



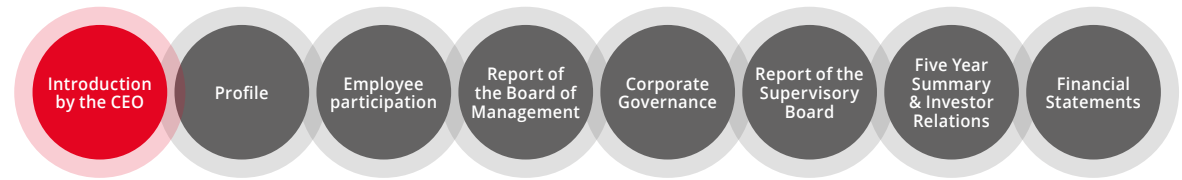
COLORING YOUR SUCCESS

ANNUAL REPORT  
2018/2019

# CONTENTS

<b>Introduction by the CEO</b>	<b>3</b>	<b>Corporate Governance</b>	<b>23</b>
<b>Profile</b>	<b>4</b>	<b>Report of the Supervisory Board</b>	<b>26</b>
<b>Employee Participation</b>	<b>10</b>	<b>Five Year Summary</b>	<b>30</b>
<b>Report of the Board of Management</b>	<b>11</b>	<b>Investor Relations</b>	<b>31</b>
Introduction	12	<b>Financial Statements</b>	<b>33</b>
Strategic Update	12	<b>Other Information</b>	<b>71</b>
Key Figures	13	<b>Independent Auditor's Report</b>	<b>71</b>
Financial Performance	14	<b>Contact</b>	<b>78</b>
Outlook 2019/2020	15		
Organization	15		
Product Innovation	16		
Sustainability	16		
Risk Management	20		
Declaration of the Board of Management	22		

# INTRODUCTION BY THE CEO



## DEAR SHAREHOLDERS, EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS,

On April 1<sup>st</sup>, 2019, Holland Colours achieved an important milestone: its 40th anniversary. The company has grown successfully over the years by developing tailor-made color and additive solutions and providing superior technology support to customers. Our employees are also shareholders of the company and we are proud of our accomplishments.

Looking back to last year's business, we see that our performance was impacted by dynamic market influences. On a full-year basis and at the group level we achieved close to 9% revenue growth. Many trends of the first half of the year continued into the second half. The market dynamics, however, differed by region and by segment.

In Asia – especially China – demand for UHT milk and yogurt drinks continued to grow. As a result we have seen strong demand for our Holcomer product range.

In the USA, the slowdown in the housing market had a negative impact on the demand for building and construction materials. Shipments of products for sidings and window profiles were down as a consequence.

In Russia, the Middle East and Africa, our business in PET packaging continued its growth due to an increase in disposable income. In Europe, overall market demand was stable and we managed to increase sales in all segments.

In all three divisions short supply and market price increases of various raw materials continued to be a point of concern. Due to stringent new environmental controls in China, availability of pigments and dyes was unpredictable. Our organization was successful in securing supply and we managed to fulfill customer demand, albeit at a higher cost. Relative margins of all business segments remained under pressure despite an increase in selling prices.

Operational expenses were higher than previous year, primarily due to an increase in personnel cost (including filling vacancies from the past) and one-off costs. As net margin was up in absolute terms, the group operating result improved by 6.6%.

The use of plastic remains the subject of a growing public discussion, especially for packaging.

In the spring of 2019, we completed a review of our strategy: project 'Spectrum 2023'. A large number of employees were involved in the process and the insights obtained have led to the conclusion that we have a strong basis for the future. Our growth plans are ambitious. We will continue to bring more focus in our portfolio of product/market combinations and we have planned improvements of internal processes.

Innovation will remain an important part of our strategy, for all segments we are active in. Together with customers and business partners we will continue to develop technology solutions having a positive impact on total cost, performance and sustainability.

In line with our growth plans, we approved investments in the latest state-of-the-art production equipment at our sites in Richmond, Indiana, and Apeldoorn, the Netherlands. We will continue to invest in our future as an independent supplier of colorants and additive formulations.

Finally, I would like to thank all our employees and all stakeholders for their efforts and interest in the success of Holland Colours. We look to the future with confidence.

Coen Vinke  
CEO



# PROFILE

Introduction  
by the CEO

Profile

Employee  
participation

Report of  
the Board of  
Management

Corporate  
Governance

Report of the  
Supervisory  
Board

Five Year  
Summary  
& Investor  
Relations

Financial  
Statements

Holland Colours was founded in 1979 by a group of experts in pigments who saw a need for less dusty colorants than those available on the market at the time. They decided to do things differently and better. After working closely with an initial customer, our innovative product, Holcobatch®, was released and ended up transforming the market.

As our portfolio has grown, so has our business. The company that started out operating from a brick shed in Apeldoorn, the Netherlands, now extends across the world. We have manufacturing and/or sales operations in the Netherlands, the United States, the UK, Hungary, Indonesia (two facilities), Canada, and Mexico, with over 400 Holland Colours employees who serve local and global customers.

Holland Colours employees are engaged and experienced. From the start, all employees participate in the company and collectively hold around 25% of the shares in Holland Pigments, a Dutch-based investment company, which in turn owns the majority of the shares in Holland Colours NV. This encourages commitment and responsibility and is reflected in the pride and passion we feel for our company. Owning the company collectively means we all share the same goals: Growth & Excellence through customer intimacy. Taken together, the above defines our unique DNA.

# OUR IDENTITY – COLORING YOUR SUCCESS



We provide our customers with functional colors, additives and know-how on regulation. Our products are designed to color rigid and flexible PVC, PET, polyolefins and other polymers. We serve many different markets within building & construction, including, but not limited to, profiles, pipes, siding and cladding. We also have a proven track record in cooperating with packaging companies to differentiate their products. In addition to serving these markets, we offer color concentrates for coatings, sealants, elastomers, adhesives and other applications.

Our company is driven by teamwork, pro-activeness, competence, accountability and responsibility. Our business is built on a combination of knowledge, dedication, passion and skills. Our actions are directed towards our customers' success.

Customers and our experts collaborate regularly to create tailor-made color solutions that deliver precise color matches, perfect color distribution, enhanced color consistency, and functionality.

We offer consistent and sustainable global production, reliable supply and logistics, innovative solutions, customer care and project support, and assist our customers in growing their business. We strive to be our customers' co-designer of color and functional solutions.

We seek employees who believe in customer collaboration based on solving problems and pushing boundaries.

Our reporting lines are short, with ample opportunities for our employees to show initiative and take responsibility. At Holland Colours, every employee is an owner, and owners take pride in delivering success to their customers. Together with our customers we add color to the world. Coloring Your Success!

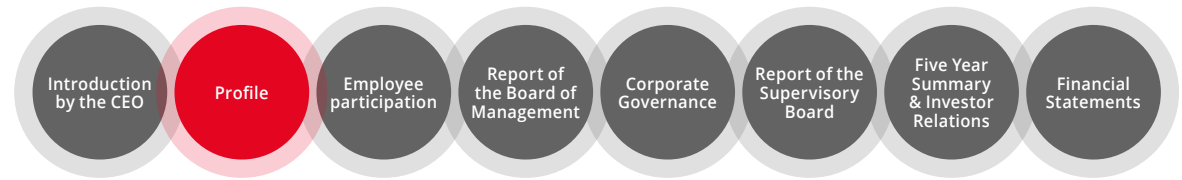
## OUR MISSION

- To be our customers' co-designer of color and functional solutions;
- To be recognized as a contributor to the development of a sustainable industry.

## OUR DIFFERENTIATORS

- We develop existing and new customer relationships into design partnerships;
- We do not compromise on regulatory compliance and maintain the highest quality standards;
- We continuously build our competence and strengthen our innovation capabilities;
- Our employees are shareholders of the company and we are proud to provide the highest levels of service to our customers.

# CORE VALUES



At Holland Colours, our aim is to create customized and effective colorants and additives that bring our customers a competitive advantage and peace of mind. We are a company with over 400 employees who share the same core values: Accountability, Competence, Pro-Activeness, Responsibility and Teamwork.

## ACCOUNTABILITY

At Holland Colours, we can be trusted to take responsibility for what we do (and don't do).



## COMPETENCE

At Holland Colours, we have the skills and expertise to do things well.



## PRO-ACTIVENESS

At Holland Colours we make things happen, instead of waiting for them to happen to us.



## RESPONSIBILITY

At Holland Colours, we are committed to our company, our colleagues, our society, and our environment.

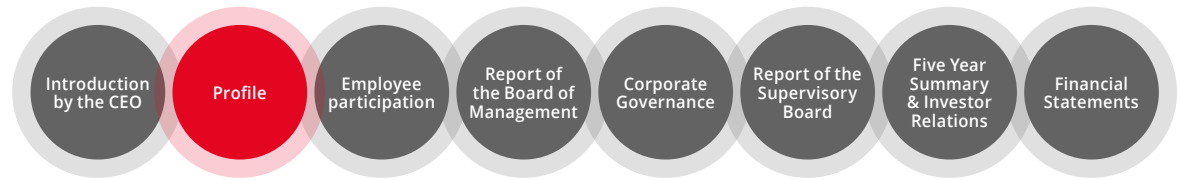


## TEAMWORK

At Holland Colours, we work together to achieve one common goal.



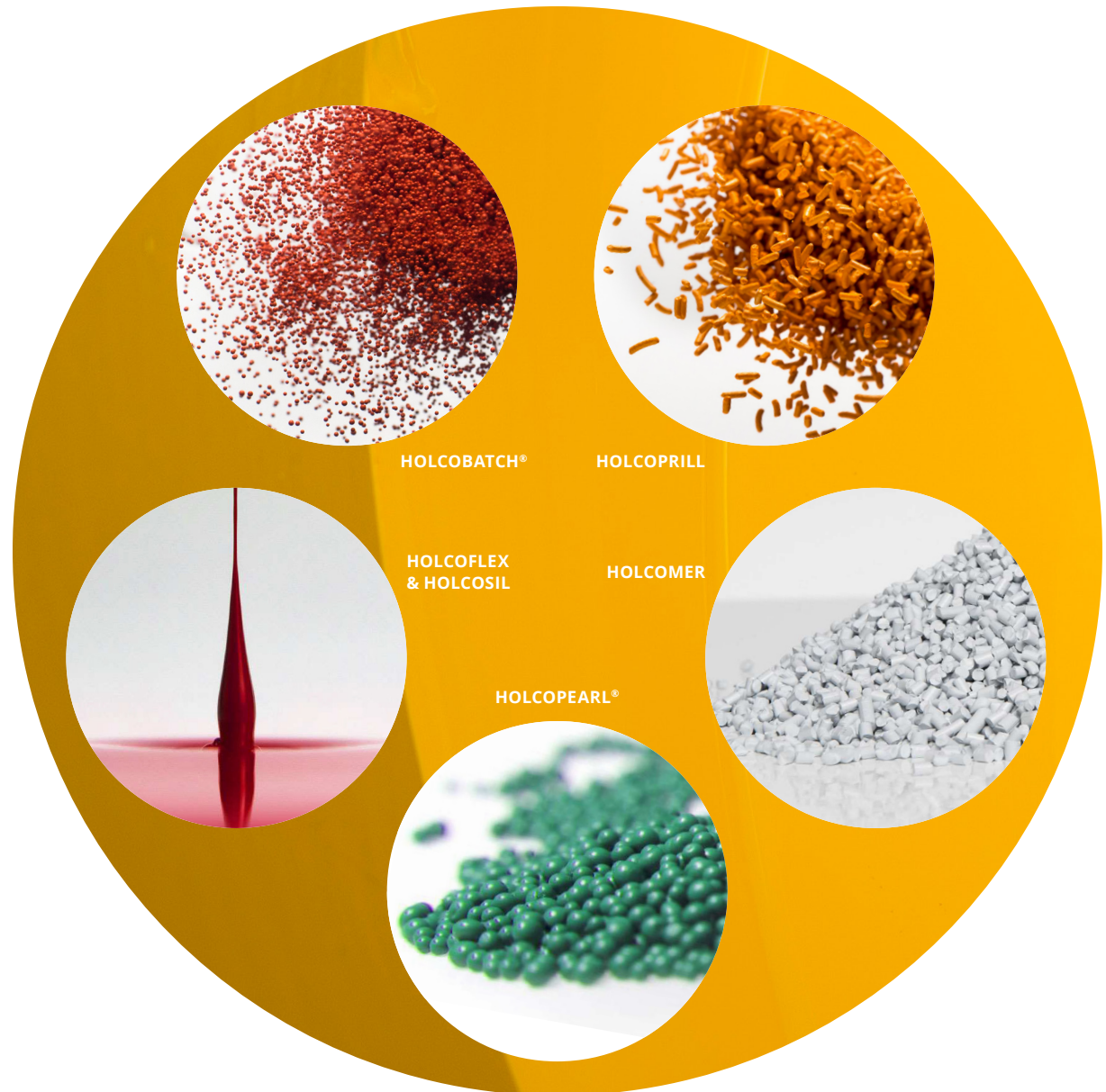
# OUR PRODUCTS



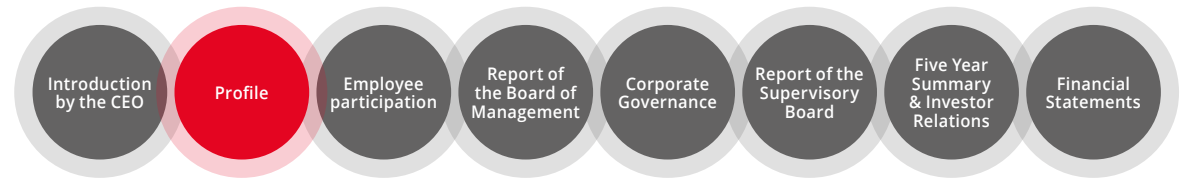
Even today, our Holcobatch® products remain unique, delivering high-quality coloring performance for a wide range of polymers. Other breakthrough products include high-loaded Holcoprill and our newly introduced Holcopearl® for the Packaging and Building & Construction markets and Holcomer for the dairy PET Packaging industry. Our range of products contains both solid and liquid coloring systems. Over the years, we have developed a full palette of standard and customized colorants, including opaque, metallic and frost. In addition to colorants, we offer a wide choice of additives, such as UV absorbers, AA scavengers and re-heat additives.

As a global specialist in customer-specific coloring products, we take the environment very seriously. We recognize the need to consider impacts over the total life cycle of the product and the shared responsibility of different stakeholders in managing these impacts. We have an experienced global team of people to staff our Product Stewardship department.

From the start, Holland Colours has been committed to a clean and sustainable production process by using a biobased carrier as an important ingredient in its products.



# OUR MARKETS



We began supplying colorants for pipes and fittings, yet our products for Building & Construction (B&C) are also widely used for other applications where good dispersion is key. This includes profiles, sheets, siding, cladding, sealants and flooring.

The Packaging market is another one of our areas of expertise. In this market, we see a trend towards lightweight thin bottles. Advancing a circular economy in Packaging is a clear trend, as is food safety. With our strong knowledge base, we are well equipped to serve this market. We partner with our customers to produce packaging for water, carbonated soft drinks, fruit

juices, dairy products, beer, wine, detergents, pharmaceutical and personal care products.

We also offer solutions for decorative and industrial tinting systems and have decades of experience in colorants for silicones.



**BUILDING & CONSTRUCTION**



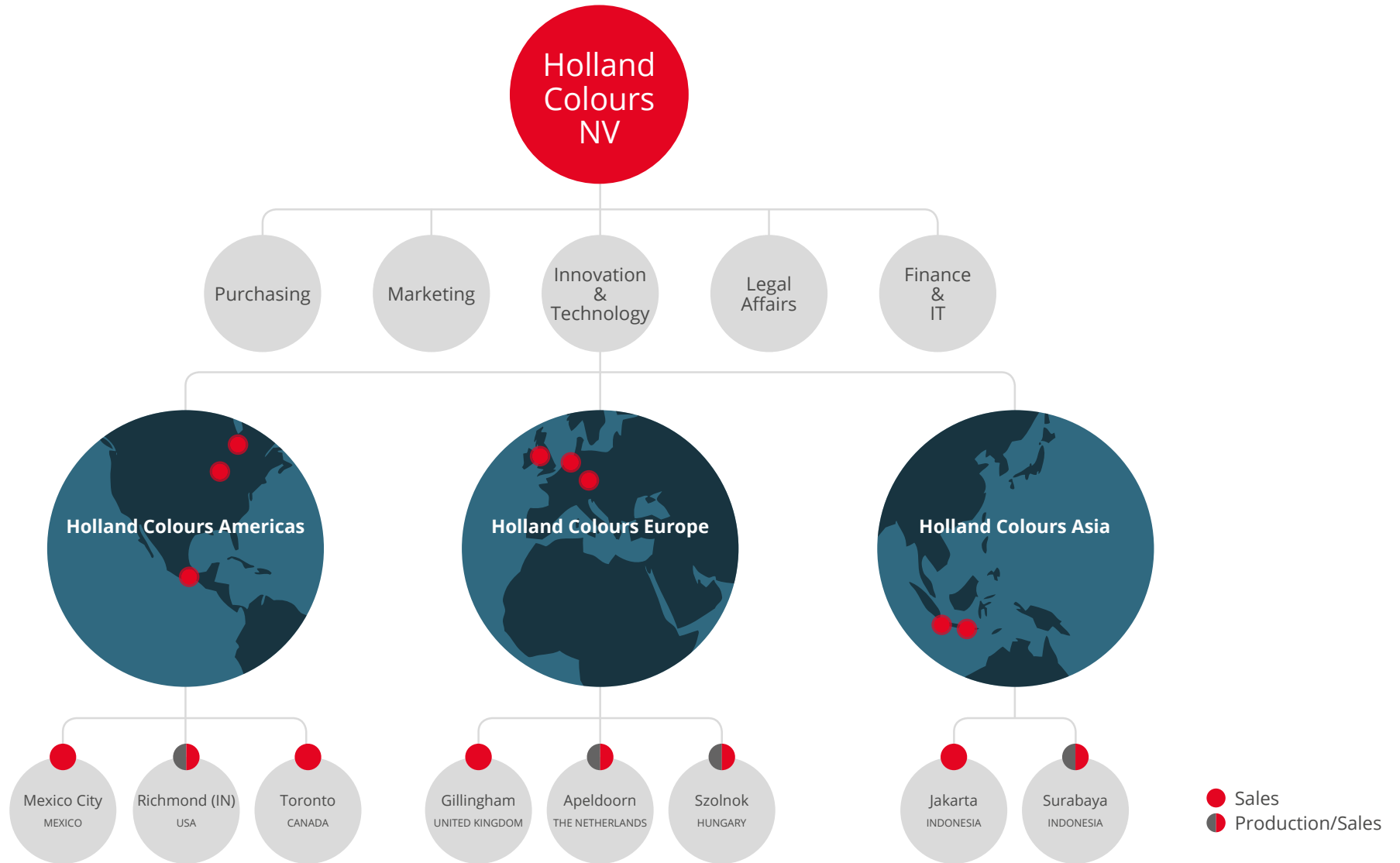
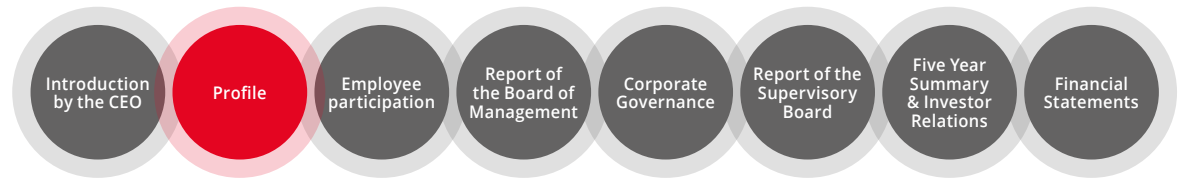
**PACKAGING**



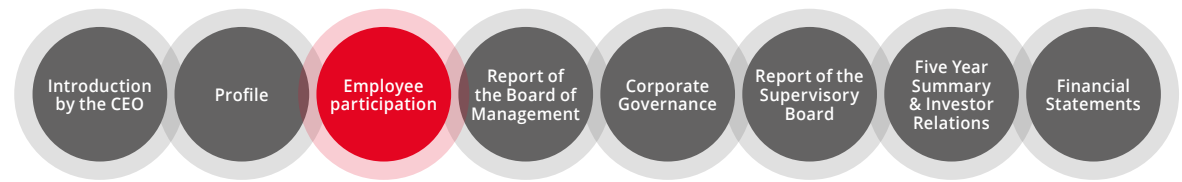
**COATINGS, ELASTOMERS & ADHESIVES**



# OUR ORGANIZATION



# EMPLOYEE PARTICIPATION



Our shares are traded on the Euronext Amsterdam stock exchange. Our current and retired employees participate in Holland Pigments BV, a Dutch-based investment company, which in turn owns the majority (50.45%) of the shares in Holland Colours.

## STABILITY, CONTINUITY AND INDEPENDENCE

The goal of this majority shareholder is to promote the stability, continuity, and independence of Holland Colours, including effective employee participation within the Holland Colours Group.

Besides the employees of the Holland Colours Group, four main shareholders participate in Holland Pigments. These main shareholders endorse the importance of the employee-shareholder model and actively support this.

The management of Holland Pigments BV consists of a one-tier board. The collective shareholding of current and retired employees (around 25%) is represented by a non-executive board member who is an employee of Holland Colours. This person is elected by the employees of Holland Colours every four years. The board of Holland Pigments BV is currently composed of a chair (rotates each year), four non-executive members, and an executive director.

