests for organic acids in solid form. Given that the vast majority of our range consists of liquids, it is an exceptional installation for us.

Besides these major investments, many other projects and initiatives were also carried out last year. For example, we invested in the renovation of the offices in Hemiksem and the electrification of the vehicle fleet with corresponding charging stations. On top of that, it was also an exceptional year in terms of daily operational investments, both in Hemiksem and in Ostend.

With united strength

Once again, the Proviron team in 2023 delivered their very best. On the one hand, there was good prospecting and sales. For example, an extensive campaign was done for our de-icers in Eastern Europe, resulting in an absolute record year for Provifrost. On the other hand, we have to remember that those growing volumes were also produced and delivered, despite the challenges in terms of the raw material market and logistics. It makes us proud to see how Proviron’s core values, such as impeccable delivery and customer service, were once again upheld by our production team and logistics department. The team’s determination reflects Proviron’s commitment to quality and reliability. We are therefore incredibly grateful to our employees for this achievement.

An excellent outcome

Overall, we achieved better results than the previous year, despite the challenges faced in the chemical sector in Europe. We understand the importance of investing during less favorable economic times, and the proceeds from the sale of land in 2022 allowed us to fulfil this. We invested more than we earned in 2023 and we are already harvesting the benefits from that.



EXPANSION AND INNOVATION FOR A SUSTAINABLE FUTURE



“With diversification and innovation embedded in our DNA, we are well positioned to continue to grow our business.”

Wim Michiels
/ managing director

After a successful 2023, Proviron is now focusing on the future and the challenges and opportunities that 2024 brings. Important steps are being taken in terms of product development and we are exploring expansion opportunities in the US.

A new green plasticizer

There is a constant focus on product development in all our businesses, but the new plasticizer based on bio-based raw materials is definitely an innovation that stands out. The research was done in partnership with a customer who, like us, is committed to environmentally friendly alternatives. Proviplast's green PVC plasticizer is a promising product that has a place in several markets. We therefore expect significant growth in the coming year.

Active agents from microalgae

Another notable development is in microalgae. There, after thorough market research, it was decided to focus on new sectors, in particular the cosmetics and nutraceuticals market. In essence, we will capitalise on the antioxidants naturally produced by the algae. This calculated new direction starts from the already developed microalgae production technology, which will be split off from Proviron this year and will continue under a different name.

International ambitions

On the global stage, Proviron continues to pursue expansion. We invested in a larger sales team in the United States, a strategic choice aimed to double the capacity of our American plant. In time, we want to replicate the fully automated production process of Heat Transfer Fluids in Hemiksem over there. At Provifrost, additional efforts will be made to prospect in Central Asia this year, a region with generally cold winters. Animal Health is also putting extra effort into the Asian market in the coming period, where we are standing strong with Proviplast as well, despite geopolitical challenges.

Striving for sustainability

With diversification and innovation embedded in our DNA, we are well positioned to continue to grow our business. We maintain our commitment to safe products that are not harmful to humans and the environment and want to contribute to a circular economy by focusing even more on upcycling. Sustainability remains a top priority for Proviron, with us striving for 24/7 available, affordable and climate-neutral energy. Digitalization and automation also play a crucial role in the organisation's future plans to enable efficient and flexible production. We are determined to continue building a long-term stable and sustainable Proviron, ecologically, socially and financially.





A YEAR OF COMMERCIAL SUCCESSES



“We want to continue greening the business and make an entry into new markets with our proven success formula.”

David Carbonez
/ business manager provifrost®

In 2023, Provifrost experienced a remarkable period of growth and success. Through intensive commercial campaigns focused on personal contact and improved logistics support, our customer portfolio expanded significantly. With a focus on sustainability, Provifrost positioned itself as a key player in the de-icing industry.

Client portfolio expansion

In 2023, Provifrost launched its most intensive commercial campaign to date, with remarkable results. Highlights included winning several tenders and several large contracts in Europe such as successfully extending the framework contract with Schiphol Airport and winning several large contracts elsewhere in Eastern Europe. A major milestone was the expansion of our aircraft de-icers to Central Asia, where we made deliveries to CIS countries for the first time. An important aspect for our customers were the strategic stocks that we build or reduce dynamically depending on the weather during the winter to offer more supply security and faster delivery times. In addition, customers can now also opt for sustainable de-icers which was generally well received. The challenges of 2030 and 2050 under the Green Deal are a delicate matter for airports and companies affiliated with aviation.

A successful year

A successful year. With winter approaching, we have been able to benefit from our tailor-made proposals based on personal input obtained through individual contracts. In addition, we have an excellent supply chain with stock in several locations across Europe, which is why many airports have chosen us as their supplier. As an example, in countries such as Italy and Ireland, we now supply de-icing fluids for basically the entire country. Our activities in both aircraft and runway de-icing have earned us greater recognition and confidence, leading to successful collaborations with Proviron. All these factors, together with favourable weather conditions in the fourth quarter, led to our best year ever. The commercial efforts delivered immediate results and translated into great numbers.

Sustainable de-icing

Besides the importance of personal contact and trust, the sustainability of our products also contributes to our leading position. Our bio-based de-icers are produced via sustainable processes, which means they have a lower environmental impact. In this way, Proviron offers customers the opportunity to reduce their carbon footprint.

STEADY GROWTH AND INTERNATIONAL AMBITIONS

As a relatively young player, we still have a lot of growth potential in terms of market share. We leverage this by offering both good products and good service and expanding our business in the US. We therefore managed to end 2023 with good numbers.

Market rebound and organic growth

2023 started quietly but from the second half of the year we saw an increase in demand which allowed us to end the year on a positive note. The aftermath of the COVID period gradually faded away and the market recovered well last year. A stabilisation of the raw materials market after several difficult years, contributed positively to our growth.

Another factor that positively influenced our result was organic growth as a direct consequence of the European Green Deal. This is accompanied by stricter product requirements, which regularly forces the market to look for alternatives. Our glycol products thereby come into the spotlight as substitutes for F-gases. Increasing sales of glycol products are gradually becoming a constant in our business and an important pillar of our growth.

Start of sales in the US

During the past year, we have taken important steps to launch our sales activities in the United States. We mapped out the market, secured the first customers and an American colleague has been strengthening our team there since this summer. The efforts also paid off: since the beginning of this year, we have also been effectively selling volumes in the States. In time we want to duplicate Hemiksem's fully automatic production and filling process in the US. 'Made in America' is still an important concept, which is why we aim to produce locally. Despite strong competition in the US, we are convinced that our price and flexibility give us an important advantage. We therefore prospect extensively and participate in various trade fairs to increase our brand awareness.

Outlook 2024

We expect to continue in an upward trend, supported by the Green Deal. We continue to pursue market share in the US and have expanded our team of sales managers to increase prospecting, with a focus on growing markets such as sprinkler systems and geothermal applications. With ambition to expand our reach internationally, we optimistically look forward to what the future holds for Proviflow.



"We have been effectively selling volumes in the States since the beginning of this year."

Gregory Jansseune
/ business manager proviflow®



GROWTH IN THE US AND GREAT PROSPECTS FOR THE FUTURE

2023 was a year of both challenges and growth for tolling. Despite rising energy costs and difficulties in the chemical sector, we determinedly achieved a great result. Plus, all cards are in good position for further growth in the coming years.

Great result despite difficulties

The past year was marked by rising energy costs and challenges in the chemical sector. Our customers had less available budget, and although there were fewer new project requests in Europe, we managed to meet the budgeted volumes. The fact that we eventually exceeded our budget was mainly due to our growing activities in the United States and the successful recycling of brake fluids.

Expanding markets

In the US, we are currently running at full capacity. By participating in various US trade shows, we have strengthened our network locally, which immediately resulted in a wider customer portfolio in 2023. We are currently exploring expansion opportunities so that we can continue to meet increasing demand in the future. In addition, we note steady growth in the volume of brake fluid recycling, an important aspect of our business. This positive trend is expected to continue as European regulations and a growing culture of sustainability encourage brake fluid recycling.

Launching a new unit

A notable project last year was the realization of a new production unit for components for green car tires. These innovative tires, primarily intended for electric vehicles, promise significant growth in the coming years. A key element of support for this is European legislation, which encourages our efforts towards sustainable mobility. The launch of this unit went particularly well, thanks to close cooperation between various teams. The commercial launch is gradually gaining momentum. After all, it is common among tire manufacturers to launch new products gradually. Nevertheless, the successful delivery of the first campaign in the fourth quarter of 2023 was a highlight for tolling.

Focus on expansion

Our outlook for the near future is optimistic, with expected growth in brake fluid recycling and the launch of new projects in the United States. We also see progressive growth in the green car tires market, while we expect stability in volumes for the polyurethane business. Given rising energy and labour costs in Europe, expansion in the United States seems a logical step in our commercial strategy. Simultaneously, the emerging electric mobility market offers a promising future for our operations on the European continent.



“The launch of the new unit for the production of components for green car tires was the highlight of 2023 for tolling.”

Ief Proost
/ business manager tolling



COMPETING AMBITIOUSLY AND CUSTOMER-FOCUSED



“We continue to stand out thanks to quick response times and outstanding customer service.”

Perry Walters
/ business manager provichem®

Due to competition outside Europe, growth for 2023 was lower than anticipated, but thanks to our quality and service, customers continue to depend on us.

Strong competition

Last year, we saw commodity prices stabilize, which meant we did not have to constantly respond quickly in terms of pricing. After the 2022 dynamic pricing, where prices were adjusted regularly to reflect fluctuating costs, last year we were able to establish a pricing structure covering extended periods, resulting in more manageable administration.

On the other hand, we faced strong competition from outside Europe, especially in terms of the thermal paper industry. This has everything to do with high costs, for example energy and personnel costs, which have an impact on product prices. We therefore continue to emphasise the competitive value of European companies at European level.

Ambitious and customer- focused

Provichem, however, remains resolutely distinguished by focusing on fast response times and excellence in customer service. This commitment to efficient logistics and top quality is appreciated by our customers, who continue to find us in the midst of competitive market conditions.

Overall, it was a challenging year for the chemical sector and we were also unable to fully meet all the targets for 2023. But being present in several markets, we are quite robust. So we remain ambitious and optimistic: we recently invested in more storage capacity to handle larger volumes, in addition to being even more flexible towards our customers.

We also feel optimistic about the growth in the biobuffers market. This is still an important market for us in which we can now supply some new customers. So we still see a lot of growth potential here in the coming years.