## HOLLAND PIGMENTS OFFICIALS

The non-executive board member on behalf of current and retired employees-shareholders and the executive director of Holland Pigments are jointly responsible for the effective execution of the employee-shareholder model. With a view to that same purpose, each Holland Colours site elects and appoints its own Holland Pigments Official, who acts as a liaison between the employees of Holland Colours and the Holland Pigments board. These officials also attend the Annual Shareholders Meeting of Holland Pigments. On a regular basis, the non-executive board member on behalf of current and retired employees-shareholders and executive director of Holland Pigments visit the various Holland Colours sites to discuss employee participation. Every employee is an owner, and owners know that the first step to success begins with adding value for our customers. Employee participation encourages teamwork, pro-activeness and accountability. Being a shareholder means having shared goals, responsibilities, rewards and commitment.





COLORING YOUR SUCCESS

# REPORT OF THE BOARD OF MANAGEMENT

## INTRODUCTION

The 2018/2019 financial year has been the first of the Board of Management in its new composition. The General Meeting of Shareholders appointed Coen Vinke and Eelco van Hamersveld as CEO and CTO respectively on July 12, 2018. Together with Margret Kleinsman, CFO, the Board of Management consists of three members. The Executive Management Team was dissolved as a counseling entity to simplify the internal governance structure. The Board of Management is the formal executive decision-making body within Holland Colours, clearly supported and advised by divisional management and staff.

In this section of the annual report, we will inform you about the outcome of the recent strategy review, Holland Colours' performance versus our strategic targets, and offer an in-depth look into the financial figures for the 2018/2019 financial year compared to the previous year.

## STRATEGIC UPDATE

The public discussion on the use of plastic has intensified over the last couple of years. And our former strategy cycle was approaching the end of its 5-year horizon. In October 2018, we therefore decided it was the right time to refresh our views on our portfolio of product market combinations.

We decided we wanted to have the benefits of external support alongside the participation of many employees in the process (project 'Spectrum 2023'). We presented our main findings this spring. Plastic has always been an innovative product. A wide range of market experts confirm that it will remain an important material for many different applications, including the segments where we are strong. Participants in the value chain relevant to Holland Colours continue to look for insights into many issues, and color and functionality remain important features of our success. We have a strong technology basis and are well positioned in terms of applications and geography. Our ambition is to further strengthen our market positions and accelerate profitable growth. We will continue to invest in our future as an independent and innovative supplier of tailor-made formulations of colorants and additives for well-defined business segments. Customer technology support and sustainability remain high on our agenda.

### BOARD OF MANAGEMENT

The Board of Management consists of the CEO, CFO and CTO. In the photograph from left to right: • **E.M.S. van Hamersveld** (1969), CTO • **M.G. Kleinsman** (1963), CFO • **C.W.H. Vinke** (1963), CEO.

*Please refer to page 9 for an overview of the organizational structure and to [www.hollandcolours.com](http://www.hollandcolours.com) for more information on the members of the Board of Management.*

### MISSION

- To be our customers' co-designer of color and functional solutions;
- To be recognized as a contributor to the development of a sustainable industry.

### DIFFERENTIATORS

- We develop existing and new customer relationships into design partnerships;
- We do not compromise on regulatory compliance and maintain the highest quality standards;
- We continuously build our competence and strengthen our innovation capabilities;
- Our employees are shareholders of the company and we are proud to provide the highest levels of service to our customers.

### STRATEGY 2023

#### Our strategic goals

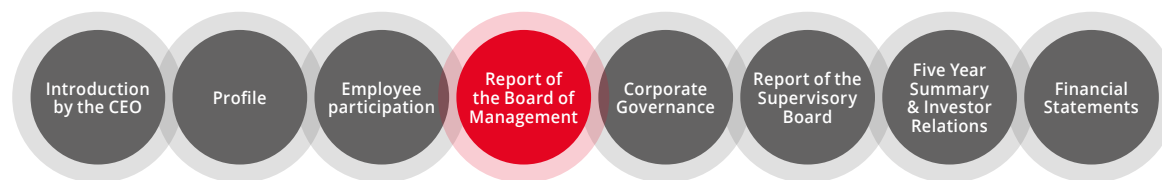
- Protecting and extending global market positions in Packaging;
- Protecting and extending global market positions in Building and Construction;
- Extending market positions in coatings and sealants, primarily in EMEA.

#### Our overall objectives

- Zero safety incidents;
- Continued revenue growth;
- Innovation index over 10%;
- Return on Sales of at least 10%;
- Return on Investment of at least 15%;
- Debt as % of balance sheet total remains below 40%.

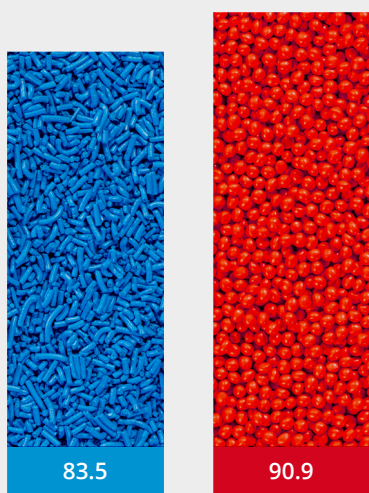


# KEY FIGURES



## REVENUE

In million euros



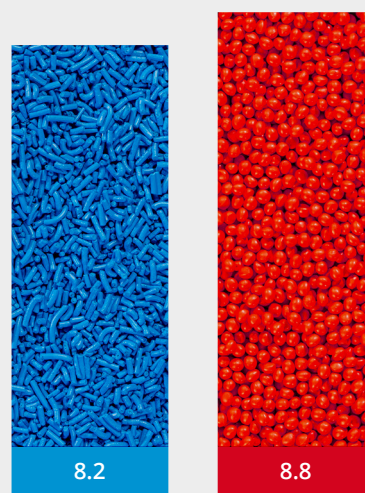
**9%**

2017/  
2018

2018/  
2019

## OPERATING RESULT FROM CONTINUED OPERATIONS

In million euros



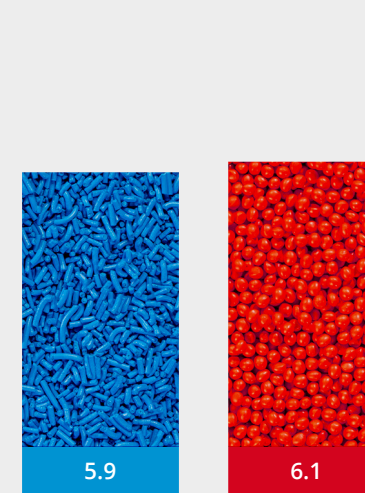
**7%**

2017/  
2018

2018/  
2019

## NET RESULT

In million euros



**4%**

2017/  
2018

2018/  
2019

## RETURN ON SALES

2018/2019  
2017/2018

**9.6%**  
9.8%

## RETURN ON INVESTMENT

2018/2019  
2017/2018

**24.0%**  
25.2%

## EARNINGS PER SHARE

2018/2019  
2017/2018

**7.04**  
6.78

## INNOVATION INDEX

2018/2019  
2017/2018

**16.6%**  
10.4%

## OWC AS % OF REVENUE

2018/2019  
2017/2018

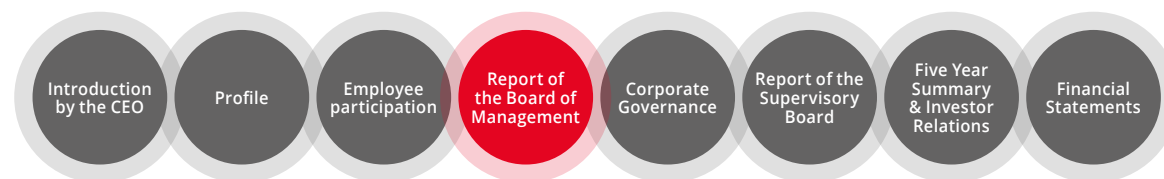
**21.3%**  
20.6%

## SOLVENCY

2018/2019  
2017/2018

**72.3%**  
73.1%

Based on rounded numbers.



## FINANCIAL PERFORMANCE

Key figures in EUR million	2018/ 2019	2017/ 2018	Change
Revenue	90.9	83.5	9%
Operating result (from continued operations)	8.8	8.2	7%
Net result (after discontinued operations)	6.1	5.9	3%

Revenue for the 2018/2019 financial year was € 90.9 million, an increase of 9% on the previous year (€ 83.5 million) with negligible impact from the USD currency translation.

Europe and Asia drove the revenue growth. The 12% growth in Europe was largely realized by increased sales prices. The 25% revenue gain in Asia was a mix of volume and price. Americas ended 4% down on the previous year, mainly due to the slowdown in the USA housing market.

The net margin for the group was € 40.5 million, an increase of € 2.1 million on the year before. The margin as a percentage of revenue ended lower at 44.5% versus 45.9% in the previous year. This decline is due to an unfavorable geo mix.

	Americas (USD millions)		Europe (Euro millions)		Asia (USD millions)	
	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018	2018/ 2019	2017/ 2018
Total revenue	32.4	34.1	48.9	43.9	17.2	14.0
Operating result	2.2	4.5	1.5	0.5	4.2	2.2

Operating expenses of € 31.7 million were up 5.3% compared to the previous year, including € 0.9 million one-off cost relating to personnel and consultancy. The remaining € 0.7 million cost increase is due to salary increases and new hires, while consumables were also up. The costs relating to the liquidation of the China entity amounted to € 238k, and are reported separately under discontinued operations.

The operating result from continued operations was € 8.8 million versus € 8.2 million for the previous year. The tax rate of effectively 26.8% (versus 26.8% for the previous year) includes the negative impact of revaluating the deferred tax asset in the Netherlands. Please refer to Note 9 of the financial statements for a full explanation.

The net result after discontinued operations was € 6.1 million (€ 7.04 per share) versus € 5.9 million in the previous year (€ 6.78 per share).

The 9% revenue growth is driven by Europe (up € 5.1 million or 12%) and Asia (up € 3 million or 25%) while the Americas stayed 4% behind (minus € 1.2 million). The partly price-driven revenue growth in especially Europe should be seen in relation to the protection of margins in all the market segments. The revenue loss in the Americas mainly relates to the B&C segment.

The revenue gain in Asia was primarily in the packaging segment. The share of the focus segments in the total revenue of the group is 89% (versus 91% for the previous year), with most of the overall revenue growth this year realized in the packaging segment.

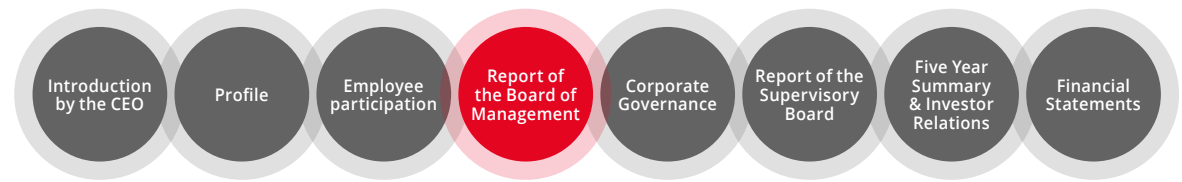
### DEVELOPMENTS PER DIVISION

#### Europe

In Europe, the 12% revenue growth to € 48.9 million affected each market segment favorably. The relative margins were partially restored, although raw material price increases continued with some time-lag in sales price adjustments. Volume gains in packaging as well as coatings and sealants were partly offset by volume losses across the board due to portfolio pruning. Equally, raw material shortages have become an increasing burden on the organization. Extra time and cross-departmental efforts are required to maintain acceptable performance for customers. Despite the negative impact of certain incidentals in operating costs, revenue growth did result in a further improvement of the operating result to € 1.5 million compared with € 0.5 million last year.

#### Americas

The 5% revenue decline to USD 32.4 million in the Americas relates to the slowdown in the housing business across North America, and took the market by surprise. This impact could not be mitigated in the other segments. Cost containment was put in place, but could not prevent the operating result from declining to USD 2.2 million compared with USD 4.5 million last year.



## Asia

The 24% revenue increase to USD 17.2 million in Asia was mainly realized in packaging. One of the successes is related to the market growth for UHT milk and yogurt drinks, where our Holcomer products fit in well. Operating costs stayed well within control. The operating result increased to USD 4.2 million compared with USD 2.2 million in the previous year.

## CAPITAL EXPENDITURES

Spending on capital projects for the year was € 2.9 million versus € 2.5 million last year. The capacity extension in Asia is well on track. For Europe and the Americas, spending relates both to replacement as well as capacity extension for new products and/or finishes. The five-year average annual depreciation level is € 2.0 million for Holland Colours.

## CASH FLOW

Net cash flow came in at € 2.1 million positive versus € 2.2 million negative last year. The € 4.3 million improvement over prior year relates amongst others to € 0.6 million increase in cash from operations (EBIT base) and € 3.2 million lower absorption in Operating Working Capital. Capital expenditures ended at € 2.9 million versus € 2.5 million prior year while the dividend payment was up at € 2.9 million versus € 2.6 million prior year. There were no changes in the funding of the company. The company remains loan free.

## PROCESS OF FINANCIAL REPORTING

Financial reporting is based on data and formats from the central consolidation system managed by the corporate group controller to ensure systematic ways of working and data accuracy. On a monthly basis, the controllers of the divisions prepare their financial report based on the monthly YTD results as well as forward looking on revenue and margin. The cost and OWC trends are compared to budget targets and prior year actuals. The reports are discussed in a monthly review call with each divisional management team and result in action plans where needed. The consolidated results and summary comments are subsequently sent to the Supervisory Board.

## OUTLOOK 2019/2020

It is hard to interpret the various signals around us: there are no signs yet of recovery in the USA housing market and key raw materials remain in short supply, to name just a few of our current challenges.

Based on our growth initiatives and internal improvement programs we look with confidence to the year ahead. However we will – as we did in previous years – not provide any forward-looking statements.

## ORGANIZATION

Since July 2018 the Board of Management consists of three persons, with each member having a clear set of responsibilities. We dissolved the Executive Management Team and decisions are now made at either the division or the Board of Management level.

We filled various vacancies in the most recent financial year, but several management positions remain open. The combination of a strong labor market and our policy to find professionals that fit our culture and strategy can lead to a somewhat longer hiring process. We prefer to be patient and take a long-term view in this respect.

Our unique culture of being a global player with a local customer-driven mindset in combination with employee shareholding is a very strong driver for the way we operate. Employees take pride in what they do and have a natural desire to collaborate and contribute to the company's success. Many employees were involved in reviewing our strategy (project 'Spectrum 2023'). Our roadmap with a 5-year horizon is clear and the organization is engaged and committed to implementing our plans. A next employee survey is planned for 2020.

## PRODUCT INNOVATION

We are proud that our product portfolio is developed in-house. We also continue to work on developing next-generation product families and further improving existing products in close collaboration with our customers.

The development of new products is also driven or derived from market trends and is made possible by advancements in components, carriers and processing technologies. We invested in new liquid dispersion technology at our production site in Apeldoorn, The Netherlands and expanded capacity in polymer extrusion in Surabaya, Indonesia in 2018/2019.

The innovation index is used as a measure of our ability to transform innovation into value. It includes the revenue on new products developed by Holland Colours that have been commercially launched in the market over the past five years. Products are excluded from the index after five years, even though most of these products remain in the market for a longer period of time. The index rose to 16.6% of total revenue in 2018/2019 compared to 10.4% in the preceding year.

A key trend in the market is the increased focus on sustainability and the use of recycling. We launched several new products in 2018/2019 that enable our customers to create products that are more sustainable or can be better recycled. Examples include:

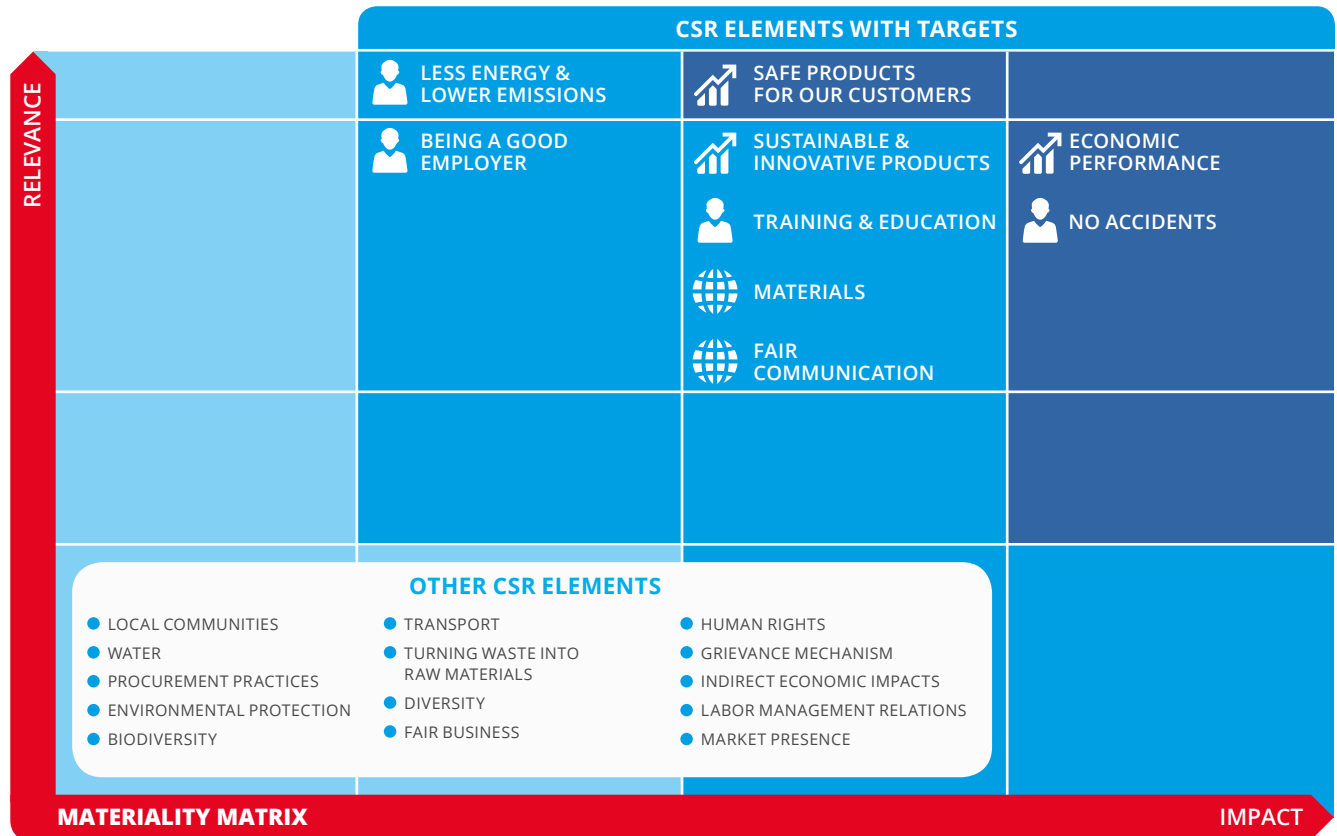
- Light blocking system for UHT Dairy containing low content of inorganic material (Holcomer Circulair, launched in Europe);
- Coloring system to compensate for color variations in recycled PET (Tintmask);
- Color formulations for dark colors that can be detected by NIR systems during sorting in recycling.

We further expanded our patent portfolio in 2018/2019 by adding a new patent application for the Holcomer product portfolio. The current patent portfolio was continued throughout the 2018/2019 financial year.

Our pipeline is continually filled with new ideas and co-development projects with customers.

## SUSTAINABILITY

Our mission is to create solutions as a design partner, and to exceed our customers' expectations in terms of product performance. But our role does not end there; we also aim to be recognized as a contributor to the development of a sustainable industry.







## PEOPLE

### ZERO ACCIDENTS

We are determined to provide a safe, healthy working environment and aim for zero accidents. We continuously train our people, and work to create the right conditions for all of them to give their best every day. We encourage our employees to report incidents and accidents, and to learn and improve our ways of working when these do occur.

	2018/ 2019	2017/ 2018	2016/ 2017
Accidents at work			
Accidents	1	2	3
Near-miss accidents	4	6	10
Incidents	58	52	44

*The actions and precautions we took to improve safety at Holland Colours led to a decline in our (near-miss) accidents to five this year. We define an accident as a lost-time injury (one this year), while near-miss accidents are those needing medical attention (rather than First Aid) and which may lead to restricted duties for the person involved.*

*We have introduced a cross-functional safety committee to audit our sites and working methods regularly. By doing this, we expect to further increase safety awareness and learnings to help us meet our objective of zero accidents.*

*Increased awareness may initially trigger a higher reporting rate yet should ultimately lead to a reduction of the number of reported incidents.*

We believe that Corporate Social Responsibility (CSR) is an integral part of a sustainable business model for continuity and success. It is in the interests of both our internal and external stakeholders, and makes Holland Colours a better company to work for and with and to live side by side.

Our business know-how and expertise revolve around coloring and adding functionality to plastics. Our experts have shown that colored plastic can be reused multiple times, as long as the (color) base originates from the right materials. We have specialist teams for food safety and regulations and environmental requirements. Our technology lab in Apeldoorn is keen to select the most recyclable raw materials for our color and additive concentrates.

We conducted a materiality assessment in 2017 to balance the topics that are most important to our stakeholders against their impact on our current business. The materiality matrix on page 16 shows the findings of this assessment. In 2019, we believe that these are still topics of key importance.

As the matrix shows, the highest-priority topics for stakeholders, and those with the greatest estimated impact on our business, are 'economic performance', 'safe products for our customers' and 'zero accidents'. So these have our closest attention, while others are either rated as less relevant for the time being or omitted because considerable progress had already been made.

We have followed Global Reporting Initiative (GRI) guidelines for measuring and communicating our sustainability practices and policies for several years. The full report is available on our website.