Transition period

With the arrival of a new business manager in April, Provichem is currently in a period of transition. We look forward to continuing our customer- focused approach and further developing our strategy under new leadership. The recent investment in additional capacity supports our aim to unburden the customer and deliver high-quality, sustainable products.

INCREASING DEMAND DESPITE FIERCE COMPETITION

Reflecting on last year's achievements and challenges, 2023 was a year of stability and competition, but also a year of strategic growth and innovation. We believe in a greener future of plasticizers and have high expectations from the investment in our new biobased production plant.

Stability and progress

Looking back, 2023 surpassed 2022 in all respects and in all regions. It was a very stable year compared to previous years. Despite volatility in commodity and energy prices, we had no major bumps, our trajectory remained firm. Overall, volumes of our products sold in the EU and the US increased due to a combination of increased demand from existing customers and recruitment of new customers.

Product challenges and successes

Looking at our product portfolio, we saw a number of notable trends. The transition within the automotive sector to electric vehicles posed a potential threat to the demand for our nylon plasticizer, traditionally used in conventional cars and trucks. However, 2023 confirmed that there is a solid position for our nylon plasticizers in electric vehicles as well, providing stability and even growth in volumes. At the same time, increased competition forced us to make strategic adjustments with regard to our citrate plasticizers. We had to streamline our production, focusing mainly on discontinuing ATBC due to declining competitiveness. On the other hand, our new range of bio-based PVC plasticizers (Proviplast 27XX) looks promising, to say the least. This product is the result of a joint development with a customer who, like us, believes in the future of green alternatives. This plasticizer is bio-based (less carbon footprint), phthalate-free and highly efficient. Therefore, we believe it is more than capable of competing with traditional plasticizers.

Global market dynamic

The ongoing growth in sales that we have seen in recent years in various global regions, such as the Middle East, was reaffirmed in 2023. We successfully acquired new customers and benefited from a more accessible market. However, our operations in China faced strong competition for nylon plasticizer. Despite the fact that our European cost structure was constantly challenged by cheaper local raw materials, our commitment to quality and reliability allowed us to maintain sales volumes in this competitive landscape. An excellent example of how our corporate values have anchored our position in Asia.

Pioneering a greener future

This year marks an important moment for the launch of our bio-based plasticizer. We are confident that volumes will increase significantly in the second half of 2024. Operationally, all systems are ready for the expansion of this green solution. The European market, motivated by the EU Green Deal, shows a growing demand for sustainable alternatives. It is the continuously growing customer demand that convinced us to invest in this product in the first place. So we eagerly look forward to the promising future of this innovation.



“We see a bright future for our new bio-based PVC plasticizer in the European market.”

Sonny Huot
/ sales manager proviplast®





A NEW ERA FOR MICROALGAE

It was a defining year for microalgae in which we thoroughly examined the market and worked out a new strategy. It was decided to position ourselves on a new market with a new ingredient: astaxanthin, the strongest antioxidant in the world and produced in microalgae.

New markets

After a decade of mainly focusing on aquaculture, we noticed a growing interest from the cosmetics industry, although we were not actively prospecting there. Based on this experience, we decided to involve an expert to explore opportunities in other market segments, focusing specifically on cosmetics and nutraceuticals (food supplements with health benefits).

The emergence of astaxanthin

Until recently, we operated mainly as a 'whole cell' microalgae business, producing, freeze-drying and selling microalgae in its entirety. However, the aquaculture market is developing too slowly, compelling us to stop this activity. Our market analysis thankfully revealed new opportunities in active substance extraction. With the ambition to create a scalable business, we took steps to extract active molecules, focusing on astaxanthin. This powerful antioxidant, which is seeing growing demand worldwide, offers promising prospects. Both market research as well as visits to trade shows such as FI Europe, Vitafoods and Cosmoprof, confirmed the potential growth tendency for this active ingredient. The technology, we already have. In fact, we have a competitive advantage because of a unique, patented technology. Since light penetration is the key parameter for the efficient growth of these microalgae, we believe we can produce astaxanthin more efficiently than the other players in the market.

On a fast track

In September, we stepped up the pace: we strengthened our team, conducted extensive laboratory-scale testing and finalized a standards-compliant product. By the end of the year, we managed to optimize our microalgae production, making us ready to participate in this booming market. Our approach will be market-oriented and collaborative. We aim to become an 'enabler' for our future customers who want European quality at all costs.

In 2024, we will launch a new company focused on the cosmetics and nutraceuticals industry. We are convinced that a promising market awaits us and are now investing significantly in this direction. We are currently busy producing our first batch, with the aim of achieving our first commercial applications in the summer of 2024.



"In 2024, we will launch a new company focused on the cosmetics and nutraceuticals industry."

Mark Michiels
/ microalgae



STEADY PROGRESS DESPITE MANY CHALLENGES



“By including butyrate salts in our product range, we have now become a one-stop shop for butyric acid products.”

Patrick Schotte
/ business manager animal health

Mildly positive despite the circumstantial challenges; this is how we can summarize 2023 for the Animal Health division. Commitment to quality and geographical expansion ensured status quo within our traditional product lines, despite market dynamics. The introduction of the new butyrate salts was delayed for a few months due to technical challenges, but these obstacles have also been overcome by now.

Navigating a turbulent market

We managed to keep the numbers of our traditional products stable, but this was not an easy task. Commodity prices decreased only slowly to pre-Russian-Ukrainian conflict levels. And falling meat prices meant livestock farmers had fewer resources to invest in feed additives. Add to this the fact that cheaper Chinese and Indian products are increasingly prominent in the markets and you get the picture: negotiations are taking place at cutting edge.

Geographic expansion

The fact that we were still able to end 2023 on a positive note is mainly due to being able to boost sales volumes. For instance, we focused on the Asian market, supported by a new colleague taking care of sales in Asia from Ho Chi Minh city. The response we experienced at the trade fair in Bangkok (VIV-Asia), where our products and organisation generated a lot of interest, confirmed our growth strategy in this region. In March, we will attend another trade fair in Bangkok (Nutrition & Health Asia) to raise international awareness of our products.

Launch of new line of products

Meanwhile, the technical issues have also been smoothed out regarding the launch of the butyrate salts line. We have been producing commercial quantities since quarter one of this year. This form of butyric acid is popular in many countries. So the prospects for sales of these new salts are favorable. By introducing these products into our range, we now become a one-stop shop, so to speak, for butyric acid products.

Positioning on the international stage

Later this year, we will be at a congress in the Philippines, presenting the results of a research project. This congress attracts a significant number of visitors from all over the world. So the ideal opportunity to demonstrate to both the Asian and European markets that our product is effective. Finally, in November, our butyrate salts will be highlighted - alongside our other products, of course - at EuroTier in Hanover, a leading international trade fair for the animal production industry. So in 2024, we will be fully profiled as the supplier of choice for animal feed additives, within and outside Europe.



SUCCESSFUL AUDITS AND A MEDAL FOR SUSTAINABILITY



“In audits, we received high praise for our thorough and structured way of working.”

Petra Haezebrouck
/ quality manager

With a whole range of audits scheduled, it was a busy year for the quality department. The audits were all successful. Our thorough approach resulted in a decreasing number of complaints.

Audits

A few months back, an extensive ISO audit took place for the renewal of our certificate. With only one minor observation, the auditor recognized that we are maintaining the high level of previous years. Positive observations highlighted, among other things, our structured approach to the implementation of the new ERP system, the in-depth cause analysis on customer complaints and the commitment to staff training. Ostend received compliments from the auditors for the smooth and safe start-up of the new Unit 1000. In Hemiksem, the commitment of the managers and the project-based approach to the new salt plant was praised.

We also went through a follow-up audit for our Feed Chain Alliance certificate for the Animal Health and Microalgae divisions. No major observations were made there either. However, we will work on expanding the HACCP (Hazard Analysis and Critical Control Points, a risk inventory for food products). For our finished products, both in Ostend and in Hemiksem. The salt plant, for instance, only started up properly at the beginning of this year, which means we can now finalize the HACCP.

We also went into the field ourselves, both nationally and internationally, for two audits of suppliers. These were definitely positive, no major issues were identified. In June, we will again audit two suppliers.

Customer satisfaction

In terms of customer audits, we also had a good run with excellent results at both sites. Where necessary, procedures were adapted and action plans were drawn up for the improvement points made. Overall, we received high praise for our thorough and structured way of working - something we should be proud of as an organization.

This also translates into a significant drop in the number of customer complaints. In 2023, we received 11 and 13 complaints respectively in Ostend and Hemiksem, almost a reduction by 50% compared to 2022. On late delivery, for example, we did not receive a single complaint in 2023. Regardless, we drew up an action plan for each complaint and implemented improvement measures, closely monitoring their follow-up.

Sustainable business practices

With the growing focus on sustainable business, partly due to the European ambitions on sustainability (EU Green Deal), we see an increase in the customer questionnaires we receive. These questionnaires are not only more comprehensive, but also pay increasing attention to sustainability aspects. We aim to stay ahead of competition and are actively working on issues such as carbon footprint and life cycle analysis. This recently contributed to an impressive EcoVadis score of 68/100, our highest score ever. This positions us in the top 10% of all companies analyzed by EcoVadis, awarded with a silver medal.

CONSTANT OPTIMIZATION FOR A SAFE WORKING ENVIRONMENT

At Proviron, we are committed, as always, to a safe and healthy working environment. So, a lot of progress was made again last year on the various aspects of Safety, Health and Environment.

Outstanding safety achievements

We are proud to report that we had not a single lost-time accident in Ostend in 2023. This is an excellent achievement, knowing that extensive expansion works have taken place at Unit 1000 in Proviron. Thorough safety coordination of this project, combined with a broader culture of safety awareness and prevention, has certainly paid off.

Safety systems optimized

In terms of safety systems and reports, we made progress. These included a new Environmental Safety Report and upgrading the emergency response call system to an advanced cloud solution. This resulted in a more transparent, efficient and automated incident reporting and emergency response system. Furthermore, a central repository for IBCs was created to promote fire safety. In addition, all outstanding issues relating to the RD Fire were fully completed and the evacuation plan was digitised, including a planned exercise with the local fire brigade for the province's emergency intervention plan.

In 2023, we also focused on carry out the necessary risk analyses for our products and implemented a task analysis system to assess the risks of manual handling. These analyses enable us to continuously optimize our processes and ensure safety.