We have targets in place for most aspects of CSR. We will achieve these targets by following a clear CSR strategy as part of our wider business and brand strategies.

## TRAINING AND EDUCATION

We believe firmly in training and education. To win in our markets, we need a skilled workforce able to translate changing market needs and specific customer requests into outstanding products and services. We secure these skills by hiring at the right levels and by providing on-the-job knowledge sharing, alongside third-party education as needed.

*Loes Asbroek of Holland Colours Apeldoorn is one example of the way we train and educate young talent in our organization. Loes joined us as an HR assistant in her first job straight from school.*

*After a few months, we wanted to develop her potential further, and her manager asked her if she would be willing to train as a full-time payroll specialist, which meant completing a relevant course of study. Together we set up a plan involving a lot of learning on the job alongside her formal training. She embraced this learning path with enthusiasm and commitment.*

*"Holland Colours gave me the opportunity to develop my skills in a role I'd never thought of before," she says. "In the future, I know I can develop further in this field thanks to the company's support."*

## BEING A GOOD EMPLOYER

Holland Colours employs people across Europe, Asia and the Americas. We fully appreciate that work is not just a source of income, but also a way for people to develop their talents, contribute to society and gain self-esteem, confidence and respect. Our employee benefits and compensation vary from country to country in line with local pay rates, legislation and culture. However, we are committed to being an all-round good employer.

Division Americas is managing ever-increasing healthcare costs by researching alternative care options such as low-cost online glasses and zero-cost local prescriptions, and telling staff members about them. Additionally, an annual health fair is being organized at our Americas location for staff. This free event provides our employees and their spouses or partners with a plethora of help and education, through third-party vendors. At our other locations, we provide similar programs and benefits so our employees stay healthy and motivated.

Total CO<sub>2</sub> emissions increased with the growth in our production volumes. However, CO<sub>2</sub> emissions per kg decreased by 3% compared with the previous year. Reducing our natural gas emissions were key contributing factors in this.



**PROFIT**

**ECONOMIC PERFORMANCE**

At Holland Colours, we believe CSR is a key pillar of our strategic operations, and is based on the interests of people, the planet and longer-term financial profit. We team up with customers and value-chain partners and use our know-how on colorants and additives so that we all help develop a sustainable industry.

**ENERGY AND EMISSIONS**

We strive to reduce our CO<sub>2</sub> emissions per kilogram of end product by 2% a year. Since our production processes barely create any greenhouse gases, we focus our energy-efficiency efforts on indirect emissions, including reducing the natural gas and electricity consumption when controlling the temperature in our offices and production facilities.

CO <sub>2</sub> emissions in tons	2018/ 2019	2017/ 2018	2016/ 2017
Scope 1 – Direct emissions	836	922	812
Scope 2 – Indirect emissions	5,259	5,094	5,004
Scope 3 – Other emissions	678	727	863
<b>Total</b>	<b>6,793</b>	<b>6,743</b>	<b>6,679</b>

CO <sub>2</sub> emissions per kg product	2018/ 2019	2017/ 2018	2016/ 2017
Total	622	642	698

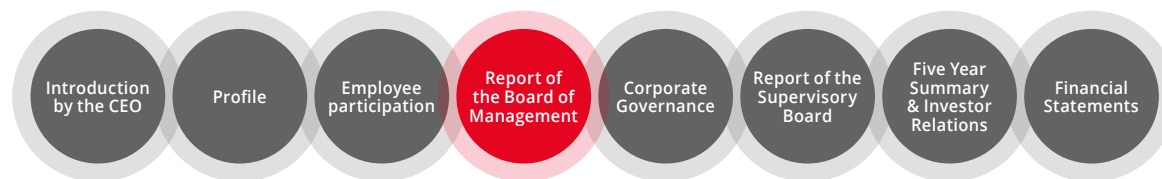
**TURNING WASTE INTO RAW MATERIALS**

At Holland Colours we strive to minimize the impact of our production processes. We do this by using raw materials responsibly, and by reusing off-spec material. Our production sites pay a great deal of attention to reusing products and processing them efficiently.

Waste in tons	2018/ 2019	2017/ 2018	2016/ 2017
Product waste	353	360	296
Cleaning waste	217	167	176
Packaging waste	306	341	287
Other waste	62	57	79
<b>Total</b>	<b>938</b>	<b>925</b>	<b>838</b>
Waste as % of produced weight	8.6	8.8	8.8

The higher waste figure for 2018/2019 reflects an increase in production volumes. However, the amount per kg has improved slightly.

Our story begins in 1979 with the founding of Holland Colours. At the time, sustainability and being 'green' were not on most people's minds. Despite this, we introduced a highly concentrated, dust-free product called Holcobatch®. The concept behind it made it different in several ways to the color pigments that had previously been the only way to color the PVC pipes used in the building and construction industry. Since then, it has evolved into a range covering coloring solutions (Holcobatch® Classic), masking colorants for recycled PET (Holcobatch® Tintmask) and solutions using pigments from a natural source (Holcobatch® Natural Collection). Holcobatch® and the other color granules that followed are more advanced than the alternatives. They feature specific concentrations of pigments and additives, with the key difference that these are encapsulated within a renewable, non-petroleum-based carrier – unlike most of our competitors' products, which use a polymer. Therefore, we can truthfully say that sustainability and economic performance have gone hand-in-hand at Holland Colours from day one.



## SAFE PRODUCTS FOR OUR CUSTOMERS, THEIR CUSTOMERS AND BEYOND

We aim to co-design color and functional solutions in our industry. We want to support our customers with the best solutions and anticipate and meet their needs. To do that, we need to earn and keep our customers' trust, and that is what drives us. We give our customers peace of mind by reassuring them that our products are safe to use in their operations, and comply with both their needs and all relevant regulations.

*Our divisions have dedicated product stewardship specialists to oversee regulatory compliance for our whole product range. They communicate with customers, suppliers and officials to issue the correct declarations in line with the relevant regulations. This includes SDS (Safety Datasheet), RoHS (Restriction of Hazardous Substances), European and FDA (US Food & Drug Administration) and Asian compliance with regard to food contact materials, plus an active approach to understanding the regulatory challenges our customers face, and supporting them in meeting these. One example is the understanding and interpretation of Non-Intentionally Added Substances (NIAS) as part of the relevant European Directives for our packaging customers.*

## CUSTOMERS DEMAND SUSTAINABLE AND INNOVATIVE PRODUCTS

We bring new products and solutions to the market by focusing on our areas of expertise and by partnering with others in the supply chain. Innovation is an important ingredient in our success. Holland Colours is convinced that the environmental impact of its products and services is minimal.

We do, however, also believe it is vital to design products for use in a circular economy. Holland Colours aims to support this by choosing raw materials that enhance the recyclability of end products wherever possible.

*Holland Colours has been serving the plastics industry for more than 40 years, and we hold a strong position in the PET packaging industry. We follow initiatives and recycling trends closely because we acknowledge our responsibility to future generations. We develop sustainable solutions for the industry. For example, we developed dark color formulations for the packaging industry that NIR sorting systems can detect during recycling. We also recently launched our Holcomer Circulaire, a first-of-its-kind low-mineral, highly opaque solution with improved recyclability.*



## PLANET

### RAW MATERIALS

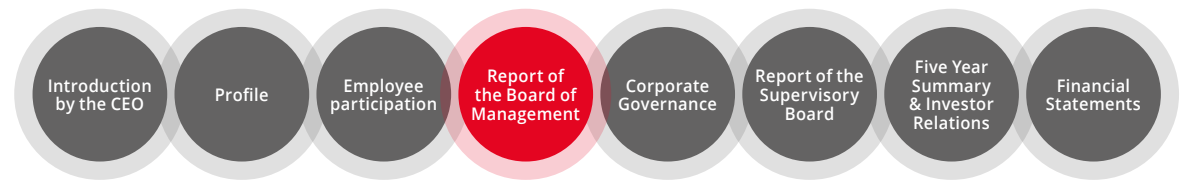
In our industry, the choice of raw materials determines the quality of the products manufactured. We actively manage the efficient use of raw materials, and look for eco-friendly alternatives wherever possible.

Raw materials in tons	2018/ 2019	2017/ 2018	2016/ 2017
Carrier materials and additives	2,185	2,136	1,683
Colorants	5,823	5,442	4,771
Other non-renewable materials	1,337	1,689	1,333
Renewable raw materials for production	2,787	2,876	2,721
<b>Total</b>	<b>12,132</b>	<b>12,143</b>	<b>10,508</b>

### HONEST COMMUNICATIONS

Open and honest communication about our products and the value they add is key. We help customers to use our products more efficiently, and provide them with detailed documentation.

*In October 2016, we launched a new website. As well as offering a source of information, we want to use this platform as a way of interacting with our customers and making it easier for them to do business with us. As a result, we have been developing a webselling tool, which will be launched soon.*



## RISK MANAGEMENT

The risk appetite of Holland Colours is best reflected in our strategic ambition. Our main focus is to defend and grow our global market share in the market segments we serve with products that are close to our original core. In order to maintain a sustainable base for the long-term profitability of our company, we are looking for a year on year continuation of profitable growth. We do this in a variety of ways, including the selective extension of our technology base driven by in-house product innovation and/or third-party partnerships.

Furthermore, as is clear from the strategy, we will continue to foster business opportunities in adjacent product areas and market segments to apply our extensive color, additives and application knowhow in an effective and profitable manner.

Our strategy is well focused and stays close to our core of proven technologies and products, while also incorporating new market trends and innovations.

Our company culture is an important driver for the successful implementation of our strategy. Holland Colours is a partly employee-owned company with short, informal reporting lines and a strong focus on diversity. Our caring culture makes us effective in bridging the needs of the market with our technological and production capabilities on a global scale with a holistic approach: in our company, there is no room for 'individualistic' behavior.

Our divisions are responsible, in close cooperation with the central functions, for maintaining an effective risk and control environment as part of day-to-day operations.

The directors and controllers of the operating companies have signed a statement concerning compliance with the guidelines and procedures that form the basis for financial reporting and internal audits.

During the 2018/2019 financial year, no significant shortcomings were found in the internal risk management and control systems.

The company regularly evaluates its insurance cover, the premium it pays and the policy excess that applies.

In 2018/2019 we performed a bottom-up revision of our 5-year strategy with inclusion of divisional management teams and key sales & technology staff. An external consultancy firm guided us through our Product Market Combinations (PMC). For each PMC we discussed market potential and risk as well as the best fit/adaptation for Holland Colours' products and services.

We also continued to pay attention to cybersecurity as well as adherence to laws and regulations on data protection. Holland Colours implemented processes to ensure compliance with the General Data Protection Regulation (GDPR) when processing personal data.

Cybersecurity threats have become part of day-to-day life, including for Holland Colours. The risk of cybercrime is hard to judge with technology and fraud tactics changing rapidly. Holland Colours is updating relevant staff on a regular basis on the various types of fraud such as fishing mails and identity fraud.

We also installed anti-virus software and internet blockers to avoid access to un-safe internet sites and do follow up on advice from our 3rd party service provider based on their experiences in the field.

The remainder of this paragraph will summarize the risks identified in each key category:

- Strategic
- Compliance
- Financial
- Operational

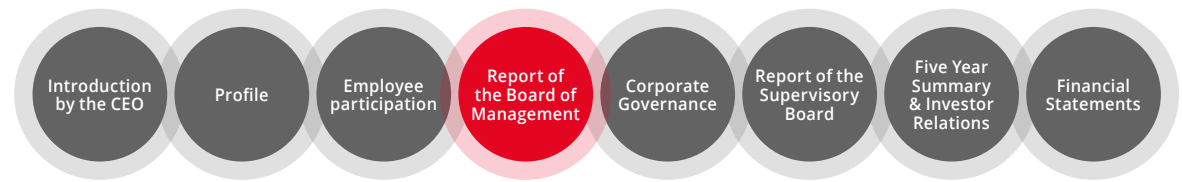
### STRATEGIC

These risks refer to elements or trends that could hinder us in achieving our long-term strategic objective.

*Our ability to defend and grow market share in B&C and Packaging depends on our ability to follow changes in market requirements and legislation*

Changes in market requirements are ongoing both from an equipment (faster, more standardization) and a product compliance point of view (recycling, environmental legislation, FDA, REACH, NIAS). The risk is that Holland Colours is (or is perceived as being) too small to manage these challenges effectively.

This risk is mitigated by the fact that we supplement our product core with third-party complementary technology where needed. This is done in the form of trading products (mainly Asia) and manufacturing alliances (such as our long-term relationship with Gaypa from Italy). Overall, our global presence and strong relationships with key players in both the Packaging and B&C industries continue to be the drivers in defining our product portfolio. In order to protect our technology, we apply for patents where feasible.



This risk will continue to have full management attention with a clear focus on developing the right products and technologies. The appointment of a Chief Technology Officer in the Board of Management in July 2018 as well as the intention to create three new roles in the organization: Innovation Manager and Global Product-Market Managers for UHT Dairy and Packaging Additives are important steps.

***Competitive behavior and market consolidation trends expose us to new challenges***

We closely track the various dynamics in the competitive landscape. We see, for example, that global players are separating their colorants business or buying compounders or teaming up with others. This presents both challenges and opportunities for smaller players such as Holland Colours that have a global reach serving niche markets from a service-oriented approach. Additionally, apart from North America, we still see only limited concentration trends in our customer base. Nevertheless, there is an ongoing trend towards standardization of technology and machinery with convertors in the packaging industry. The impact of brand owners in this segment is also becoming increasingly prominent. As these trends are of a global nature, we manage this segment of our business on a global basis where it relates to strategy and product innovation. Lastly, we are experiencing the impact of supplier consolidation, which drives up the prices and costs of our raw materials. In almost all cases of short supply, we were able to reformulate our products and keep the customer satisfied. We have to offset the cost increase through higher sales prices.

We closely track the various dynamics in the competitive landscape. We see, for example, that global players are separating their colorants business or buying compounders or teaming up with others. This presents both

***Service – Our ability to act as a global partner providing local service depends on our business model***

ent go-to-market models we are spreading our risk and are well connected to local developments. In the North American region, we work with local sales offices. In Europe and Asia, we have dedicated sales representatives in the various countries, in some cases combined with dedicated distributors. For efficiency reasons, our product supply remains predominantly regional. From time to time, we evaluate the efficiency of the model and its elements and make changes where needed. In the 2016/2017 financial year, for example, we made the decision to close our wholly-owned China entity and continue with local business partners.

**COMPLIANCE**

These risks refer to insufficient know-how and measures in place for Holland Colours to properly handle the ever-changing local and international compliance requirements. Compliance is a broad area. We are focused on strictly managing the introduction process of (new) raw materials and product and production compliance in our risk assessment processes. In the packaging segment, we are subject to audits and reviews by our customers who certainly help to keep us well connected and aligned. Please refer to the Corporate Social Responsibility section for information on the measures in place to safeguard a safe working environment for our employees and actions in place to ensure our raw materials are sourced from respectable companies that adhere to good business practices.

This relates to the risk of being a relatively small player with a global reach. As such, Holland Colours could be stretching its resources too thinly over the globe while at the same time not being effective in local markets. We believe that with the differ-

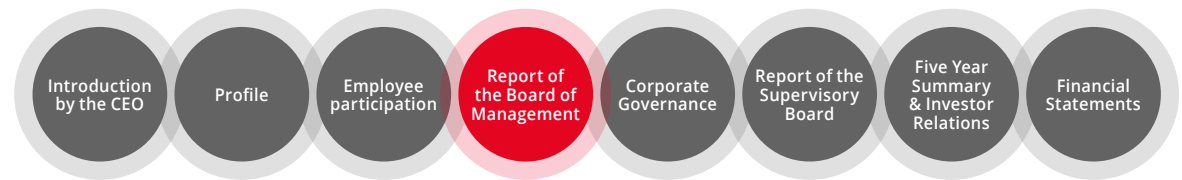
***At Holland Colours we take food contact very seriously***

From a preventive perspective, we partner closely with our key customers in the interpretation of new regulations. As part of the strategy work, we gathered from interviews conducted by an external consultant within the industry that Holland Colours is typically well informed and that we are valued for our active approach to finding solutions. We achieve this by re-formulating products and/or changing our internal operations where needed. The latter may also be prompted by customer audits (mainly in packaging). Our manufacturing sites are ISO registered and subject to regular audits (except for our site in Richmond, Indiana, in the USA, which uses a self-imposed audit system).

We also have a structured approach to learning from any incidents that occur. The complaints registration and handling system has been given outstanding scores in many ISO audits for its structure and content. Complaints are discussed immediately by a Quality Assurance team consisting of Sales, Operations, Technical, and Quality Management with follow-up on the elimination of root causes. The topic of product compliance and complaints management is on the agenda of the divisional management team meetings while product liability risk is covered in the agreements with customers and suppliers and also insured via third parties.

**FINANCIAL**

Holland Colours continuously monitors elements that could jeopardize the financial health of the company. The risks that are part of our regular business operations (such as currency and credit risk) are listed in the Financial Risk Management section of the financial statements.



The financial risks related to the funding of the company are limited. We are debt-free with a stand-by credit line for incidental need.

#### OPERATIONAL

This refers to risks that originate in our operations which would prevent us from achieving our strategic objectives.

#### *Effective scale-up and launch of new products is seen as a critical success factor at Holland Colours*

We have incorporated the scale-up phase as an integral part of projects that relate to new product innovation. All global projects are subject to extensive review by our Chief Technology Officer and consequential ap-

proval by the Board of Management. Special attention is given to staffing and other needs during scale-up. The preparation for market launch is now carried out under the direct supervision of the Global Marketing Director during the final phase of the product development project. Coordination between the project leader and Global Marketing Director already commences during the test marketing stage.

#### *Succession planning is an issue that Holland Colours needs to address in a systematic way*

It is of key importance, yet not easy for a company with the size and global reach of Holland Colours, to find and successfully on board new directors. This process has the full attention of both the Board of Management

and the Supervisory Board. We clearly aim to retain long-term employees who know the business and can share the Holland Colours culture with new staff. The latter can, in turn, introduce new ways of working and new technologies, preferably with the know-how and patience of effective change agents.

#### *Holland Colours strongly believes that proper project management is a key driver for success*

As part of the strategy a project portfolio of global and divisional projects was created, aimed at sales growth and/or operational excellence. The risk of ineffective execution has been mitigated by installing a Project Management Office (PMO) combined with formal project management training. The project sponsor typically is a member of the divisional Management Team or the Board of Management and is responsible for drafting the project charter and the performance and progress review of the project. The PMO drives the production of regular project updates and ensures that bottlenecks are addressed and progress reviews are conducted by the relevant management teams. This process is invigorated as 'Target and Initiative Management' in the deployment of our strategy.

### DECLARATION OF THE BOARD OF MANAGEMENT

In accordance with provision 1.4.3 of the Code and Article 5:25c of the Financial Supervision Act, the Management Board declares that, to the best of its knowledge:

- The management report as included in this report provides sufficient insights into any deficiencies in the effectiveness of Holland Colours' internal risk management and control systems;
- The aforementioned systems provide reasonable assurance that Holland Colours' financial reporting does not contain any material errors;
- Based on Holland Colours' current status of affairs, it is justified that the financial reporting is prepared on a going-concern basis;

As part of the strategy a project portfolio of global and divisional projects was created, aimed at sales growth and/or operational excellence. The risk of ineffective execution has been mitigated by installing a Project Management Office (PMO) combined with formal project management training. The project sponsor typically is a member of the divisional Management Team or the Board of Management and is responsible for drafting the project charter and the performance and progress review of the project. The PMO drives the production of regular project updates and ensures that bottlenecks are addressed and progress reviews are conducted by the relevant management teams. This process is invigorated as 'Target and Initiative Management' in the deployment of our strategy.

- The management report lists those material risks and uncertainties that are relevant to the expectation regarding Holland Colours' continuity for a period of twelve months following the preparation of the management report;
- The financial statements as included in this report provide a true and fair view of the assets, liabilities, financial position, and profit for the financial year of Holland Colours and the group companies included in the consolidation; and
- The management report as included in this report provides a true and fair view of the situation on the balance sheet date, business development during the financial year of Holland Colours, and of its affiliated group companies included in the financial statements. The management report describes the material risks to which Holland Colours is exposed.

Apeldoorn, June 4, 2019

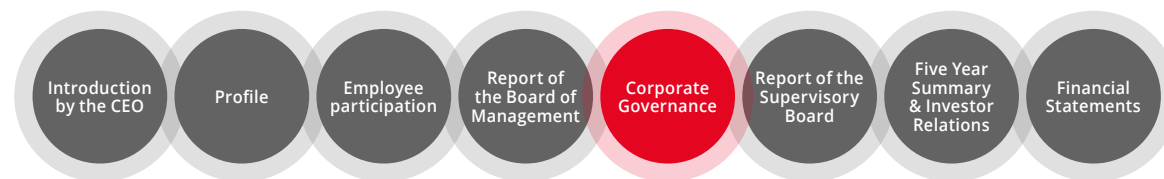
Board of Management Holland Colours NV

C.W.H. Vinke

M.G. Kleinsman

E.M.S. van Hamersveld

# CORPORATE GOVERNANCE



Holland Colours is a publicly listed, limited liability company with common shares listed on Euronext Amsterdam.

The company's management and supervision are organized under Dutch law in a two-tier structure comprising of a Board of Management and a Supervisory Board.

Holland Colours promotes responsible behavior toward society and the environment, while at the same time taking account of the interests of its various stakeholders: employees, shareholders, other capital providers, customers, and suppliers. The Board of Management and Supervisory Board are ultimately accountable for giving due consideration to the interests of all those involved, focusing on the continuity of the company and long-term value creation for relevant stakeholders, both at present and in the longer term, and are held accountable by the Annual General Meeting of Shareholders for the performance of their duties. The risk management approach and the internal control framework play an important role in this process. For a description of these systems, please refer to the section on Risk Management.