Personal safety

Personal safety also remains a priority, with ongoing initiatives such as an anti-smoking campaign and a campaign around wearing personal protective equipment (PPE). The message we want to convey in this campaign is that shortcuts are definitely to be avoided, and that there are no compromises when it comes to safety. We see that incidents could often have been prevented if people had used the right PPE. So we continue to work on collective awareness about prevention and protection.

Challenges

While we continue to make progress, digitalization remains one of our key challenges within SHE. In addition, contractor safety is an ongoing concern that we continue to work on. Above all, safety is a story of continuous improvement. We believe that our main focus should be on maintaining the highest safety standards.



“Despite extensive construction work at our site, we had not a single lost-time accident in Ostend.”

Wim Denecker
/ SHE-manager





FOCUS ON RECRUITMENT, DIGITALIZATION AND WELLBEING

Within HR, we made continued efforts in the areas of recruitment, digitalization of HR processes and well-being at work. With the implementation of a new feedback system, we are proactively creating space for dialogue.

Recruitment

Considerable attention was again paid last year to attracting well-qualified staff. We anticipate retirements, prevent staff shortages in production and try to attract the increasingly rare technical profiles. Although our selection criteria are strict, we make every effort to find the right candidates who meet our organisation's high standards.

Continued digitalization

Proviron continues to invest in the modernization of HR processes. From upgrading digital personnel files to implementing an online learning & development module. The focus is on improving operational efficiency. In addition, efforts were made to implement digital leave requests and a timekeeping system in Hemiksem for the employees, which is expected to be operational in May. The on- and offboarding process was also optimized digitally. So we are continuously building a digital, efficient system to keep our HR workflow sharp.

Wellbeing at the workplace

Promoting the well-being of our employees is a high priority within our organization. That is why we have introduced a feedback system that not only discusses job-related issues, but also focuses on our employees' wellbeing and satisfaction. In addition, we launched an anti-smoking campaign to create a healthier working environment, which generated a lot of interest and positive feedback. It is inspiring to see how participants encourage each other during this process of quitting smoking. Of course, fun team activities also remain an integral part of our corporate culture, which certainly contributes to a positive team spirit.

On the agenda

The implementation of the time registration system for employees in Hemiksem is entering its final phase and we are also stepping up our efforts in training this year. For instance, we made contact with a local educational institution to keep our employees up to speed with their knowledge of chemistry. We planned safety days and we continue to build a feedback culture. Finally, the social elections in Ostend will also be an important topic in the coming months.



“We go out of our way to find the right candidates who meet our high standards.”

Marleen Stubbe
/ HR manager



A FRUITFUL 2023 AND A PROMISING START TO 2024



“We have realized a lot of investments in the past year.”

Serge Maes
/ financial director

We look back on a fruitful year at Proviron, in which we made significant progress despite rising fixed costs. Margins increased in almost all our business lines and our debt ratio declined. 2024 also got off to a promising start.

Great results

The 2023 results are intrinsically better than those of 2022. Despite a decline in sales, mainly due to falling raw material prices, we recorded an impressive increase in our contribution of more than 9% compared to the previous year. We also managed to increase our margins substantially and our EBITDA (cash flow) reached almost the highest level in the past five years. Our debt ratio (net financial debt/ REBITDA) also continued to decline. So we can certainly consider 2023 as a successful year, despite another increase in fixed costs.

The reason for this increase in fixed costs, by around 9% in 2023, is mainly indexation due to inflation. Primarily, wage indexation remains an important factor in the increase in labor costs.

A year of investment

We have realized a lot of investments in the past year. Besides a new unit for the production of components for green tires in Ostend, we also invested in a new salt plant for the Animal Health branch in Hemiksem. We have put a lot of effort into maintenance investments; we are working on a number of major replacements. The implementation of the new ERP system is also consuming a lot of budget. Meanwhile, we obviously continue to invest in research and development, which is absolutely essential for our business.

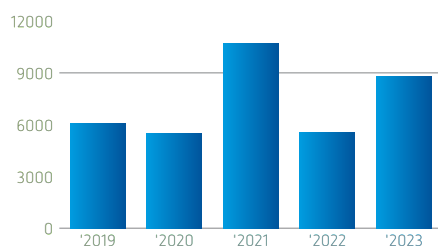
Outlook to 2024

With a promising start to 2024, we see all our business units growing in the first quarter compared to last year. We obviously want to continue this growth trend, but we recognize the challenges associated with a less transparent market. Visibility has clearly decreased compared to previous years, making future results more difficult to predict. But within the industry, which is taking hits globally nonetheless, we continue to do very well as a company.

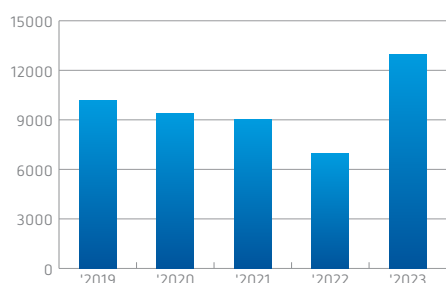
KEY FIGURES

2019 - 2023

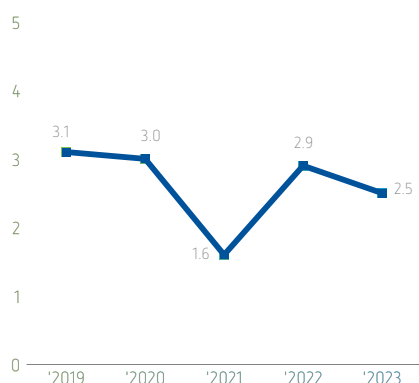
Rebitda



Long-term Financial Debts



Debt ratio



Proviron Holding Consolidated- in '000 €					
Income statement	2019	2020	2021	2022	2023
Operating Revenue	69.686	59.227	87.220	96.056	95.614
Commercial goods, consumables and raw materials	28.189	20.256	38.293	46.370	39.705
Margin	41.496	38.971	48.927	49.687	55.909
Service & miscellaneous goods	17.380	15.138	18.930	22.870	24.097
Remuneration	17.190	17.366	18.194	20.100	21.956
Other costs	1.043	1.082	1.092	1.272	1.079
Facilities	-158	-130	25	-109	-10
Rebitda	6.041	5.515	10.686	5.554	8.787
Non-recurring operating income	8	1.050	341	8.631	262
Non-recurring operating costs	475	15	1.475	-1.693	199
Ebitda	5.573	6.551	9.551	15.878	8.849
Depreciations	37	118	180	-87	39
Write-offs	4.855	5.530	6.238	5.980	5.863
Operating profit	681	903	3.134	9.985	2.947
Financial results	-157	-563	-243	-162	-1.101
Result for tax & goodwill write-offs	524	340	2.891	9.823	1.846

Proviron Holding Consolidated - in '000 €					
Financing	2019	2020	2021	2022	2023
working capital	31/dec	31/dec	31/dec	31/dec	31/dec
Net working capital to be financed	8.305	9.069	8.361	9.134	9.027
Short-term Financing	9.671	11.388	9.857	10.192	10.388
Liquid assets	1.365	2.319	1.496	1.058	1.360

Proviron Holding Consolidated - in '000 €					
Balance (reworked)	2019	2020	2021	2022	2023
	31/dec	31/dec	31/dec	31/dec	31/dec
Fixed Active	53.294	51.990	49.177	48.697	53.507
Consolidation differences	1.516	328	0	0	0
LT Receivables	3.663	3.793	2.584	3.857	4.416
Working capital	6.846	6.791	11.863	12.521	11.478
Liquidities	1.365	2.319	1.496	1.058	1.360
Active (reworked)	66.684	65.222	65.119	66.133	70.761
Equity	37.933	35.467	37.586	38.845	37.550
Facilities	8.903	8.977	8.669	10.138	9.885
Financial Debts	19.849	20.778	18.864	17.150	23.326
Passive (reworked)	66.684	65.222	65.119	66.133	70.761



PROVIRON HOLDING NV

1. CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

ASSETS		Codes	31.12.2023 in '000 Euro	31.12.2022 in '000 Euro
FIXED ASSETS		20/28	53.507	48.697
I.	Start-up costs	20		
II.	Intangible fixed assets	21	12.130	11.177
III.	Positive consolidation differences	9920		
IV.	Tangible fixed assets	22/27	41.374	37.518
	A. Land and buildings	22	17.491	17.687
	B. Facilities, machinery and equipment	23	16.067	15.017
	C. Furniture and rolling stock	24	240	278
	D. Leasing and similar rights	25	77	54
	E. Other tangible fixed assets	26		
	F. Assts in construction and advance payments	27	7.498	4.482
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	39.672	39.014
VI.	Receivables greater than one year	29	4.416	3.857
	A. Commercial receivables	290		
	B. Other receivables	291	4.416	3.857
	C. Deferred tax assets	292		
VII.	Stocks and orders in progress	3	15.883	14.445
	A. Stocks	30/36	15.883	14.445
	1. Raw materials and consumables	30/31	6.219	5.965
	2. Goods in process	32		
	3. Finished products	33	6.320	5.042
	4. Commercial goods	34	3.344	3.438
	5. Real estate held for sale	35		
	6. Advance payments	36		
	7. Orders in progress	37		
VIII.	Receivables up to one year	40/41	17.738	19.447
	A. Commercial receivables	40	13.470	15.240
	B. Other receivables	41	4.267	4.207
IX.	Cash investments	50/53	173	173
	A. Own shares	50	172	172
	B. Other investments	51/53	0	0
X.	Cash and cash equivalents	54/58	1.187	885
XI.	Accruals and deferred income	490/1	275	207
TOTAL ASSETS		20/58	93.179	87.711