## CORPORATE GOVERNANCE FRAMEWORK

Holland Colours is incorporated and based in the Netherlands. As a result, our governance structure is based on the requirements of Dutch legislation and the company's Articles of Association, complemented by internal policies and procedures. Given the worldwide exposure of our business, we conduct our operations in accordance with internationally accepted principles of good governance. Good corporate governance, long-term value creation, and engagement are key components of the Holland

Colours' culture and way of doing business. They are embedded in our core values. Holland Colours endorses the principles of the Dutch Corporate Governance Code (the "Code"), the content of which is available on [www.mccg.nl](http://www.mccg.nl).

The Code is reflected in the regulations of the Board of Management and the Supervisory Board. In addition, the Diversity Policy and a Policy on Bilateral Contacts with shareholders were updated and the Articles of Association of Holland Colours were aligned with the Code. The updated Articles of Association were approved and adopted in the Extraordinary General Meeting of Shareholders of August 27, 2018.

The statutory responsibility resides with the Board of Management, consisting of the CEO, CFO and CTO, who meet every two weeks with a formal agenda and a list of action items and decisions. The Board of Management has regular meetings with the divisional teams for the monthly business reviews and quarterly updates on major projects. Large product, technology, innovation and capex projects need specific approval by the Board of Management. Cost budgets are approved as part of the annual budget review.

The Board of Management is held accountable by the Supervisory Board for the definition and implementation of the company's strategy as well as its day-to-day operational management. The members of the Board of Management attend the periodic meetings of the Supervisory Board as well as the monthly update calls. The CEO is the main contact for the Supervisory Board.

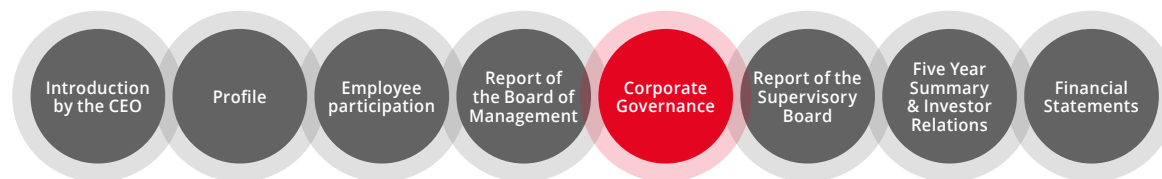
## ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders (AGM) is an integral part of the governance of the company and its system of checks and balances. The AGM reviews the annual report and decides on the adoption of the financial statements, the dividend proposal and the discharge of the members of the Supervisory Board and the Board of Management of their duties performed.

The AGM is convened by public notice. The agenda, notes to the agenda and the procedure for attendance and voting at the meeting are published in advance and posted on the corporate website. Matters proposed for consideration, approval or adoption are dealt with as separate agenda items and explained in writing in advance of the meeting.

These proposals include, where applicable:

- Adoption of the financial statements;
- Dividend proposal;
- Discharge of the members of the Supervisory Board and the Board of Management of their liability for the duties performed;
- Appointment and reappointment of members of the Board of Management and the Supervisory Board;
- Remuneration of the members of the Supervisory Board;
- Material changes to the remuneration policy of the Board of Management;
- Appointment of the auditor;
- Other important matters, such as major acquisitions or the sale or demerger of a substantial part of the company, as required by law or under the Articles of Association;
- Authorization of the Board of Management to issue new shares;
- Amendments to the Articles of Association.



The company provides options for voting by proxy to its shareholders. Holding shares in the company on the registration date determines the right to exercise voting rights and other rights relating to the AGM. All resolutions are adopted on the basis of the 'one share, one vote' principle and by an absolute majority of votes, unless the law or the company's Articles of Association stipulate otherwise.

Holders of common shares in aggregate representing at least 1% of the total issued capital may submit proposals for the AGM agenda. Such proposals must be adequately substantiated and must be submitted in writing, or electronically, to the company at least 60 calendar days in advance of the meeting. The draft minutes of the AGM (in Dutch) are made available on the company's corporate website within three months of the meeting date. The final minutes are available on the corporate website within six months after the meeting date.

#### **DIVERSITY POLICY**

Holland Colours strongly values diversity and endeavors to reflect this in the composition of its Board of Management and Supervisory Board. The objective of the Diversity Policy is to enrich the Board of Management's perspective, improve performance, increase member value and enhance the probability of achievement of Holland Colours' goals and objectives. The aim of the policy is to achieve diversity, including nationality, age, gender, education and professional background. One out of three members of the Board of Management and one out of four members of the Supervisory Board is female. Diversity will be taken into account in succession planning. Further information about the composition of the Board of Management and the Supervisory Board, including its committees, can be found in the reports of the Board of Management and the Supervisory Board (and its profile).

#### **ANTI-TAKEOVER PROVISIONS AND CONTROL**

The company has no specific anti-takeover provisions in place. The fact that the company has a majority shareholder, Holland Pigments BV, in which the collective employees have a shareholding of approximately 25%, guarantees that the voice of the employees is heard.

#### **BILATERAL CONTACTS**

The Company fully endorses the importance of a transparent and equal provision of information to its shareholders and other parties. In accordance with principle 4.2 of the Code, the Company therefore makes every effort to provide such parties equally and simultaneously with information relevant for shareholders, considering the exceptions provided by applicable law. This is laid down in Holland Colours' policy on bilateral contacts with shareholders. The full text of the policy can be found on [www.hollandcolours.com](http://www.hollandcolours.com).

#### **CODE OF CONDUCT**

The Code of Conduct of Holland Colours is a reflection of our core principles on doing business in a fair and ethical way, complying with the local rules and regulations, and treating our employees and business partners with respect. It provides guidelines for avoiding unfair competition and corruption or bribery. It states the conditions for a safe and healthy work environment. Partly through our HP Officials, as appointed by Holland Pigments BV, we maintain our unique employee participation model and culture. Holland Colours has a global whistle blower policy in place, while adherence to the company core values is part of the annual performance cycles with employees.

## **CORPORATE GOVERNANCE CODE**

The Supervisory Board and the Board of Management endorse the principles of Corporate Governance as established in the principles and best practice provisions that currently apply to internationally operating listed Dutch companies.

The full version of the Corporate Governance rules of Holland Colours, along with explanatory notes, can be found on [www.hollandcolours.com](http://www.hollandcolours.com). The deviations from the Code relate to the subjects outlined below.

#### **BOARD OF MANAGEMENT**

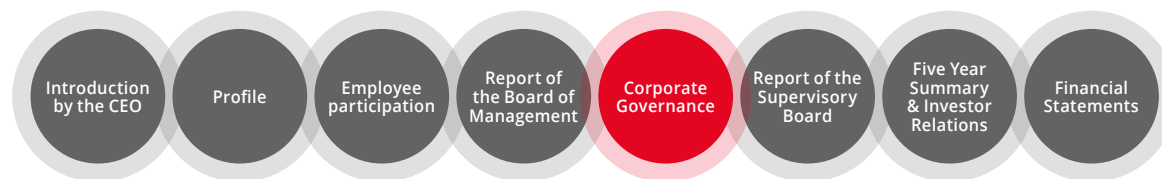
The Code states that the main elements in the contracts of Management Board members of the company must be published without delay after the contract is concluded. As we do not want to single out this type of information, Holland Colours has chosen to continue the practice of publishing this information as an integral part of the annual report. The remuneration policy for the Board of Management for the reporting year was formulated by the Remuneration Committee and is further described in note 26 to the financial statements. Since Holland Colours does not offer remuneration in the form of options, the provisions governing options do not apply.

#### **SUPERVISORY BOARD MEMBERS**

As long as Holland Pigments BV holds an interest of at least one-third of the company's issued capital, it is entitled to nominate one member of the Supervisory Board.

The Supervisory Board has established a Remuneration Committee and an Audit Committee. In deviation from Article 2.3.4, the chairman of the Supervisory Board is also chairman of the Audit Committee, because of his expertise.





The duties of the Selection and Appointment Committee are performed by the full Supervisory Board. The remuneration of the members of the Supervisory Board is determined by the General Meeting of Shareholders.

### INTERNAL AUDIT FUNCTION

The internal audit function assesses the design and operation of the internal controls and the risk management system. Due to the size of the company this function is fulfilled, in deviation from Article 1.3, by the Group Controller.

The Supervisory Board will evaluate annually if it is necessary to establish an internal audit department and will include the conclusions in the report of the Supervisory Board.

### COMPANY SECRETARY

Holland Colours does not have a formal company secretary. This position is fulfilled by the legal and governance function at head office level, in line with the lean and effective organizational structure.

### CONFLICTS OF INTEREST

As Holland Pigments BV is a majority shareholder in Holland Colours, with all employees of Holland Colours having shares in Holland Pigments, transactions between Holland Pigments and the company that are of material significance are subject to approval by the Supervisory Board.

### SHAREHOLDER POWERS

For practical reasons and because of the costs involved, the provision stipulating the option for shareholders to follow meetings with investors and analysts and presentations and press conferences in real time is not observed. All relevant information is, of course, immediately published on the company's website. There have been no substantial changes to the corporate governance structure. The alignment with the Dutch Corporate

Governance Code is published on the company website. Future substantial changes will be submitted to the AGM.

The General Meeting of Shareholders of July 12, 2018 authorized the Board of Management to acquire shares in the company for a period of 18 months, up to January 12, 2020 subject to the approval of the Supervisory Board. The acquisition price must be between the amount equal to the nominal value of the shares and the amount equal to 110% of the share price, whereby the share price will be: the highest average share price on each of the five trading days prior to the acquisition date in accordance with the Daily Official List of Euronext Amsterdam.

All documents related to the implementation of the Dutch Corporate Governance Code can be found in the Investor Relations section in the paragraph on Corporate Governance on our website. This includes the profile, regulation and schedule of retirement by rotation for the Supervisory Board, regulations of the Audit Committee and the Remuneration Committee, the Diversity Policy and the Policy on Bilateral Contacts with shareholders, the company's Articles of Association, the Whistleblower Policy, Holland Colours' Insider Dealing Policy, and the minutes of the General Meetings of Shareholders.

### PREVENTION OF INSIDER TRADING

In compliance with the Dutch Financial Supervision Act, Holland Colours has adopted internal regulations relating to investments in the company's shares, share ownership, and preventing the abuse of insider information. Moreover, the duty of disclosure and the relevant best practice provisions of the Corporate Governance Code have been incorporated in these internal regulations as far as applicable.

These internal regulations apply to the Supervisory Board, the Board of Management and local managers and a circle of employees, as well as to a number of advisors. The Compliance Officer maintains a register, supervises compliance with the internal regulations, and maintains contact with the Netherlands Authority for the Financial Markets (AFM).

### INTERESTS OF MEMBERS OF THE SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT

As at March 31, 2019, the Supervisory Board members and the members of the Board of Management own the following shareholdings, which are held as long-term investments:

	In Holland Colours NV	In Holland Pigments BV
<b>March 31, 2019</b>		
Supervisory Board members	0.00%	0.48%
Coen Vinke*	0.00%	0.00%
Margret Kleinsman*	0.00%	0.19%
Eelco van Hamersveld*	0.00%	0.01%

<b>March 31, 2018</b>		
Supervisory Board Members	5.00%	1.43%
Rob Harmsen*	0.12%	0.27%
Margret Kleinsman*	0.00%	0.15%

\* Board of Management.



COLORING YOUR SUCCESS

# REPORT OF THE SUPERVISORY BOARD

## COMPOSITION OF THE SUPERVISORY BOARD

At last year's shareholders' meeting Gert-Hein de Heer was appointed member of the Supervisory Board, following the retirements of Jan Willem de Heer and Martin Kemper.

Gert-Hein de Heer served as CEO of Holland Colours from October 31<sup>st</sup>, 2000 until June 28<sup>th</sup>, 2006; before that, he was General Manager of the Americas Division (1995-1999) as well as the Europe Division (1999-2000). He therefore brings relevant experience to the table. The appointment of Gert-Hein de Heer has the specific backing of Holland Pigments, the majority shareholder in Holland Colours. He also serves on the Board of Holland Pigments. The Supervisory Board now has four members, which is sufficient in our opinion given the size of the

company. The Supervisory Board proposes to the General Meeting of Shareholders that Roland Zoomers and Aukje Doornbos be appointed for their second term.

## BOARD OF MANAGEMENT COMPOSITION

The past financial year was the first for the CEO, Coen Vinke, and the CTO, Eelco van Hamersveld, who together with Margret Kleinsman as CFO compose the Board of Management. We believe that the inclusion of a technology executive has certainly broadened the scope of Holland Colours' business at the top level. Technological expertise and developments are important success factors for the further growth of Holland Colours in its various markets.

## BOARD MEETINGS AND CONTACTS

The Supervisory Board met with the Board of Management six times in ordinary meetings during the financial year and six times via conference call. The Boards discussed the operational and financial developments of the company, the filling of key positions, environmental issues, working conditions and Corporate Social Responsibility, as well as the key risk areas. Individual members of the Supervisory Board also visited some of the operational centers and met with local management and employees on such occasions.

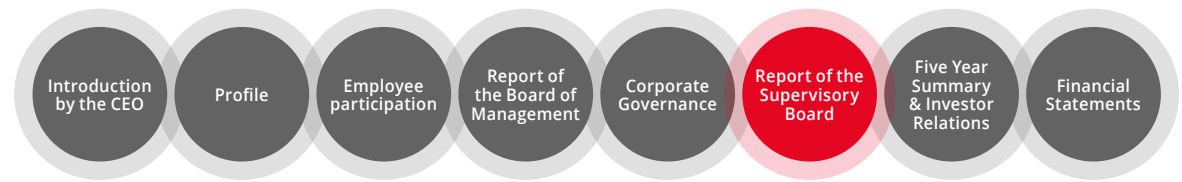
There were also extensive consultations with the Board of Management concerning the company's intended strategic direction. The Supervisory Board also met on several occasions without the Board of Management being present.



### SUPERVISORY BOARD

From left to right: • **J. Klaus** (1969), Dutch citizen. Managing Director of Synres BV. Member since 2017; current (first) term to 2021. • **A.R. Doornbos** (1979), Dutch citizen. President & Business Unit Director of DSM Functional Materials. Member since 2015; current (first) term to 2019. • **R. Zoomers** (1950), Dutch citizen. Chairman, member since 2015; current (first) term to 2019. Additional positions: Chair Supervisory Board of Onkenhout Beheer BV, member Supervisory Board of Vermeulen Group BV. • **G.H. de Heer** (1964), Dutch citizen. Deputy Chairman, member since 2018; current (first) term to 2022 appointed under nomination of Holland Pigments BV. CEO at Monuta Holding NV until February 1, 2018. Additional positions: Board Member Holland Pigments BV, Chairman Stichting Administratiekantoor 's-Heerenhove Heerde, Board Member Stichting Grafica, Board Member at Peerwith BV.

*Further information on the background of the members of the Supervisory Board of Holland Colours NV is available at [www.hollandcolours.com](http://www.hollandcolours.com).*



## DEVELOPMENT AND STRATEGY

The company benefitted from the fact that demand for its products in the major markets in which it operates was strong except for B&C Americas. However, the fluctuating price developments of key raw materials could not always sufficiently be offset by selling price increases in a timely manner. This had a negative impact on profit margins and on the final operating result.

During the past year, the new Board of Management, with the full consent of the Supervisory Board, decided to analyze and assess the strategic position of Holland Colours in its various markets. In these extensive surveys and discussions substantial input was provided by the employees and important customers, providing a strong basis for subsequent conclusions. We are happy that the main consensus is that the company has very strong niche positions in varied market segments, both geographically and technically. These offer ample growth potential and can be developed within the means available to the company. Achieving a substantially higher revenue level therefore remains a realistic ambition. This higher revenue level should be attained through rightly assessing customers' demands and related product developments.

## RISK MANAGEMENT

The financial, operational, compliance and strategic risks were reassessed by the Board of Management and discussed with the Supervisory Board during the financial year as part of our strategic positioning. Particular attention was paid in these discussions to the technological position of the products in the major markets and the exposure to major accounts and customers. Please refer to the Risk Management section in the report of the Board of Management for a complete overview, including risk-mitigating actions.

In view of the size of Holland Colours and following an assessment of the company's Internal Control Framework that sets out clear roles and responsibilities for the controllers for self-assessments and peer reviews, the Audit Committee has concluded that the appointment of an internal auditor is not necessary.

The financial statements 2018/2019 as included in this annual report have been audited. The outcomes of the audit were discussed with the Audit Committee and later in the full Supervisory Board in the presence of the Board of Management and the auditor. PWC has issued an unqualified opinion on the financial statements 2018/2019 and provided certain recommendations for improvement which are being implemented.

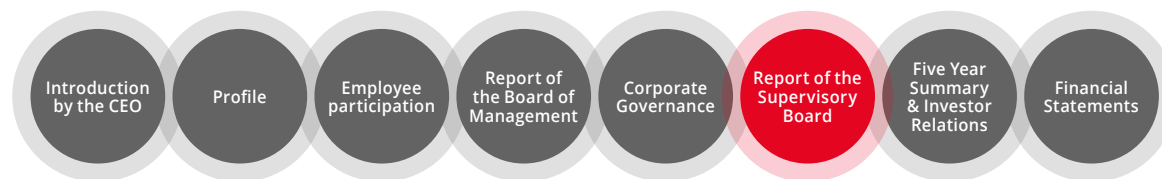
## PERFORMANCE EVALUATION

Given the relatively new composition of the Supervisory Board, a formal evaluation of its own performance and exchanges has not yet been conducted. However, the open atmosphere in sharing ideas and opinions during our meetings demonstrated the constructive nature of the Supervisory Board meetings. This year we will carry out a formal evaluation, including the exchanges with the Board of Management. The performance of the Board of Management is discussed in both the Supervisory Board and Remuneration Committee meetings.

## ALLOCATION OF DUTIES

The allocation of duties within the Supervisory Board and its procedures are laid down in the Regulations for the Supervisory Board and its committees. The profile required for Supervisory Board members and a schedule of retirement have also been drawn up. These documents are available on the Holland Colours website. Provision 2.1.5 of the Dutch Corporate Governance Code stipulates that a diversity policy must be in place. Diversity will again be taken into consideration for future appointments, although quality will remain the most important criterion.

In accordance with provision 2.1.7 of the Dutch Corporate Governance Code, all members of the Supervisory Board are independent of the company, with the exception of Gert-Hein de Heer. He is the Supervisory Board member proposed by Holland Pigments BV.



Both the Audit Committee and the Remuneration Committee held various meetings during the past financial year and thus constructively supported the fulfillment of the responsibilities of the Supervisory Board.

The remuneration of the Board of Management consists of a fixed and a variable component. The variable component consists of a bonus plan that is linked to financial and non-financial targets. The bonus is capped at twice the monthly salary for the Chief Financial Officer and three times the monthly salary for the Chief Executive Officer and the Chief Technology Officer subject to achievement of the agreed targets. In addition to this bonus, the members of the Board of Management are entitled to a profit-sharing plan that applies to all the group's employees and is linked to the return on investment of Holland Colours NV and the net operating result of the division of the employee concerned. The payment under the profit-sharing plan is capped at one and a half times the monthly salary. The members of the Board of Management received variable pay for the past financial year. We believe that the remuneration of the management is in line with Dutch market conditions. The variable pay is linked to longer-term objectives.

The details of the remuneration of the Board of Management and the Supervisory Board are stated in Note 26, 'Related Parties' of the financial statements.

## EXTERNAL AUDITOR

PricewaterhouseCoopers Accountants NV (PwC Accountants) was appointed as the company's external auditor for another term of three years at the General Meeting of Shareholders held in 2017. The Supervisory Board is of the opinion that the auditor is able to arrive at independent audit opinions and has given

sufficient account of this. To ensure independence, the Supervisory Board will remain alert with respect to engagements of the auditor for non-audit-related services.

## ANNUAL REPORT AND DIVIDEND PROPOSAL

The company's annual report, as presented, contains the financial statements for the 2018/2019 financial year. The financial statements were audited by PwC Accountants and an unqualified auditor's report was issued on them, which is included on page 71 of this report. The Supervisory Board discussed and approved the annual report, the financial statements and the auditor's report at its meeting of June 4, 2019 in the presence of the Board of Management and the external auditor.

Based on this discussion, we are of the opinion that the annual report and the financial statements both meet the requirements of transparency and form a sound basis for the Supervisory Board's duty to render account of its supervisory activities.

We submit the financial statements to the General Meeting of Shareholders and recommend that they be adopted in their present form. We further request approval of the proposed dividend distribution of € 3.52 in cash per share. We moreover recommend that the Annual General Meeting of Shareholders will grant full discharge from liability to the members of the Board of Management and the Supervisory Board for the performance of their duties in the financial year 2018/2019.

The members of the Supervisory Board have signed the financial statements and have accordingly discharged their statutory obligation pursuant to Section 101, subsection 2 of Book 2 of the Dutch Civil Code.

## ACKNOWLEDGEMENTS

As stated above, the true performance of the company is almost entirely dependent on the efforts of our employees. Holland Colour's employees are very loyal and highly motivated and are also co-owners through their shareholding in Holland Pigments BV. Together with our key suppliers and broad customer base, they form an excellent base for the further development of the company. We are grateful for their continued trust and contributions.