LIABILITIES		Codes	31.12.2023 in '000 Euro	31.12.2022 in '000 Euro
EQUITY CAPITAL		10/15	37.550	38.834
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	7.908	7.908
IV.	Consolidated reserves (+)(-)	9910	-19.465	-18.400
V.	Negative consolidation differences	9911	26	26
VI.	Currency conversion differences (+)(-)	9912	-89	129
VII.	Capital subsidies	15		
THIRD-PARTY INTERESTS			0	12
VIII.	Third-party interests	9913		12
PROVISIONS, DEFERRED TAXES AND TAX LATENCIES		16	9.885	10.138
IX.	Provisions for risk and costs	160/5	3.918	4.033
	A. Pensions and similar obligations	160	21	31
	B. Tax liabilities	161		
	C. Major repair and maintenance work	162		
	D. Environmental obligations	163	3.845	3.950
	E. Other risks and costs	164/5	52	52
	F. Deferred taxes and tax latencies	168	5.967	6.105
DEBTS		17/49	45.743	38.728
X.	Debts of more than one year	17	11.359	4.094
	A. Financial debts	170/4	11.359	4.094
	1. Subordinated loans	170		
	2. Non-subordinated loans	171		
	3. Leasing debts and similar debts	172		7
	4. Leasing debts and similar debts	173	2.859	3.837
	5. Other loans	174	8.500	250
	B. Commercial debts	175	0	0
	1. Suppliers	1750		
	2. Bills of exchange payable	1751		
	C. Payments received on orders	176		
	D. Other debts	178/9		
XI.	Debts of more than one year	42/48	32.367	34.400
	A. Debts of more than one year which expire within the year	42	1.580	2.864
	B. Financial debts	43	10.388	10.192
	1. Credit institutions	430/8	9.888	10.192
	2. Other loans	439	500	
	C. Commercial debts	44	16.190	17.203
	1. Suppliers	440/4	16.190	17.203
	2. Bills of exchange payable	441		
	D. Pre-payments received on orders	46	53	38
	E. Debts related to taxes, remuneration and social security contributions	45	4.119	4.061
	1. Taxes	450/3	1.032	1.294
	2. Remuneration and social charges	454/9	3.087	2.767
	F. Other debts	47/48	39	43
XII.	Accruals and deferred income	492/3	2.018	233
TOTAL LIABILITIES		10/49	93.179	87.711



PROVIRON HOLDING NV

2. CONSOLIDATED INCOME STATEMENT

	Codes	2023 in '000 €	2022 in '000 €
I. Operating Revenue	70/76A	95.876	104.687
A. Turnover	70	89.285	92.010
B. Change in stocks of work in progress and finished products and orders in progress (increase +, decrease -)	71	678	-12
C. Fixed assets produced	72	3.670	2.120
D. Other operating income	74	1.982	1.939
E. Non-recurring operating income	76A	8.631	8.631
II. Operating costs	60/66A	-92.930	-94.703
A. Commercial goods, raw materials and consumables	60	39.705	46.370
1. Purchasing	600/8	40.374	46.760
2. Inventory: decrease (increase)	609	-668	-390
B. Services and various goods	61	24.097	22.870
C. Remuneration, social charges and pensions	62	21.956	20.100
D. Depreciation and amortisation of founding costs on intangible and tangible fixed assets	630	5.863	5.980
E. Increase in value of stocks, orders in progress and commercial receivables: additions (reversals)	631/4		-87
F. Provision for liabilities and charges additions (expenditures and reversals)	635/8	-10	-109
G. Other operating costs	640/8	1.079	1.272
H. Operating costs capitalised as restructuring costs (-)	649		
I. Write-offs of positive consolidation differences	9960		
J. Non-recurring operating costs	66A	199	-1.693
III. Operating profit (Loss) (+)(-)	70/64	2.947	9.985

	Codes	2023 in '000 €	2022 in '000 €
IV. Financial income	75/76B	559	810
Recurring financial income	75	559	810
Income from financial fixed assets	750		
income from current assets	751	341	273
Other financial income	752/9	218	538
Non-recurring financial income	76B		
V. Financial costs	65/66B	-1.660	-972
Recurring financial costs	65	1.660	972
Debt costs	650	1.095	422
Write-offs of consolidation differences	9961		
Depreciations on current assets, other than mentioned under II.E (additions +, reversals-)	651		
Other financial costs	652/9	564	549
Non-recurring financial costs	66B		
VI. Profit (loss) of the fiscal year before tax	9903	1.846	9.823
VII. A. Withdrawal from deferred taxation and tax latencies	780	137	71
B. Transfer to deferred taxation and the tax latencies	680		-2.156
VIII. Taxes on the results(+)(-)	67/77	-1.041	-460
A. Taxes (-)	670/3	-1.041	-477
B. Adjustment of taxes and recovery of provisions for taxes	77		17
IX. Profit (loss) of the financial year (+)(-)	9904	942	7.278
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	942	7.278
A. Third-party share (+)(-)	99761		-1
B. Group share (+)(-)	99762	942	7.279



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	10.430	19.769	1.377	
Changes during the financial year:				
Acquisitions including the fixed assets produced		13		
Transfers and decommissioning (-)	-1.269	3.194		
Transfer from one item to another(+)(-)		2.970		
Currency conversion differences (+)(-)	-15			
Other changes				
At the end of the financial year	10.415	22.976	1.377	
DEPRECIATION AND WRITE-OFFS				
At the end of the previous financial year	9.867	9.155	1.377	
Changes during the financial year:				
Booked	541	1.703		
Withdrawn because surplus (-)				
Acquired from third parties				
Written off after transfer and decommissioning (-)		11		
Transferred from one item to another (+)(-)				
Currency conversion differences (+)(-)	-15			
Other changes				
At the end of the financial year	10.393	10.868	1.377	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	22	12.108	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	16.306	121.00	3.294	7.469	0	1.426
Changes during the financial year:						
Acquisitions including the fixed assets produced			77			10.617
Transfers and decommissioning (-)	342	383	-47	-51		
Transfers from one item to another (+)(-)		11.329	76	-6.999		-7.600
Currency conversion differences (+)(-)	-65	-103	-5	-3		-1
Other changes						
At the end of the financial year	16.582	132.610	3.395	417	0	7.4984
ADDED VALUES						
At the end of the previous financial year	11.537					
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	11.537					
DEPRECIATION AND WRITE-OFFS						
At the end of the previous financial year	10.157	105.983	3.016	7.416	0	0
Changes during the financial year:						
Booked	176	3.269	125	49		
Withdrawn because surplus (-)						
Acquired from third parties						
Written off after transfer and decommissioning (-)	338	379	-49	-51		
Transfers from one item to another (+)(-)		7.004	67	-7.071		
Currency conversion differences (+)(-)	-43	-93	-5	-3		
Other changes						
At the end of the financial year	10.628	116.543	3.154	340	0	0
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	17.491	16.067	240	77	0	7.498



PROVIRON HOLDING NV

5. CASH FLOWS FROM OPERATIONS, INVESTMENTS AND FINANCING

	2023
OPERATING GROSS PROFIT	
Consolidated profit (loss) after tax + non-cash costs	6.592
Debt Costs	1.095
OPERATING CASH FLOW AFTER TAX	7.687
CHANGES IN NET WORKING CAPITAL REQUIREMENT	
Current operating assets	164
Short-term operating debt	839
Conversion differences for items other than fixed assets	-185
TOTAL CHANGES IN OPERATING NET WORKING CAPITAL	819
CASH FLOW FROM OPERATIONS	8.506
INVESTMENTS IN FIXED ASSETS AND CONSOLIDATED INVESTMENTS	
Start-up costs	
Intangible fixed assets	-3.197
Tangible fixed assets	-7.510
Financial fixed assets	
Receivables greater than one year	-559
Consolidated shareholdings	
Capital losses on realisation of fixed assets	
NET CASH FLOW FROM INVESTMENTS	-11.266
FREE OPERATING CASH FLOW AFTER INVESTMENTS	-2.760
FINANCING WITH FINANCIAL DEBT	
Debt costs	-1.095
Financial debts	6.176
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	
External capital excluding negative consolidation differences, exchange differences and capital subsidies	-2.019
Capital subsidies	
NET CASH FLOW FROM FINANCING	3.062
NET CASH FLOW FROM OPERATIONS, INVESTMENTS AND FINANCING	303
Start-up Cash (liquid assets and cash equivalents)	1.058
Final Cash (liquid assets + cash movements)	1.360
MOVEMENT IN CASH	303

6. CONSOLIDATION DIFFERENCES

	Consolidation differences	
	Positive	Negative
NET BOOK VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR:	0	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		
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	2023		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	14.020	0			0
Total	33.162	30.210	2.952	0		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	7		
4. Credit institutions	1.523	2.859	
5. Other loans	50	8.500	
Total financial debts	1.580	11.359	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

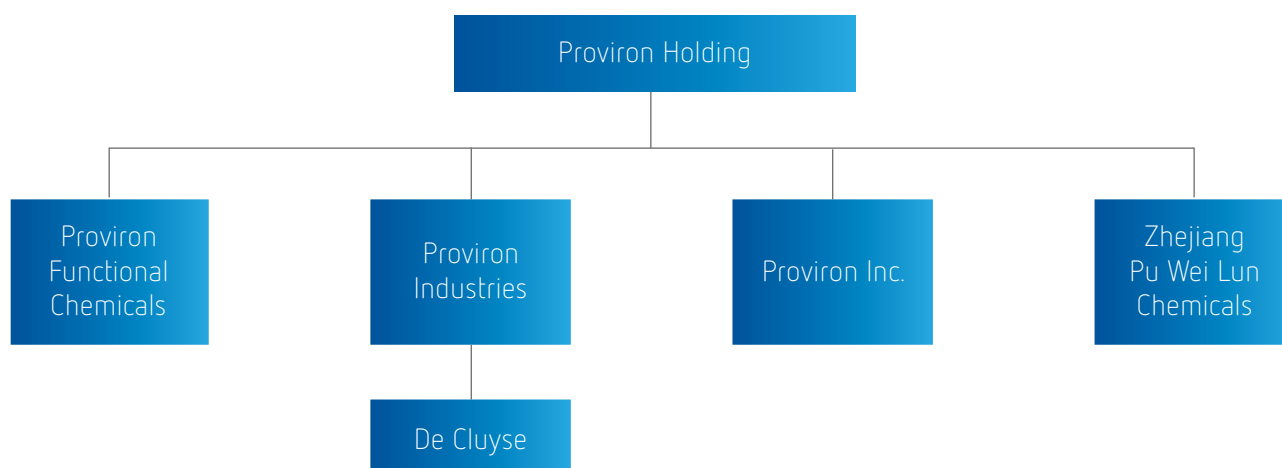
The Dewi Corp BV, with permanent representative
Dewi Van De Vyver

IMbox BV, with permanent representative
Saïd El Majdoub

Commissaris

CVBA BDO, Auditors,
represented by Veerle Catry

ORGANISATION CHART PROVIRON SHAREHOLDERS



THE EXECUTIVE COMMITTEE

Development

José Vanheule

President

Wim Michiels

Commercial

Vanessa Doms

Operations

Dieter Ulrichts

Financial

Serge Maes





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