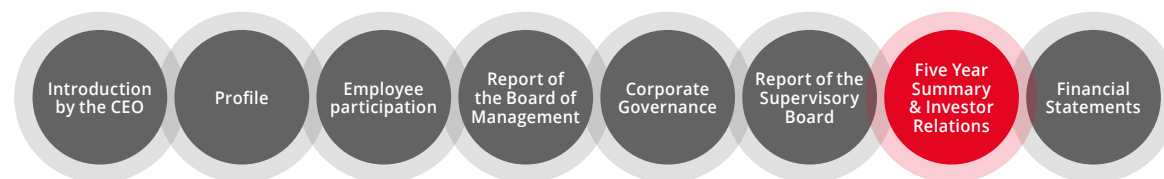
We wish the Board of Management and our employees every success in achieving the ambitious plans and objectives for the coming financial year.

Apeldoorn, June 4, 2019

### The Supervisory Board

R. Zoomers, Chairman  
G.H. de Heer, Deputy Chairman  
A.R. Doornbos  
J. Klaus

# FIVE-YEAR SUMMARY



IN MILLIONS OF EUROS, UNLESS STATED OTHERWISE

	2018/19	2017/18	2016/17	2015/16	2014/15		2018/19	2017/18	2016/17	2015/16	2014/15
<b>Income statement</b>						<b>Statement of cash flows</b>					
Revenue	90.9	83.5	77.5	73.7	68.2	Cash flow from operating activities	7.7	3.3	7.2	7.6	5.7
Operating result before depreciation and amortisation (EBITDA)	10.7	10.2	9.1	7.7	7.3	Investments	(2.9)	(2.5)	(3.6)	(1.7)	(1.1)
Depreciation of property, plant, equipment and intangibles	(1.9)	(2.0)	(1.9)	(2.0)	(2.0)	Dividend paid	(2.9)	(2.6)	(1.9)	(1.7)	(1.8)
Operating result	8.8	8.2	7.2	5.7	5.3	Other financial activities <sup>3</sup>	0.2	(0.4)	(1.0)	(2.7)	0.4
Interest	(0.1)	-	(0.1)	(0.1)	(0.3)	Net cash flow	2.1	(2.2)	0.7	1.5	3.1
Income tax	(2.3)	(2.2)	(1.7)	(2.0)	(1.6)	<b>Revenue per division</b>					
Result of discontinued operations	(0.2)	(0.1)	(0.2)	-	-	Europe	48.9	43.9	39.1	37.9	36.7
Net result	6.1	5.9	5.2	3.6	3.4	Americas (in USD)	32.4	34.1	31.6	29.6	28.4
						Asia (in USD)	17.2	14.0	11.6	11.0	12.5
<b>Statement of financial position</b>						<b>Ratios</b>					
Total assets	57.8	50.2	49.4	45.3	45.0	Return on Sales (ROS)	9.6%	9.8%	9.3%	7.7%	7.8%
Total equity	41.8	36.7	35.9	32.1	30.7	Solvency <sup>4</sup>	72.3%	73.1%	72.7%	70.9%	68.2%
Interest-bearing debt	-	-	-	1.1	1.1	Return on Investment (ROI) <sup>5</sup>	24.0%	25.2%	24.2%	20.0%	17.3%
Working capital <sup>1</sup>	19.4	17.2	14.3	13.4	15.6	Working capital in % of revenue	21.3%	20.6%	18.5%	18.2%	22.9%
Invested capital <sup>2</sup>	36.6	32.6	29.7	28.5	30.7						
Cash	7.4	5.3	7.5	6.8	5.3	Market capitalisation as at 31 March	65.7	76.6	59.8	39.1	39.5
						Number of shares outstanding	860,351	860,351	860,351	860,351	860,351

<sup>1</sup> Inventories + trade accounts receivable -/- trade accounts payable.

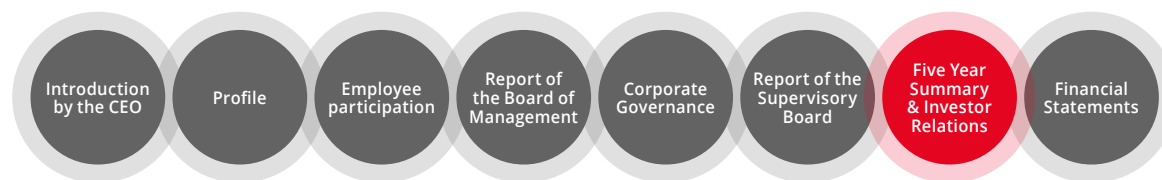
<sup>2</sup> Property, plant & equipment, intangible assets, other investments -/- non interest bearing current liabilities.

<sup>3</sup> Sum of long-term financing, translation differences on cash and cash equivalents and derivatives.

<sup>4</sup> Equity as % of balance sheet total.

<sup>5</sup> Operating result as % of the invested capital.

# INVESTOR RELATIONS



## PROFIT APPROPRIATION AND DIVIDEND POLICY

As of 2016, Holland Colours intends to distribute at least 50% of its net profit in the form of dividend, as long as the solvency ratio after distribution is at least 40% and there are no specific circumstances that warrant a deviation from this baseline.

## PUBLICATIONS

The interim results (for the period April to September) are published in October and the full-year results (from April to March) are published by the end of May/beginning of June. As of 2017/2018, the company no longer publishes updates on the first and third quarters. Share price-sensitive information is published in the form of press releases which are also posted on our website.

Please refer to the next page for the full financial calendar.

## THE LIQUIDITY PROVIDER IS NIBC MARKETS

The shares of Holland Colours are traded on the Euronext Amsterdam stock exchange, classified under the small caps and with a limited free float. In order to increase marketability, NIBC Markets in Amsterdam has been appointed as the liquidity provider. This means that NIBC Markets acts in the market as a counterparty for buy-or-sell orders, whereby the bid and offer prices are set according to a range around the last traded price. Smaller buy-or-sell orders are therefore filled by the liquidity provider, which results in a more orderly price development of the share price.

Due to its focus on small and midcap stocks, NIBC Markets has frequent contact with professional and private investors who hold larger positions and who wish to buy or sell. It may therefore be advisable for (new) investors wishing to trade larger positions to contact NIBC Markets. Further information on liquidity providing and the trading of larger blocks of shares is available on the NIBC Markets website: [www.nibcmarkets.com](http://www.nibcmarkets.com).

## SHARE OWNERSHIP

The number of outstanding shares remained constant during the financial year.

Shares trade on Euronext Amsterdam	423,738
Holland Pigments BV <sup>1</sup>	434,043
Registered shares	2,570
Total	<u>860,351</u>

As at March 31, 2019, the following substantial interests (>3%) were recorded in the registers of the AFM (Netherlands Authority for the Financial Markets) on the basis of the Decree on the Disclosure of Major Holdings and Capital Interests in Issuing Institutions in accordance with the Netherlands Financial Supervision Act. A list of shareholdings in excess of 3% is also available on the AFM website.

Disclosures	%	Date
Holland Pigments BV <sup>1</sup>	50.03	April 2, 2012
ELNED Holding BV	5.00	March 4, 2013
Lazard Frères Gestion	6.97	February 13, 2014
Waag & Zübert Value AG	3.84	August 24, 2016
Axxion S.A.	5.55	April 5, 2017
IP Concept Luxembourg S.A.	4.79	March 27, 2019

<sup>1</sup> Please refer to page 10 Employee Participation. Based on our internal register, Holland Pigments BV holds 50.45% of the shares in Holland Colours NV.

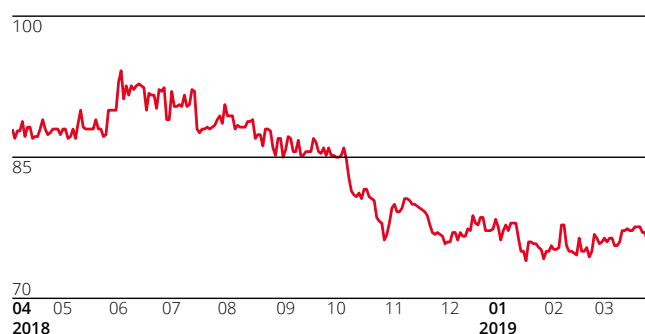
### SHARE PRICES, HOLLAND COLOURS VERSUS ASCX

April 1, 2018 = 100



### SHARE PRICES, HOLLAND COLOURS

In euros



### PUBLICATIONS

Holland Colours published the following press releases in the 2018/2019 financial year:

- May 31, 2018 Publication of 2018/2019 financial statements
- July 12, 2018 Resolutions adopted by the General Meeting of Shareholders
- August 27, 2018 Amendment of the Articles of Association of Holland Colours NV
- October 25, 2018 Publication of interim results 2018/2019

### KEY DATA PER SHARE

In euros, unless otherwise stated

	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
Net result	7.04	6.78	6.03	4.23	4.02
Dividend	3.52	3.39	3.01	2.15	2.00
Equity	48.58	42.66	41.71	37.26	35.64
Highest share price	94.20	94.20	71.71	52.30	48.50
Lowest share price	74.00	66.25	45.00	39.90	28.20
Number of shares outstanding	860,351	860,351	860,351	860,351	860,351

### KEY DATES

- July 16, 2019 General Meeting of Shareholders
- July 18, 2019 Ex-dividend listing
- July 19, 2019 Dividend record date
- July 25, 2019 Dividend payable
- October 24, 2019 Publication of interim results 2019/2020
- June 4, 2020 Publication of 2019/2020 financial statements
- July 16, 2020 General Meeting of Shareholders

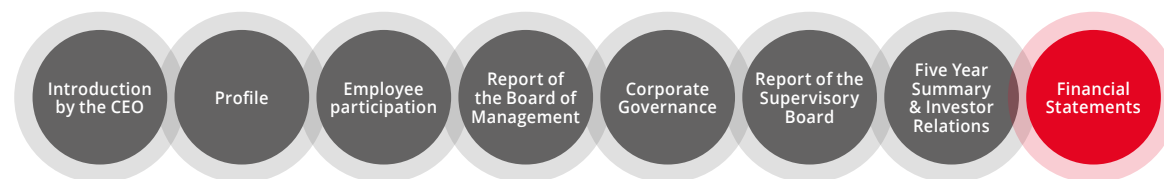




COLORING YOUR SUCCESS

# FINANCIAL STATEMENTS

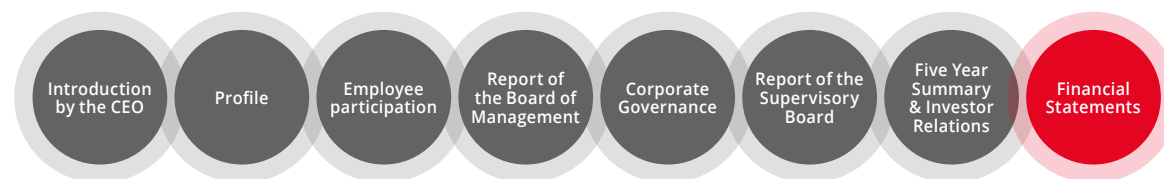
# CONTENTS



<b>Consolidated Income Statement</b>	<b>35</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>36</b>
<b>Consolidated Balance Sheet</b>	<b>37</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>38</b>
<b>Consolidated Cash Flow Statement</b>	<b>39</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>40</b>
1. General Information	40
2. Summary of Accounting Principles	40
3. Financial Risk Management	47
4. Cash Flow Statement	48
5. Segment Information	49
6. Personnel Expenses	50
7. Other Operating Expenses	50
8. Finance Income and Expense	50
9. Income Tax	51
10. Discontinued Operations	52
11. Intangible Assets	52
12. Property, Plant and Equipment	53
13. Deferred Income Tax Assets and Liabilities	54
14. Inventory	54
15. Trade and Other Receivables	55
16. Cash and Cash Equivalents	55
17. Share Capital	56
18. Other Reserves	56
19. Earnings per Share	56
20. Non-Controlling Interest	56
21. Credit Facility	56
22. Employee Benefit Obligations	57
23. Derivative Financial Instruments	58
24. Trade and Other Liabilities	58

<b>Other Disclosures</b>	<b>59</b>
25. Commitments and Contingencies	59
26. Related Parties	59
27. Other Disclosures	61
<b>Company Income Statement</b>	<b>62</b>
<b>Company Balance Sheet</b>	<b>63</b>
<b>Notes to the Company Financial Statements</b>	<b>64</b>
28. General Information	64
29. Summary of Accounting Principles	64
30. Subsidiaries	64
31. Personnel Expenses	64
32. Income Tax	64
33. Intangible Assets	65
34. Property, Plant and Equipment	66
35. Financial Non-Current Assets	67
36. Equity	67
37. Statutory Provisions regarding the Appropriation of Profits	68
38. Long-Term Debt	68
39. Employee Benefit Obligations	68
40. Derivative Financial Instruments	69
41. Audit Fees	69
42. Other Information	69
<b>Other Information</b>	<b>71</b>
Independent Auditor's Report	71

# INCOME STATEMENT

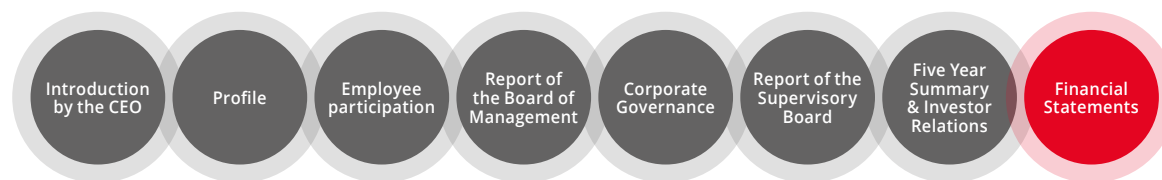


FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros

	Note	April 1, 2018/March 31, 2019	April 1, 2017/March 31, 2018
<b>Revenue</b>		90,902	83,513
Direct Selling Cost and Raw Materials		(50,516)	(45,385)
Changes in Finished Product		68	189
<b>Net Margin</b>		<b>40,454</b>	<b>38,317</b>
Personnel Expenses	6	(18,313)	(17,975)
Amortization and Impairments	11	(121)	(177)
Depreciation and Impairments	12	(1,784)	(1,785)
Other Operating Expenses	7	(11,469)	(10,156)
Total Operating Expenses		(31,687)	(30,093)
<b>Operating Result</b>		<b>8,767</b>	<b>8,224</b>
Finance Income	8	35	20
Finance Expense	8	(102)	(69)
Finance Income and Expense		(67)	(49)
Result Before Income Tax		8,700	8,175
Income Tax	9	(2,333)	(2,182)
<b>Net Result from Continued Operations</b>		<b>6,367</b>	<b>5,993</b>
Discontinued Operations	10	(238)	(121)
<b>Net Result after Discontinued Operations</b>		<b>6,129</b>	<b>5,872</b>
Attributable to:			
• Shareholders of the Company		6,053	5,836
• Non-controlling Interest	20	76	36
		6,129	5,872
<b>Earnings per Share in euros</b>			
Average Number of Shares Issued	19	860,351	860,351
Earnings per Share		7.04	6.78

Notes 1 to 27 are an integral part of these consolidated financial statements.



# STATEMENT OF COMPREHENSIVE INCOME

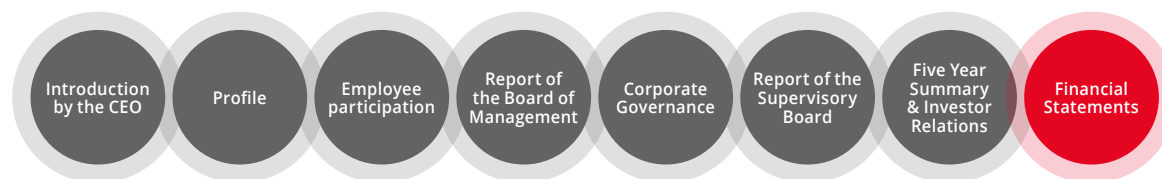
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros	Note	April 1, 2018/March 31, 2019	April 1, 2017/March 31, 2018
<b>Net Result</b>		6,129	5,872
<b>Items that will not be reclassified to the Income Statement</b>			
Actuarial results on Employee Benefits, after Tax	22	(80)	(60)
<b>Other comprehensive income that could in future be classified to the income statement</b>			
Foreign Currency Translation Differences	18	1,943	(2,426)
<b>Other Comprehensive Income</b>		1,863	(2,486)
<b>Total Comprehensive Income</b>		<b>7,992</b>	<b>3,386</b>
Attributable to:			
• Shareholders of the Company		7,916	3,350
• Non-controlling Interest		76	36
		<b>7,992</b>	<b>3,386</b>

Notes 1 to 27 are an integral part of these consolidated financial statements.

# BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019



In thousands of euros	Note	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
<b>Non-Current Assets</b>			
Intangible Assets	11	476	473
Property, Plant and Equipment	12	18,150	16,485
Deferred Tax Assets	13	1,696	1,921
		<b>20,322</b>	<b>18,879</b>
<b>Current Assets</b>			
Inventory	14	12,533	11,786
Trade and Other Receivables	15	17,278	14,104
Income Tax Receivables		183	97
Cash and Cash Equivalents	16	7,434	5,338
		<b>37,428</b>	<b>31,326</b>
<b>Total Assets</b>		<b>57,750</b>	<b>50,205</b>

In thousands of euros	Note	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
<b>Equity</b>			
Share Capital	17	1,953	1,953
Share Premium Reserve		1,219	1,219
Other Reserves	18	379	(1,585)
Retained Earnings		38,088	35,048
Equity Attributable to Shareholders of the Company	20	41,638	36,635
Non-Controlling Interest		160	84
<b>Total Equity</b>		<b>41,798</b>	<b>36,719</b>
<b>Non-Current Liabilities</b>			
Long-Term Debt	21	-	-
Employee Benefit Obligations	22	1,211	1,224
Deferred Tax Liabilities	13	-	-
		<b>1,211</b>	<b>1,224</b>
<b>Current Liabilities</b>			
Credit Institutions	21	-	-
Trade and Other Liabilities	24	13,359	11,779
Income Tax Liabilities		1,298	399
Employee Benefit Obligations	22	84	84
		<b>14,741</b>	<b>12,262</b>
<b>Total Equity and Liabilities</b>		<b>57,750</b>	<b>50,205</b>

Notes 1 to 27 are an integral part of these consolidated financial statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros

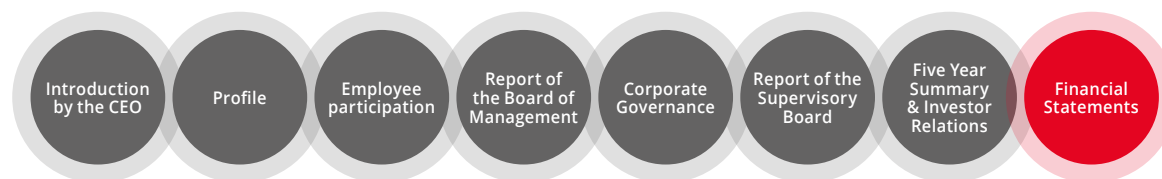
Equity attributable to Shareholders of the Company

	Share Capital	Share Premium Reserve	Foreign Currency Translation Reserve	Hedge Reserve	Legal Reserve for Intangible Assets	Retained Earnings	Total	Non-Controlling Interest	Total Equity
<b>As at March 31, 2017</b>	1,953	1,219	812	(353)	395	31,849	35,875	6	35,881
Net Result for the 2017/2018 Financial Year	-	-	-	-	-	5,836	5,836	36	5,872
Other Comprehensive Income	-	-	(2,426)	-	-	(60)	(2,486)	-	(2,486)
Total Comprehensive Income	-	-	(2,426)	-	-	5,776	3,350	36	3,386
Transfer of Reserve for Intangible Assets	-	-	-	-	(13)	13	-	-	-
Change of Capital	-	-	-	-	-	-	-	42	42
Dividends for 2016/2017	-	-	-	-	-	(2,590)	(2,590)	-	(2,590)
<b>As at March 31, 2018</b>	1,953	1,219	(1,614)	(353)	382	35,048	36,635	84	36,719
Net Result for the 2018/2019 Financial Year	-	-	-	-	-	6,053	6,053	76	6,129
Other Comprehensive Income	-	-	1,943	-	-	(78)	1,865	-	1,865
Total Comprehensive Income	-	-	1,943	-	-	5,975	7,918	76	7,994
Transfer of Reserve for Intangible Assets	-	-	-	-	20	(20)	-	-	-
Change of Capital	-	-	-	-	-	-	-	-	-
Dividends for 2017/2018	-	-	-	-	-	(2,916)	(2,916)	-	(2,916)
<b>As at March 31, 2019</b>	1,953	1,219	329	(353)	402	38,088	41,638	160	41,798

Notes 1 to 27 are an integral part of these consolidated financial statements.

# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

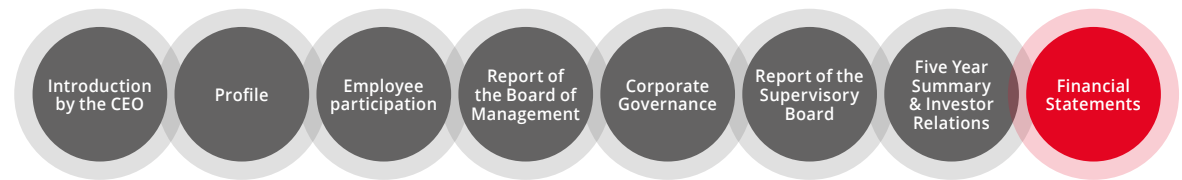


In thousands of euros	Note	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Operating Result		8,767	8,224
Adjustments for:			
• Amortization of Intangible Assets and Impairments	11	121	177
• Depreciation of Property, Plant and Equipment and Impairments	12	1,784	1,785
• Changes in Provisions	22	(63)	(92)
• Exchange-rate Differences		143	3
<b>Cash Flow from Operating Activities before Changes in Working Capital, Tax and Interest</b>		<b>10,752</b>	<b>10,097</b>
Changes in Working Capital		(1,465)	(4,672)
Income Tax Paid		(1,270)	(1,808)
Interest Received and Paid		(68)	(49)
<b>Cash Flow from Operating Activities from Continued Operations</b>		<b>7,949</b>	<b>3,568</b>
Cash Flow from Operating Activities from Discontinued Operations	10	(219)	(251)
<b>Cash Flow from Operating Activities</b>		<b>7,730</b>	<b>3,317</b>

In thousands of euros	Note	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Proceeds from Asset Disposals	12	19	-
Capital Expenditures in Intangible Assets	11	(124)	(187)
Capital Expenditures in Property, Plant and Equipment	12	(2,819)	(2,274)
Receipts from Financial Non-Current Assets	12	-	-
<b>Cash flow from Investment Activities</b>		<b>(2,924)</b>	<b>(2,461)</b>
Change in Capital		-	-
Dividend Paid		(2,916)	(2,590)
<b>Cash Flow from Financing Activities</b>		<b>(2,916)</b>	<b>(2,590)</b>
Exchange-rate and Translation Differences on Cash and Cash Equivalents		207	(443)
<b>Net Cash Flow</b>		<b>2,096</b>	<b>(2,177)</b>
Cash and Cash Equivalents as at April 1		5,338	7,515
Cash and Cash Equivalents as at March 31		7,434	5,338
<b>Net Cash Flow</b>	16	<b>2,096</b>	<b>(2,177)</b>

Notes 1 to 27 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



IN THOUSANDS OF EUROS, UNLESS STATED OTHERWISE

## 1. GENERAL INFORMATION

Holland Colours NV (‘the Company’) is a listed limited liability Company (‘Naamloze Vennootschap’) under Dutch law with its registered office in Apeldoorn, the Netherlands.

The Company and its subsidiaries (‘the Group’), manufacture, distribute, and sell color concentrates. As of balance sheet date, the Holland Colours Group operates through eight of its own facilities and a network of agents and distributors.

Shares of the Company are listed on the Euronext stock exchange in Amsterdam.

Since April 2, 2012 just over 50% of the shares in Holland Colours NV are held by the Dutch based investment company Holland Pigments BV, in which among others all employees of Holland Colours participate. The current and retired employees collectively hold approximately 25% of the shares in Holland Pigments BV. Participations in Holland Pigments by former directors (also being major shareholders in Holland Pigments) are excluded from this number. The Group’s financial year commences on April 1 and closes on March 31 of the following year.

The consolidated IFRS financial statements of the Company comprise the financial statements of the Company and its subsidiaries.

The 2018/2019 consolidated financial statements were discussed in the Supervisory Board meeting on June 4, 2019, and released for publication on the same day. The financial statements will be presented for approval to the General Meeting of Shareholders on July 16, 2019.

The Company financial statements form part of the 2018/2019 financial statements of the Company.

## 2. SUMMARY OF ACCOUNTING PRINCIPLES

### GENERAL

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Title 9 Book 2 of the Dutch Civil Code.

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand, unless stated otherwise.

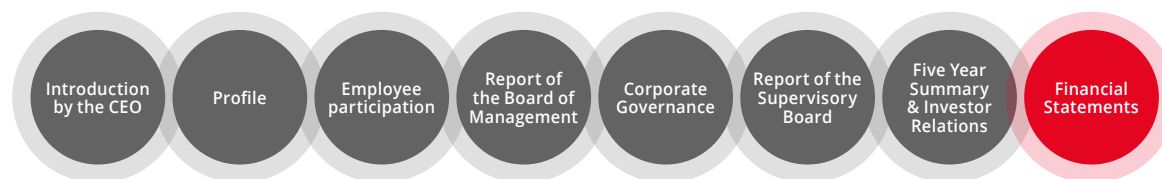
The consolidated financial statements are prepared on the basis of historical cost.

The accounting policies as detailed below are applied consistently for all periods presented in these consolidated financial statements.

The Group also applies IFRS 8 Operating Segments. The segmentation relates to the Group’s management and internal reporting structure.

New standards became effective and were adopted by the Group for the first time in the 2018/2019 financial year. The changes in the IFRS standards shown in the table below are effective for Holland Colours from April 1, 2018. These changes do not have a material effect on the Total Equity attributable to shareholders or profit of the Group.





IFRS	Topic	Effective date
IFRS 9	Financial Instruments	January 1, 2018
IFRS 15	Revenue from Contracts with Customers	January 1, 2018

**IFRS 9 – Financial Instruments**

IFRS 9 replaced the existing guidance in IAS 39 Financial Instruments on the topic Recognition and Measurement. IFRS 9 gives new guidance on:

- Classification and measurement of financial instruments;
- Recognition and measurement of impairment losses on financial assets;
- General hedge accounting requirements.

IFRS 9 applies to annual reporting periods beginning on or after January 1, 2018, The Group did adopt the standards for the financial year beginning as of April 1, 2018.

*Position and impact*

The standard relates to the provision for expected credit or collection loss on outstanding receivables. The only type of receivables the Group is dealing with at this moment is trade debtors.

The Group has determined the impact is limited based on an analysis of credit losses in the past and expected credit losses. Please refer to note 15.

**IFRS 15 – Revenue from contracts with customers**

IFRS 15 replaced several standards related to revenue, such as IAS 11 and IAS 18. The new standard does not differentiate between different types of contracts and services, but introduces uniform criteria for the timing to recognize the revenue with a five-step model. The new model of revenue recognition separates the performance obligations (if applicable) out of the regular sales contract. It determines the transaction price and allocates the transaction price and timing of the performance obligations. As such, revenues are recognized for each performance obligation when the control of goods or service have been transferred from Holland Colours to the customer.

IFRS 15 applies to annual reporting periods beginning on or after January 1, 2018. The Group did adopt the standards for the financial year beginning as of April 1, 2018. The group decided to use the modified retrospective approach.

*Position and impact*

The standard relates to revenue and the period of including the revenue to the income statement. The Group is only allowed to include revenue from a sales transaction in the income statement, when the entity has transferred the control of the goods to the buyer and when the costs incurred can be measured reliably. With the revenue recognition process already in place in prior years the adoption of this new accounting standard has no material impact on the disclosures or on the amounts reported.

**IFRS 16 – Lease and Rental Obligations**

IFRS 16 replaced the current accounting standards regarding leases and demands an on-balance sheet accounting model for operational leases and rental contracts, as with the financial lease accounting. The Group decided to use the modified retrospective option. Next to that, the Group has chosen to determine the asset base equal to the lease liability.

The standard applies on the annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted. The Group will adopt the standard for the financial year beginning as of April 1, 2019.

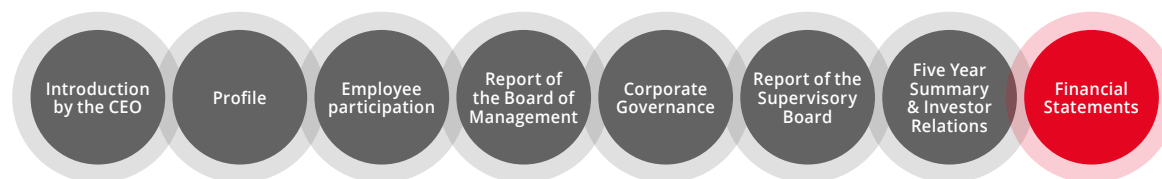
*Impact*

Based on the information currently available, the impact on the consolidated financial statements of the Group is estimated to end in a range of € 800k and € 850k increase of balance sheet total as at April 1, 2019.

**Other IFRS changes**

The Group has not applied the following new and revised IFRSs that have been issued and are effective as of January 1, 2018.

IFRS	Topic	Effective date
Amendments to IFRS 2	Share-based Payment	January 1, 2018
Amendments to IAS 28	Measuring an associate or joint venture at fair value	January 1, 2018
Amendments to IAS 40	Transfers of Investment Property	January 1, 2018
IFRIC 22	Foreign Currency Transactions	January 1, 2018



These changes are either not applicable and/or immaterial for the Group. The Group does not apply share-based payment. The only joint-venture within the Group relates to PT Holco Indo Jaya. The 12% external share holding is recorded separately in the P&L and Equity statement. Transfers of Investment Property is not applicable at the Group and advance consideration paid or received in non-functional currency are not material.

**Significant Estimates**

In the preparation of the consolidated financial statements, the Board of Management applied estimates and assumptions to several areas that could have an impact on the amounts included in the consolidated financial statements. Changes in estimates and assumptions may affect the amounts to be reported in subsequent years, and actual outcomes may differ from the estimates made. Revisions of estimates are included in the period in which the estimates are revised and in the future periods they might affect. The most important estimates are stated under the relevant policies, and mainly relate to the items Deferred Tax Assets based on the carry-forward of tax losses, impairment analyses of Property, Plant and Equipment, valuation of Inventories and Employee Provisions.

**Consolidation Principles**

The Company's consolidated financial statements for the 2018/2019 financial year include the financial data of the Company and all of the subsidiaries in which the Company directly or indirectly has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to control those returns through its power to direct the activities of the entity. Subsidiary companies are consolidated

from date of acquisition, which is the date on which actual control of the acquired entity is obtained; consolidation continues until the date on which actual control ceases to exist. The majority of the financial statements prepared by the subsidiary companies are for the same reporting year as that of the parent Company, with application of consistent valuation principles. The exceptions are the financial statements of the entities in Mexico and China. These will be drawn up for a calendar year based on the same valuation principles. The consolidated financial statements include the financial data of the following companies:

**Legal structure including capital interest and division structure**

Division	Subsidiaries	Interest
Europe	Holland Colours Europe BV, the Netherlands	100%
Europe	Holland Colours UK Ltd, United Kingdom	100%
Europe	Holland Colours Hungária Kft, Hungary	100%
Americas	Holland Colours Canada Inc., Canada	100%
Americas	Holland Colours Americas Inc., United States	100%
Americas	Holland Colours Mexicana SA de CV, Mexico	100%
Asia	PT Holland Colours Asia, Indonesia*	99%
Asia	Holland Colours China Ltd, China**	100%
Asia	PT Holco Indo Jaya, Indonesia***	88%

There were no significant changes to the consolidation Group from the 2017/2018 financial year.

Holland Colours NV and PT Holland Colours Asia jointly own 88% of the shares in PT Holco Indo Jaya while the Italy-based Gaypa Srl holds the remaining 12% (12% in 2017/2018). The results of PT Holco Indo Jaya are consolidated on an integral basis in the figures for the Group. The non-controlling interest is recognized separately in the results and equity of the Group.

The subsidiary Holland Colours Europe BV makes use of the exemption to file financial statements under Section 403 of the Dutch Civil Code. The subsidiary Holland Colours UK Ltd makes use of the exemption regarding the mandatory audit of financial statements under Section 479A of the Companies Act 2006.

In the consolidated financial statements, all intercompany receivables, payables and deliveries are fully eliminated as well as the related and not yet realized results. Unrealized losses are eliminated in the same way as unrealized profits, unless there is an indication of impairment.

**FOREIGN CURRENCY**

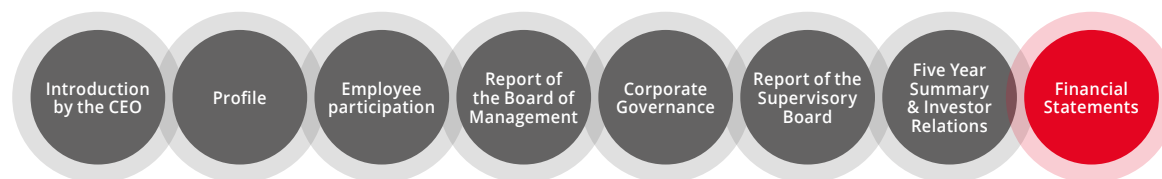
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, the Company's functional and presentation currency.

Transactions in foreign currency are translated to the functional currency at the rate of exchange on the transaction date. All monetary assets and liabilities expressed in foreign currency are converted to the functional currency at the exchange rate that applies at balance sheet date. Foreign exchange differences arising from conversion and settlement are recognized in the Income Statement.

\* Regarding the subsidiary in PT Holland Colours Asia in Indonesia, Holland Pigments BV holds 1% of the legal ownership. Economic ownership resides with Holland Colours NV.

\*\* Holland Colours China Ltd in China is in liquidation as of February 15, 2017.

\*\*\* Regarding the subsidiary in PT Holco Indo Jaya in Indonesia, PT Holland Colours Asia holds 36% of the legal and economic ownership and Holland Colours NV holds 52% of the legal and economic ownership.



Assets and liabilities of Group companies with a functional currency other than the euro are converted at the exchange rate that applies at balance sheet date. The Income Statement for these Group companies are converted at the average exchange rate during the financial year. The resulting differences are recognized in unrealized results and the foreign currency translation reserve. On sale or termination of an operation outside the Eurozone, the amount concerned is transferred from Equity to the Income Statement as part of the gain or loss on sale or termination.

The rates of the main currencies against the euro are as follows:

**Exchange rates used**

in EUR	At close		Average	
	March 31, 2019	March 31, 2018	2018/2019	2017/2018
US dollar	1.12	1.23	1.16	1.17
British pound	0.86	0.87	0.88	0.88
Canadian dollar	1.51	1.59	1.52	1.50
Chinese yuan	7.56	7.74	7.76	7.75
Mexican peso	21.64	22.50	22.40	21.66

**REVENUE RECOGNITION**

As indicated above IFRS 15 replaced revenue recognition guidance in IFRS. In 2018/2019 revenue is recognized in line with the new standard.

Revenues from contracts with customers are recognized by identifying the contract and its performance obligations as well as determination and allocation of the transaction price to these performance obligations. Revenues are recognized for each performance obligation when the control of goods or service have been transferred from Holland Colours to the

customer at a point in time based on the contract. The revenue is measured at the fair value of the transaction price received. This means the revenue is recognized net of rebates, discounts and similar allowances, and net of sales tax.

**Grants**

Government grants to compensate for expenses incurred by the Group are systematically recognized as income in the Income Statement, if it is reasonably certain that the grant will be received and that all the conditions attached to the grant will be met.

Grants to compensate the Group for the purchase of an asset are included in the Income Statement during the useful life of the asset. If the grant relates to a (future) expense item, it is recognized as income and allocated over the same period to which the cost is spent.

**Lease Payments**

*Operational leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operational leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

*Financial leases*

Leases of Property, Plant and Equipment, where the Group has assumed virtually all the risks and rewards associated with the ownership of an asset, are classified as financial leases. Financial leases are capitalized at the commencement of the lease at the fair value of the leased assets, or at the cash value of the minimum lease payments if lower. Each lease payment is split into repayments and financing expenses so as to achieve a constant interest rate on the balance of the liability outstanding. The corresponding lease obligations, net of

finance costs, are included under Non-current Liabilities. The interest element of the lease costs is charged to the Income Statement under Finance Expenses over the lease period.

**Finance Income and Expense**

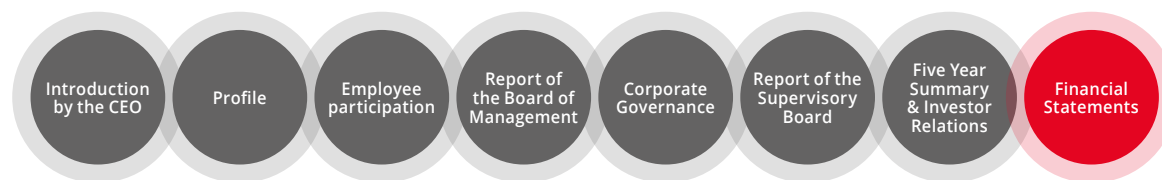
Finance Income and Expense include the income and expenses on lent and borrowed funds and interest charges on financial lease payments. Finance Income and Expense is recognized in the Income Statement under Finance Income and Expense if no hedge accounting is applied. Profit or loss from Derivative Financial Instruments for which hedge accounting is applied is brought from Equity to net finance cost upon expiration and in relation with the hedged item.

**Taxation**

Income Tax Expenses represent the sum of the current tax payable and changes in the deferred tax positions.

The tax amount is calculated on the basis of the tax rates and tax legislation as applicable on the reporting date in the countries in which the Group operates and generates income subject to taxation. Current income tax relating to items recognized directly in Equity is recognized in Equity and not in the Income Statement. The Board of Management assesses the positions taken in the tax returns for those situations where the applicable tax regulations can be interpreted in different ways. Provisions are formed where deemed necessary.

Current tax receivables and liabilities for the current period are measured at the amount expected to be reclaimed from or paid to the tax authorities.



**Earnings per Share**

Earnings per ordinary share are calculated as the Net Result attributable to holders of ordinary shares divided by the weighted average number of outstanding shares in the period concerned.

**PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES**

**General**

The valuation principles are principally based on valuation of the assets and liabilities at historical cost.

**Offsetting Financial Instruments**

Financial Assets and Liabilities are offset in the consolidated balance sheet only in situations of an actual legally enforceable right to offset the amounts recognized and only if it is the intention to settle these amounts on a net basis or simultaneously.

**Intangible Assets**

Costs of Development Activities are capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources to complete its development and it is expected that future gains will be generated. The capitalized expenses comprise of direct labor cost and a surcharge for overhead costs, to the extent that these are attributable to the project. All other research and development costs are stated as an expense in the Income Statement at the time that they are incurred.

Capitalized Development Costs are valued at cost, less accumulated amortization and impairments, if applicable. Amortization costs are charged to the Income Statement over their estimated useful life, which is typically five years.

Intangible Assets are assessed for impairment if there are indications that an intangible asset might be subject to a loss in value. The amortization period and method for an intangible asset with a measurable useful life is assessed, at the very least, at the end of each financial year. Changes in the expected useful life of an asset or in its expected pattern of future economic benefits are accounted for by changing the amortization period or method and are treated as changes in accounting estimates.

**Other Intangible Assets**

The Other Intangible Assets consist of the costs of computer software and licenses, as well as the external costs related to their implementation and commissioning. Other Intangible Assets are measured at historical cost; that is, the acquisition price or production cost less cumulative amortization and any applicable impairments. Amortization is applied in the Income Statement on a straight-line basis over the estimated useful life, which is between three and five years.

**Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation based on the estimated useful life of the assets concerned and impairment losses. The costs of assets produced in-house comprise material costs, direct labor cost and an appropriate portion of the directly attributable overhead costs. Finance costs are added to the costs of Property, Plant and Equipment if these meet the conditions for recognition in the balance sheet. If significant parts of Property, Plant and Equipment must be replaced at regular intervals, the Group recognizes these as separate assets with their own useful life and depreciation method. All other repair and maintenance costs are recognized in the Income Statement at the time they occur.

Property, Plant and Equipment are assessed for impairment if there are indications that an item may have suffered a loss in value. The depreciation period and method for Property, Plant and Equipment with a measurable useful life is assessed, at the very least, at the end of each financial year. Changes in the expected useful life of an asset or in its expected pattern of future economic benefits are accounted for by either adjusting the depreciation period or method. These are treated as changes in accounting estimate.

**Financial Non-current Assets**

Loans and receivables for which the maturity date is more than 12 months after the balance sheet date are presented as Financial Non-current Assets and on initial recognition are measured at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans are valued at amortized cost using the effective interest rate method, less any impairment. Gains or losses arising from changes in the amortized cost are accounted for in the Income Statement under Finance Expense.

**Leased Assets**

Lease agreements in which the Group assumes all risks and benefits of ownership are classified as financial leases. Property, Plant and Equipment acquired by means of financial leases is measured at fair value or the cash value of the minimum lease payments at the inception of the lease, whichever is lower, less accumulated depreciation and, when applicable, impairments. Lease payments are stated as described under determination of the result.



**Depreciation**

Depreciation is charged to the Income Statement according to the straight-line method on the basis of the estimated useful life of each component of items of Property, Plant and Equipment. Depreciation is not applied to land. The estimated useful life is as follows:

Buildings	25-40 years
Machinery and Equipment	10 years
Other Non-current Assets	3-5 years

The remaining useful life, residual value and depreciation method are assessed on an annual basis.

**Impairment of Non-current Assets**

An asset is impaired if its realizable value is less than its carrying amount. Non-current assets are assessed on an annual basis for indications of impairment. If there are such indications, the realizable value of the asset concerned is estimated based on either the directly realizable value or the value in use to the Company. An impairment loss is reversed if there is a change to the estimates used. The reversal is done to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been the case if no impairment had been recognized so after deduction of then applicable depreciation.

**Deferred Income Tax**

A receivable is recognized or a provision is formed for deferred tax positions using the balance sheet method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the carrying amount of these items for tax purposes.

The carrying amount of Deferred Tax Assets is assessed at reporting date and (partially) reduced if and when it is unlikely that sufficient taxable profit will be available to absorb these temporary differences and/or changes incurred to the assessment base (such as a change in the corporate tax rate). Deferred Tax Assets not recorded are reassessed at reporting date and recorded when deemed realizable based on expected future taxable profits.

Deferred Tax Assets and Liabilities are valued at the tax rates expected to apply in the period in which the asset is realized or the liability is settled, at the tax rates (and tax law) in force at the time the reporting process is definitively completed.

Under certain circumstances, current and deferred tax is recognized outside profit or loss either in Other Comprehensive Income or directly in Equity, depending on the item the tax relates to.

Deferred Tax Assets and Liabilities shall be offset if, and only if there is a legally recognized right to set off current tax assets and liabilities, and the Deferred Tax Assets and Liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

There is certain uncertainty around the correct interpretation of complex tax regulations and the amount and timing of future taxable profits.

Given the huge diversity of international business relations, discrepancies between the assumptions made and the actual outcomes, or future changes in such assumptions, this could lead to future changes in the tax payments and returns already recognized.

**Inventories**

Inventories are valued at the lower of cost and net-realizable value. The cost price for inventories is based on the FIFO principle (first in, first out). Finished product is valued at production cost including costs of raw materials and a surcharge for direct and indirect production costs based on normal capacity, or at realizable value if lower. The net-realizable value comprises the estimated selling price in the normal course of the business, less the estimated costs for completion and estimated costs necessary to make the sale.

**Trade and Other Receivables**

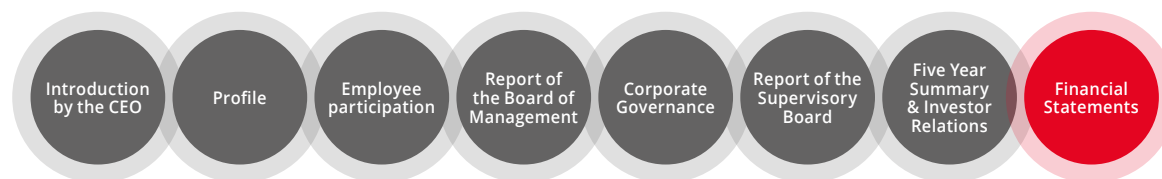
Trade and Other Receivables are recognized initially at fair value and subsequently at amortized cost. A provision for non-collectability is established based on expected credit loss in line with the new IFRS 9 standard.

**Cash and Cash Equivalents**

Cash and Cash Equivalents comprises cash balances and deposits that are available on call.

**Share Capital**

Share Capital is classified as Equity.



**Dividends**

Dividends payable to shareholders are recognized as a liability to shareholders once the proposed profit appropriation has been approved by the General Meeting of Shareholders.

**Employee Benefit Obligations**

Holland Colours has a number of pension plans in accordance with local conditions and practices.

The voluntarily pension plans of the subsidiaries are in line with local legislation and regulation and are included in the financial statements as defined contribution plans. These involve payment of predetermined premiums to an insurance company. Under these pension plans Holland Colours has no legal or factual obligation to pay additional premiums if the insurance company has insufficient means to fund current or future pensions.

**Other Employee Benefits**

As a consequence of the termination of the pre-pension plan (including the transitional arrangement) for employees in the Netherlands, the originally agreed conditional financing of past service years was converted into an annual payment in the same amount, which is also conditional. The most important conditions for this payment are that an employee must still be in the Company's service at the time of the annual payment and that the Group's financial results are assessed by the Board of Management as being sufficient to cover this payment. The Group has included a provision for this future liability, which will end in September 2037. Any revaluation of this future liability is recognized in the profit and loss account.

The Group has also included a provision for other long-term obligations regarding employee benefits, including jubilee payments, earned by employees for their service in the current and previous reporting periods.

The obligations are calculated partly on the basis of actuarial principles and based on a discount rate of 0.5% (2017/2018 1.5%) in accordance with the IBoxx Index Government Bonds, and are recognized under Non-current Liabilities. The expenses are reported in the Income Statement under Personnel Expenses. All assumptions are reassessed at balance sheet date.

**Provisions**

A provision is recognized in the balance sheet when there is a legal or constructive obligation for the Group as a result of a past event and it is probable that an outflow of economic benefits will be required to settle this obligation.

**Interest-bearing Loans**

Interest-bearing Loans are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, Interest-bearing Loans are valued at amortized cost, whereby a difference between the cost and the repayment value is recognized in the Income Statement on the basis of the effective interest method over the term of the loan.

**Trade and Other Payables**

Trade and Other Payables are recognized initially at fair value and subsequently measured at amortized cost.

**Determination of Fair Value**

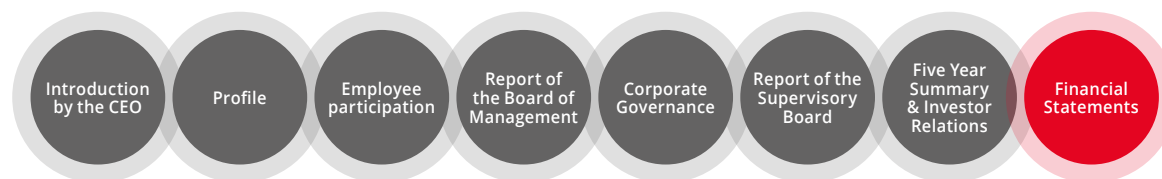
Certain accounting policies as well as disclosures by the Group require fair value assessments of financial and non-financial assets and liabilities. Further information on the principles used in these assessments is provided in the notes relating to the specific asset or liability.

*Long-term Receivables*

Long-term Receivables at fixed and variable interest rates are assessed by the Group on the basis of factors such as the applicable interest rate and the borrower's individual credit-worthiness. When necessary a provision is formed for losses expected on these receivables on the basis of this assessment. As at March 31, 2019, the carrying amount of these receivables did not vary materially from their fair value.

*Trade and Other Receivables*

The fair value of Trade Debtors and Other Receivables is estimated as the net present value of the future cash flows based on market interest rates as at the reporting date. This fair value is determined for informative purposes.



### 3. FINANCIAL RISK MANAGEMENT

As part of the normal conduct of its business, the Group is exposed to a variety of financial risks such as credit risk, liquidity risk, interest rate risk and currency risks. In terms of risk management policy, it is recognized that the financial markets are volatile and that the aim should be to limit the potential negative effects of this on the Group's financial results as much as possible. The Board of Management determines principles for overall risk management and provides policies for specific areas, such as currency risk, credit risk, liquidity risk, interest rate risk and translation risk, and the use of Derivative and Non-Derivative Financial Instruments. These principles or methods may vary by Group Company as a result of differing local market circumstances.

#### CURRENCY RISK

The functional and reporting currency of the Group is the euro. Being a global operation, the Group is exposed to a variety of

foreign currencies. Currency risk arises from engaging in commercial transactions in non-functional currencies (mainly USD). Holland Colours aims to limit the effect of the transaction related exchange-rate exposure on the Group by a preference for invoicing in the functional currency of the supplying (in most cases regional) entity. Currency hedging on outstanding Accounts Receivables or projected sales is not in place. The Group participates in several foreign subsidiaries of which the net equity is mainly USD nominated. This is subject to currency translation risk in the consolidation process. The impact varies over the years and is complicated to mitigate due to the long term fluctuations in the EUR-USD rate. This risk is monitored but not hedged.

The table below shows the sensitivity of the net result after tax and the equity (including translation effects) to the US dollar with all other variables kept constant:

	2018/2019		2017/2018	
	Increase EUR-USD 10%	Decrease EUR-USD 10%	Increase EUR-USD 10%	Decrease EUR-USD 10%
Net Result after Tax	(523)	596	(360)	457
Equity	(2,040)	2,493	(1,720)	2,123

In relative terms, the various currencies affected the Group's net sales and expenses as follows:

	Revenue		Expenses	
	2018/2019	2017/2018	2018/2019	2017/2018
Euro	45%	46%	47%	46%
US dollar	37%	36%	37%	39%
Other	18%	18%	16%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### CREDIT RISK

Credit risk is the risk of financial loss by the Group in the event a customer fails to meet their contractual obligations. Credit risk mainly arises from receivables from customers. Holland Colours follows an active policy to minimize credit risk. This policy includes strict internal guidelines regarding over due payments, the use of sales information systems, the consultation of external sources and, where necessary, requesting security for payment. Thanks to the distribution over a large number of customers and geographical areas, there is no significant concentration of credit risk. There is no insurance for credit risk in place.

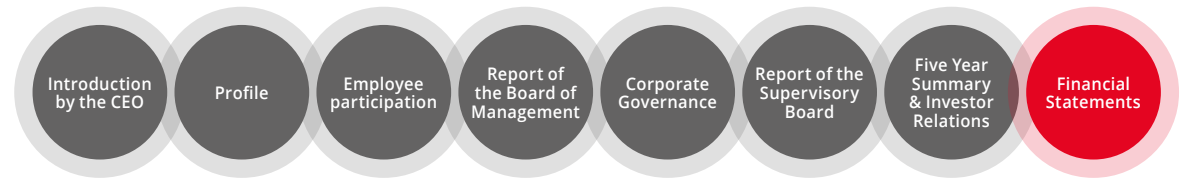
#### LIQUIDITY RISK

Liquidity risk is the risk that Holland Colours is unable to meet its obligations when they are due. Holland Colours' policy with regard to liquidity risk is to ensure to the best of its ability that sufficient committed credit facilities are available to meet its payment obligations in time, in both normal and exceptional situations. The Trade and Other liabilities all fall due within one year.

Based on the current situation, the Board of Management assesses the risk that Holland Colours will not be able to meet its liabilities as low.

#### INTEREST RATE RISK

At the end of the fiscal year, there were no current or non-current borrowings. As the Group has no significant interest-bearing assets and liabilities, the direct impact of changes in the market rates to the Group's income and operating cash flow is limited.



#### FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group applies the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques whereby the lowest-level input as significant for valuation at fair value is directly or indirectly observable;
- Level 3: Valuation techniques whereby the lowest level input as significant for valuation at fair value is not observable.

Changes in the fair value of the above-mentioned liabilities are recognized in the Income Statement unless hedge accounting is applied.

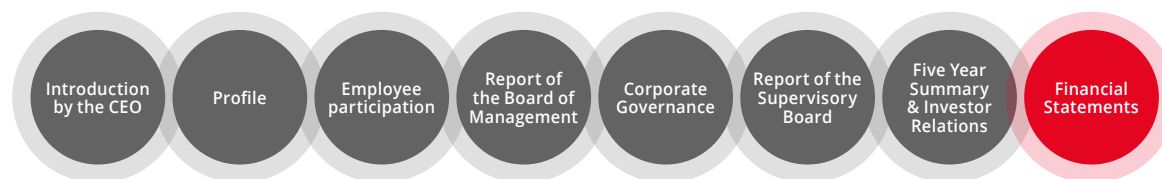
The fair value of long-term loans is calculated on the basis of the net present value of the expected future cash flows by virtue of repayment and interest payments, and is not based on observable market data.

Trade and Other Receivables, Payables to Suppliers, Credit Institutions and Other Debt due to expire within one year are included in the financial statements at nominal value. The nominal value is considered to be a reflection of fair value due to the short duration.

#### 4. CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash flows in foreign currencies are converted at the exchange rate on the date of the cash flow, or based on averages. A distinction is made in the cash flow statement between cash flows from operating, investment, and financing activities.





## 5. SEGMENT INFORMATION

The Group is divided into geographical segments for management as well as business purposes. The segment information contained in the financial statements is therefore presented based on the organizational structure of the Group with three operating units, each representing a region and the holding under 'Other' representing General Management, Innovation and Technology and other central functions.

The Board of Management monitors the operating result of the geographic segments to facilitate the decision-making process in relation to the allocation of resources and the performance evaluation. The operating result of the segments are determined and based on the same accounting principles as the operating result shown in the consolidated financial statements.

The funding of the Group, including loan structure and dividend policy as well as the current income tax, deferred income tax and certain financial assets and liabilities are also not allocated to the segments since these items are supervised at Group level.

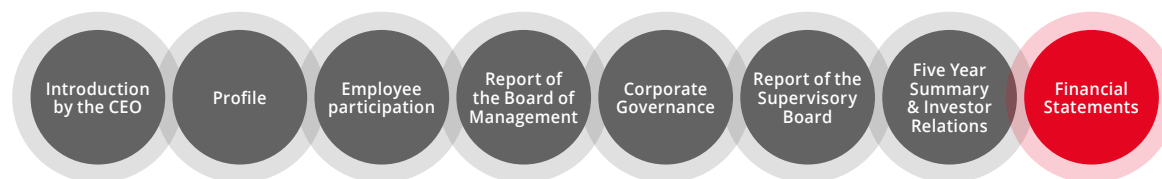
Transfer prices for transactions and services between the operating segments are set on an arm's-length basis.

Revenue in the USA accounted for 21% (2017/2018: 23%) of total revenue. There are no other significant revenue concentrations in specific countries. The Group companies in the identified segments are to a limited extent dependent on certain large customers.

Segments 2018/2019	Europe	Americas	Asia	Other	Adjustments/ eliminations	Total
Revenue	48,151	27,837	14,913	-	-	90,902
Intersegmental Transactions	773	128	1	-	(902)	-
Revenue Including Intersegmental Transactions	48,925	27,965	14,914	-	(902)	90,902
Depreciation, Amortisation and Impairments	(917)	(528)	(212)	(255)	7	(1,905)
Operating Result from Continued Operations	1,547	1,926	3,839	1,455	-	8,767
Operating Result from Discontinued Operations	-	-	(221)	-	-	(221)
Operating Result after Discontinued Operations	1,547	1,926	3,618	1,455	-	8,546
Net Financial Expense	-	-	-	-	(68)	(68)
Tax	-	-	-	-	(2,333)	(2,333)
Net Result	-	-	-	-	6,129	6,129
Non-current Assets	8,690	5,719	3,253	34,139	(31,749)	20,322
Current Assets	15,886	11,344	7,386	7,654	(4,884)	37,386
Liabilities	13,610	2,696	2,569	1,468	(4,390)	15,952
Total Investments	1,214	684	826	218	-	2,942
Average Number of Employees (in FTE)	204	96	100	19	-	419

Segments 2017/2018	Europe	Americas	Asia	Other	Adjustments/ eliminations	Total
Revenue	42,626	28,969	11,918	-	-	83,513
Intersegmental Transactions	1,229	162	52	-	(1,443)	-
Revenue Including Intersegmental Transactions	43,856	29,132	11,970	-	(1,443)	83,513
Depreciation, Amortisation and Impairments	(956)	(518)	(217)	(280)	9	(1,962)
Operating Result from Continued Operations	532	3,823	2,101	1,768	-	8,224
Operating Result from Discontinued Operations	-	-	(121)	-	-	(121)
Operating Result after Discontinued Operations	532	3,823	1,979	1,768	-	8,103
Net Financial Expense	-	-	-	-	(49)	(49)
Tax	-	-	-	-	(2,182)	(2,182)
Net result	-	-	-	-	5,872	5,872
Non-current Assets	8,354	5,177	2,249	39,428	(36,336)	18,872
Current Assets	10,759	10,948	5,811	7,136	(3,321)	31,333
Liabilities	9,187	3,298	1,876	2,777	(3,652)	13,486
Total investments	1,111	902	198	413	-	2,624
Average number of employees (in FTE)*	201	95	98	19	-	413

\* Average number of employees 2017/2018 Americas and Total restated (+5).



## 6. PERSONNEL EXPENSES

The table below shows the breakdown for Personnel Expenses.

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Wages and Salaries	(15,658)	(15,288)
Social Security	(1,825)	(1,744)
Pension Costs	(830)	(944)
<b>Personnel Expenses</b>	<b>(18,313)</b>	<b>(17,976)</b>

For the 2018/2019 financial year, an accrual for profit sharing of € 1,003 is included (2017/2018: € 1,305). This is included under Wages and Salaries. All employees in the Group are eligible to the profit sharing plan. Payments depend on the Group's ROI and the operating result of the Division in which the individual employee works.

The remuneration of the Board of Management and the Supervisory Board is shown in Note 26: Related Parties.

The pension costs relate to defined contribution plans.

Wages and salaries in the 2018/2019 financial year include € 109 of government grants (2017/2018: € 164). A total of € 156 of the Personnel Expenses is capitalized (2017/2018: € 134); see also Notes 11 and 12.

In the 2018/2019 financial year, the average number of employees was 419 FTEs (2017/2018: 413 FTEs).

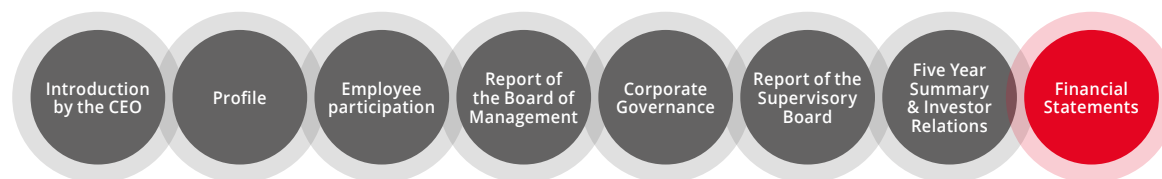
## 7. OTHER OPERATING EXPENSES

The table below shows the main components of the Other Operating Expenses.

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Other Personnel	(2,339)	(2,116)
Travel and Accommodation	(1,614)	(1,574)
Maintenance	(1,382)	(1,312)
Energy	(1,152)	(1,073)
Consulting	(1,533)	(1,115)
Materials	(983)	(889)
Insurance	(454)	(505)
Other Costs	(2,012)	(1,571)
<b>Other Operating Expenses</b>	<b>(11,469)</b>	<b>(10,155)</b>

## 8. FINANCE INCOME AND EXPENSE

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Finance Income	35	20
Finance Expense	(102)	(69)
<b>Finance Income and Expense</b>	<b>(67)</b>	<b>(49)</b>



## 9. INCOME TAX

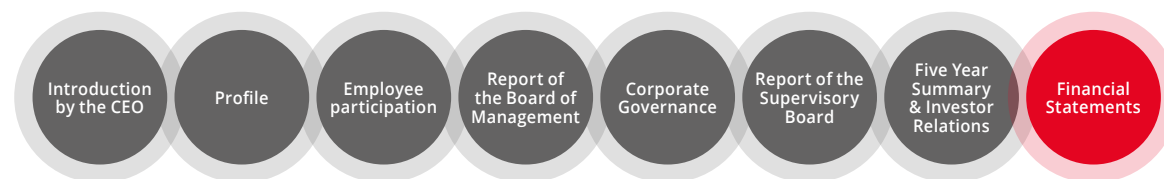
The main components of the Tax charge in the 2018/2019 financial year are shown in the table below.

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
<b>Consolidated Income Statement</b>		
Corporate Income Tax this year:		
• Current Income Tax	(2,356)	(2,219)
• Tax Incentive Programs, including Innovation Box	148	255
• Other Taxes, including Applied Withholding Tax	100	34
Deferred Tax:		
• In relation to the existence and reversal of temporary differences	(225)	(252)
<b>Income Tax recognized in the Consolidated Income Statement</b>	<b>(2,333)</b>	<b>(2,182)</b>

The Corporate Income Tax as recognized in the consolidated income statement amounts to € 2,333 versus € 2,182 last year. The deferred tax asset position was reduced with € 225 (also reduced in last year € 252) due to changes in tariffs (this year mainly relating to Dutch corporate income tax), valuation principles (in the USA) and adjusted regime for the Dutch Innovation Box. Please refer to note 13 as well. The Other Taxes relate to local applied Withholding Taxes on dividends and royalties paid to the Company by the operating entities in Indonesia, Canada and Mexico. These accumulated charges are gradually applied against the Dutch corporate Income Tax.

Calculation of effective tax rate starting at statutory tax rate in the Netherlands:

	April 1, 2018/ March 31, 2019		April 1, 2017/ March 31, 2018	
Result Before Income Tax		8,699		8,175
At the 25% rate applicable in the Netherlands	(25.0%)	(2,175)	(25.0%)	(2,044)
Effect of different tax rates in countries in which the Group operates	(1.4%)	(122)	(4.8%)	(391)
Adjustments of tax recorded in previous years	(3.1%)	(270)	(1.5%)	(120)
Expenses not tax-deductable	(0.8%)	(73)	-	-
Tax Incentive Programs	1.7%	148	3.1%	255
Other Differences	1.8%	159	1.4%	118
	<b>(26.8%)</b>	<b>(2,333)</b>	<b>(26.8%)</b>	<b>(2,182)</b>



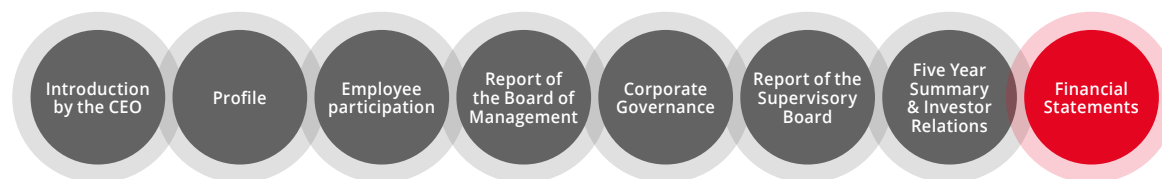
## 10. DISCONTINUED OPERATIONS

Operations from our China production entity discontinued per December 31, 2016. We are in the final stage of the liquidation process of the legal entity. Results relating to the closure and liquidation are recognized as results from discontinued operations.

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Direct Selling Cost and Raw Materials	–	(42)
Personnel Expenses	–	(3)
Other Operating Expenses	(238)	(76)
<b>Operating Result</b>	<b>(238)</b>	<b>(121)</b>
<b>Net Result from Discontinued Operations</b>	<b>(238)</b>	<b>(121)</b>

## 11. INTANGIBLE ASSETS

	Development costs	Other	Assets under Construction	Total
<b>As at March 31, 2017</b>				
Cost	1,703	1,734	–	3,434
Accumulated Amortization	(1,314)	(1,686)	–	(2,997)
Carrying Amount	389	48	–	437
<b>Change in Asset Value</b>				
Capital Expenditures/Transfer	143	17	53	213
Carrying Amount of Disposals	–	(1)	–	(1)
Impairments	(25)	–	–	(25)
Amortization	(125)	(25)	–	(150)
Balance	(7)	(9)	53	37
<b>As at March 31, 2018</b>				
Cost	1,846	1,749	53	3,648
Accumulated Amortization	(1,464)	(1,711)	–	(3,175)
Carrying Amount	382	39	53	473
<b>Change in Asset Value</b>				
Capital Expenditures/Transfer	133	16	(25)	124
Carrying Amount of Disposals	–	–	–	–
Impairments	–	–	–	–
Amortization	(105)	(16)	–	(121)
Exchange-rate Differences	–	–	–	–
Balance	28	–	(25)	4
<b>As at March 31, 2019</b>				
Cost	1,979	1,765	28	3,772
Accumulated Amortization	(1,569)	(1,727)	–	(3,296)
Carrying Amount	410	38	28	476



The Company's total expenses for research and development were € 1,580 in the 2018/2019 financial year (2017/2018: € 1,579). Of this amount, € 133 is capitalized (2017/2018: € 143), while the rest is included under Personnel Expenses, Depreciation, Amortization and Other Operating Expenses.

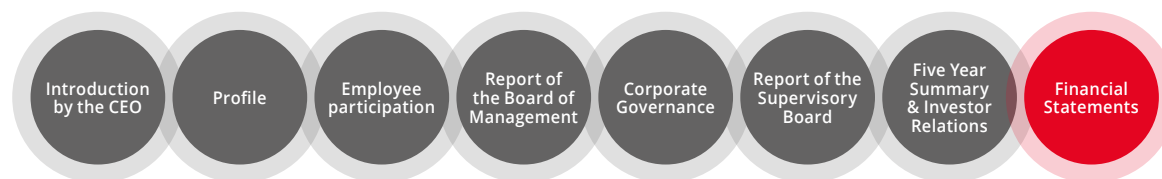
The amortization amounting to € 121 (2017/2018: € 150) is recognized under Amortization and Impairments in the consolidated Income Statement.

There were no impairments in the 2018/2019 financial year in relation to the capitalized development costs (2017/2018: € 25).

The Other Intangible Assets consist of the purchase price of computer software and licenses, as well as the external costs related to their implementation and commissioning.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Machinery and Equipment	Other	Assets under Construction	Total
<b>As at March 31, 2017</b>					
Cost	23,396	27,521	6,718	584	58,219
Accumulated Depreciation	(13,293)	(22,338)	(5,883)	-	(41,514)
Carrying Amount	10,103	5,183	835	584	16,705
<b>Change in Asset Value</b>					
Capital Expenditures/Transfer	437	1,495	288	191	2,411
Carrying Amount of Disposals		(2)	(44)	-	(46)
Depreciation	(574)	(939)	(272)	-	(1,785)
Exchange-rate Differences	(569)	(153)	(54)	(23)	(799)
Balance	(707)	402	(82)	167	(220)
<b>As at March 31, 2018</b>					
Cost	23,264	28,861	6,908	751	59,784
Accumulated Depreciation	(13,867)	(23,277)	(6,155)	-	(43,299)
Carrying Amount	9,396	5,585	753	751	16,485
<b>Change in Asset Value</b>					
Capital Expenditures/Transfer	563	1,787	141	328	2,819
Carrying Amount of Disposals	(2)	(14)	(3)	-	(19)
Depreciation	(567)	(950)	(267)	-	(1,784)
Exchange-rate Differences	405	124	41	80	650
Balance	398	947	(88)	408	1,655
<b>As at March 31, 2019</b>					
Cost	24,229	30,759	7,087	1,159	63,234
Accumulated Depreciation	(14,434)	(24,227)	(6,422)	-	(45,083)
Carrying Amount	9,795	6,532	665	1,159	18,151



The capital expenditures include € 24 (2017/2018: € 21) of capitalized Personnel Expenses. No impairments occurred in the 2018/2019 financial year (2017/2018: € -). The Group has provided collateral with a maximum of € 755 (2017/2018: € 688) in the form of mortgage rights on buildings in Indonesia. The Depreciation for the year did not include Depreciation of discontinued operations (2017/2018: € -).

### 13. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred Income Tax resulting from temporary differences between the fiscal and commercial value of assets and liabilities is accounted for in the nominal tax rate applicable in the country concerned but only if realization is likely from future taxable profits. This likelihood assessment is based on projections of the future taxable results of the relevant entities in the Group. These projections are partly based on approved budgets.

The Deferred Tax Assets and Liabilities stated in the balance sheet can be attributed to the following items:

	April 1, 2018/ March 31, 2019		April 1, 2017/ March 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Property, Plant and Equipment	229	-	317	-
Financial Non-current Assets	252	-	292	-
Inventories	175	-	174	-
Other Receivables	632	-	621	-
Employee Benefits	331	-	365	-
Other Liabilities	77	-	77	-
Tax Loss Carry-Forward	-	-	75	-
<b>Balance of Assets and Liabilities</b>	<b>1,696</b>	<b>-</b>	<b>1,921</b>	<b>-</b>
Settlement	-	-	-	-
<b>Balance of Assets and Liabilities</b>	<b>1,696</b>	<b>-</b>	<b>1,921</b>	<b>-</b>

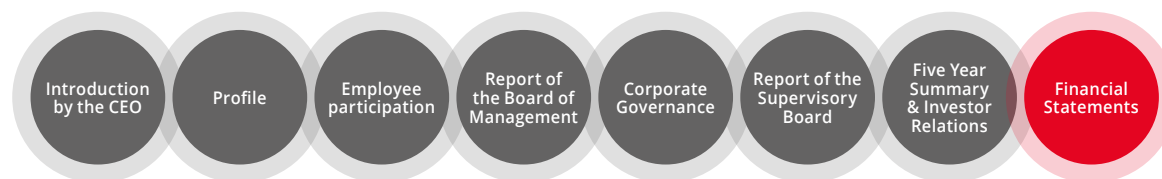
	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
<b>Change in net deferred tax</b>		
Opening Balance	1,921	2,173
Recognized in Income Statement	(225)	(252)
<b>Deferred Tax Assets/Liabilities</b>	<b>1,696</b>	<b>1,921</b>

The deferred tax asset position was reduced with € 225 (also reduced in last year € 252) due to changes in tariffs (this year mainly relating to Dutch corporate income tax), valuation principles (in the USA) and adjusted regime for the Dutch Innovation Box.

### 14. INVENTORY

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Raw Materials	7,180	5,371
Finished Goods	5,353	6,415
<b>Inventory</b>	<b>12,533</b>	<b>11,786</b>

The Income Statement includes an amount of € 46,667 (2017/2018: € 42,093) under the direct selling cost and raw materials for usage of inventory goods.



At March 31, 2019, the Provision for obsolete Inventory amounts to € 962 (March 31, 2018: € 1,114). Movements in the provision for obsolete Inventory are shown below.

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Opening Balance	(1,114)	(1,137)
Plus: Additions to the Provision	25	(94)
Less: Impairments Charged to the Provision	166	63
Exchange-rate Differences	(39)	54
<b>Closing Balance</b>	<b>(962)</b>	<b>(1,114)</b>

## 15. TRADE AND OTHER RECEIVABLES

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Trade Debtors	15,627	13,067
Tax-related Receivables	587	213
Other Receivables and Prepaid Items	1,064	824
<b>Trade and Other Receivables</b>	<b>17,278</b>	<b>14,104</b>

The aging specification of Trade Debtors is shown in the table below.

	March 31, 2019	March 31, 2018
Not yet due	13,568	10,817
Overdue 0-30 days	1,670	1,836
Overdue 31-60 days	241	524
Overdue 61-365 days	145	(111)
Overdue 366 days or more	5	-
Exchange rate differences	(2)	-
<b>Total</b>	<b>15,627</b>	<b>13,067</b>

Trade Debtors by Currency	March 31, 2019	March 31, 2018
Euro	8,514	7,889
US dollar	5,874	3,663
British pound	158	505
Other currencies	1,081	1,010
<b>Total</b>	<b>15,627</b>	<b>13,067</b>

Trade and Other Receivables with less than one year to maturity are recognized initially at fair value and subsequently at amortized cost. Additions to the Provision for Doubtful Debts are included in the Income Statement under Other Operating Expenses.

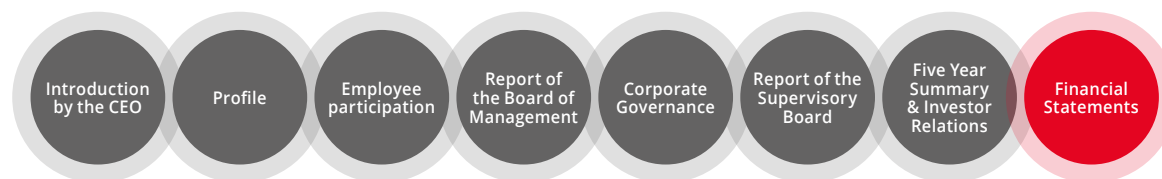
The table below shows movements in the Provision for Doubtful Debts.

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Opening Balance*	(61)	(55)
Releases from or additions to the provision	(23)	19
Write-off of trade debtors	-	(28)
Exchange-rate differences	2	-
<b>Closing Balance</b>	<b>(82)</b>	<b>(64)</b>

## 16. CASH AND CASH EQUIVALENTS

	March 31, 2019	March 31, 2018
Bank Balances	7,430	5,334
Cash Balances	4	4
<b>Cash in Cash Flow Statement</b>	<b>7,434</b>	<b>5,338</b>

\* Opening Balance for 2018/2019 changed due to the adoption of IFRS 9. The Group calculated the closing balance of the provision of prior year with the new standard.



The Cash and Cash Equivalents are freely available to the Company. The credit risk on Cash and Cash Equivalents is limited, since the counterparties are generally banks with high credit ratings as assigned by international credit rating agencies.

## 17. SHARE CAPITAL

### ISSUED SHARE CAPITAL

The registered capital of Holland Colours NV is € 6,810 divided into 3,000,000 ordinary shares with a face value of € 2.27 per share. Of this registered total, an amount of 860,351 shares are issued and fully paid up. The total issued share capital is € 1,953. There were no changes to the issued capital in either the 2018/2019 or the 2017/2018 financial year.

### SHARE PREMIUM RESERVE

The Share Premium Reserve of € 1,219 is available for distribution to shareholders and is unchanged relative to the last financial year.

## 18. OTHER RESERVES

### FOREIGN CURRENCY TRANSLATION RESERVE

The Foreign Currency Translation Reserve relates to all exchange-rate differences that originate from the translation of the financial statements of the subsidiaries with a functional currency other than the euro. This only applies to the non-monetary accounts. These translation results are directly allocated to Equity via Other Comprehensive Income. This practice was initiated on April 1, 2004, in accordance with the exception allowed in IFRS 1.

### NET INVESTMENT HEDGE

Hedge accounting is applied to the net investment hedge of a USD 2.5 million loan which was redeemed as of March 2016. Hedge accounting results are included in Other Comprehensive Income until the net investment is sold. At that time, the results are recognized in the Income Statement. The net investment reserve is reduced by Deferred Taxes.

### RESERVE FOR INTANGIBLE ASSETS

A statutory reserve for development costs is formed in the Company financial statements, although not specifically required under IFRS. This statutory reserve is formed within equity, to maintain alignment with Equity in the Company financial statements.

The above-mentioned reserves may not be distributed freely to shareholders. Negative amounts reduce the amount available for distribution and positive amounts are non-distributable.

## 19. EARNINGS PER SHARE

Earnings per share allocated to shareholders (ordinary and diluted) in the 2018/2019 financial year amounted to € 7.04 (2017/2018: € 6.78). The calculation of the earnings per share at March 31, 2019 is based on the net result attributable to shareholders of € 6,053 (2017/2018: € 5,836) and the average number of shares issued in the 2018/2019 financial year of 860,351. The total number of issued shares did not change relative to March 31, 2018.

## 20. NON-CONTROLLING INTEREST

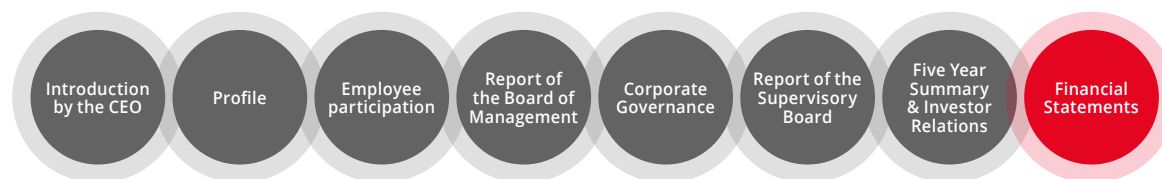
This concerns a non-controlling interest of 12% in the net asset value at March 31, 2019 of PT Holco Indo Jaya (2017/2018: 12%).

## 21. CREDIT FACILITY

The company does not have any long-term debt positions outstanding (March 31, 2018: also nil). Short term funding needs are covered with access to current account credit facilities of € 7,986 per balance sheet date (March 31, 2018: € 7,900). These facilities are provided by various international and local banks and have no expiration date. At the March 31st balance sheet date for both 2019 and 2018 the amount drawn was nil.

The bank agreements and collateral provided in relation to the Group's financing is limited to mortgage rights on real estate in Indonesia with a maximum of € 755 (March 31, 2018: € 688).





## 22. EMPLOYEE BENEFIT OBLIGATIONS

### PRE-PENSION PLAN IN THE NETHERLANDS

The pre-pension plan in the Netherlands relates to the obligation to issue a conditional annual payment.

As explained in Note 2, the originally agreed conditional financing of past service years in the pre-pension plan has been converted into an equivalent annual payment, which is also conditional. At March 31, 2019 the resulting liability amounts to € 448. On March 31, 2018 the liability was € 527.

### LEGAL LIABILITY ON TERMINATION OF EMPLOYMENT - INDONESIA

This mainly relates to the legal liability for the payout in the event of termination of employment of Indonesian personnel. As of the reporting date, the primary actuarial assumptions are:

	March 31, 2019	March 31, 2018
Discount Rate	8.0%	7.0%
Expected Return Fund Capital Expenditures	8.0%	7.0%
Future Salary Increases	7.0%	7.0%
Average Remaining Period of Employment	16.04	15.46

Assumptions relating to future mortality rates are based on published statistical data and mortality tables. The mortality table used is the TMI 2011 (2017/2018: TMI 2011) table with a correction factor varying for age and gender. The total expected long-term Return on Investment amounts to 8% (March 31, 2018: 7%).

### OTHER EMPLOYEE BENEFITS

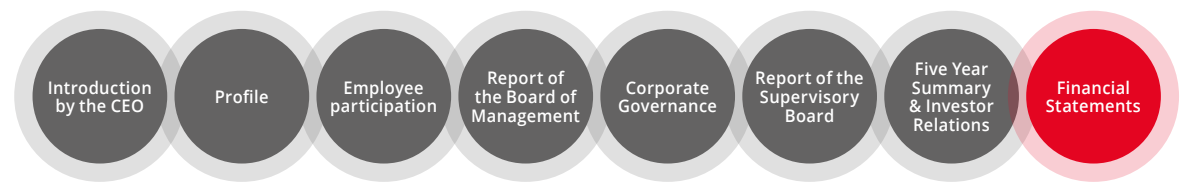
The Other Employee Benefits item also includes a provision for future jubilee payments of € 310 (March 31, 2018: € 263) and other future payments of € 18 (March 31, 2018: € 45).

Movements in the Employee Benefit Obligations are shown in the table below.

	Pre-pension plan the Netherlands	Statutory Termination Employment plan Indonesia	Other Employee Benefits	Total
<b>As at March 31, 2017</b>	601	505	359	1,465
Additions	3	31	39	73
Withdrawals/Releases	(77)	-	(89)	(166)
Exchange rate Differences	-	(63)	(2)	(65)
<b>As at March 31, 2018</b>	527	473	307	1,307
Additions	3	-	30	33
Withdrawals/Releases	(82)	(44)	(10)	(136)
Exchange rate Differences	-	50	1	51
<b>As at March 31, 2018</b>	448	479	328	1,255

Of this total, the following amounts have been accounted for under Current Liabilities:

	Pre-pension plan the Netherlands	Statutory Termination Employment plan Indonesia	Other Employee Benefits	Total
<b>As at March 31, 2019</b>	21	-	63	84
As at March 31, 2018	21	-	63	84



## 23. DERIVATIVE FINANCIAL INSTRUMENTS

Not applicable.

## 24. TRADE AND OTHER LIABILITIES

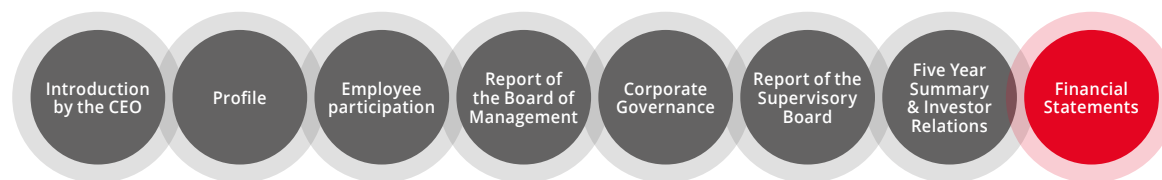
	March 31, 2019	March 31, 2018
Trade Creditors	8,714	7,630
Payables Regarding Other Taxes	425	397
Other Liabilities and Accruals	4,221	3,752
<b>Trade and Other Payables</b>	<b>13,359</b>	<b>11,779</b>

The Payables regarding Other Taxes mainly relates to sales tax.

The Trade and Other Payables item also includes profit share to be paid to employees of € 1,315 (March 31, 2018: € 1,444).

# OTHER DISCLOSURES

IN THOUSANDS OF EUROS, UNLESS STATED OTHERWISE



## 25. COMMITMENTS AND CONTINGENCIES

### CAPITAL COMMITMENTS

The Group had entered into capital commitments regarding Property, Plant and Equipment as at balance sheet date of € 196 (March 31, 2018: € 350).

### PURCHASE CONTRACTS

The total commitment resulting from raw material purchase contracts was € 3,125 (March 31, 2018: € 1,488).

### LEASE AND RENTAL OBLIGATIONS

At balance sheet date the Group had outstanding commitments regarding leases and rentals, which are shown in the table below.

	March 31, 2019	March 31, 2018
Less than 1 year	671	518
Between 1 and 5 years	631	813
Longer than 5 years	-	1
<b>Total</b>	<b>1,302</b>	<b>1,332</b>

The Group rents buildings, vehicles and office equipment which can be classified as operational leases. The building leases have a maximum term of five years.

The total costs of lease as included in the Income Statement are € 472 (2017/2018: € 480).

## 26. RELATED PARTIES

### IDENTITY OF RELATED PARTIES

The related parties can be divided into the relations between the Group on the one hand and its subsidiary companies, the members of the Board of Management, Supervisory Board, and the holding Company Holland Pigments BV.

### REMUNERATION OF KEY OFFICERS OF THE GROUP

The key officers are the members of the Board of Management.

### REMUNERATION POLICY

The remuneration policy for the Board of Management, which consists of the Chief Executive Officer, Chief Financial Officer and Chief Technology Officer, is set by the Supervisory Board. A separate Remuneration Committee is in place. Holland Colours strives to pay remuneration in line with the market for a company of its size, and in proportion to its overall salary structure. The remuneration package consists of a fixed element and a variable element. Fixed salaries are adjusted annually in line with inflation.

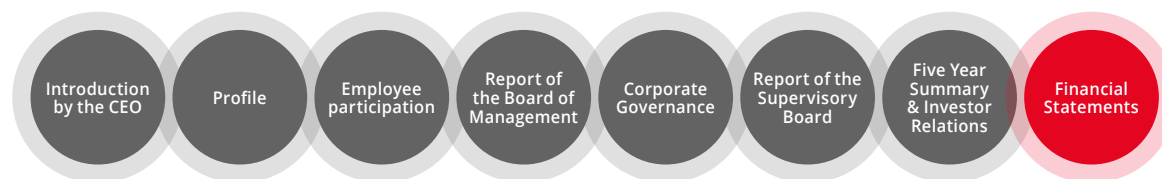
The variable payment for the Board of Management consists of a bonus plan based on achieving financial and non-financial targets. For the Chief Executive Officer and Chief Technology Officer, the bonus is up to three times the monthly salary in the event that 100% of the targets are achieved. For the Chief Financial Officer, the bonus is up to twice the monthly salary in the event that 100% of the targets are achieved. The Board of Management also participates in the profit-sharing plan, under which Holland Colours pays up to 1.5 months' salary. For the Board of Management, the profit-sharing plan depends on the ROI realized by Holland Colours whereby 75% of this part of the bonus is paid in shares of Holland Pigments.

Based on the results for the 2018/2019 financial year the Board of Management will receive such a payment. A bonus was also paid to the Board of Management for the 2018/2019 financial year.

The Company does not offer an option plan.

The contracts with the Chief Executive Officer, the Chief Financial Officer and the Chief Technology Officer state a term of appointment of four years and a severance payment which is in accordance with the recommendations of the Dutch Corporate Governance Code.

## OTHER DISCLOSURES



The breakdown of the remuneration for the Board of Management and Supervisory Board is listed in the table below.

Board of Management	C. Vinke <sup>1</sup>		M.G. Kleinsman		E. van Hamersveld		R. Harmsen <sup>2</sup>		Total	
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018
Fixed Salary	298	-	220	216	173	-	76	357	767	573
Pension Expenses	19	-	17	15	14	-	5	26	55	41
Variable Element	78	-	37	47	43	-	-	96	159	143
Non-recurring Payment	23	-	-	-	-	-	-	480	23	480
<b>Total</b>	<b>418</b>	<b>-</b>	<b>274</b>	<b>278</b>	<b>230</b>	<b>-</b>	<b>81</b>	<b>959</b>	<b>1,004</b>	<b>1,237</b>

### Transactions with Key Officers

No transactions with key officers took place during the financial year.

### Other Interests of Members of the Board of Management

No transactions were effectuated during the 2018/2019 financial year with parties in which any of the Supervisory Board Members, Members of the Board of Management or their partners have an interest.

### Supervisory Board

	2018/2019	2017/2018
R. Zoomers	38	38
A.R. Doornbos	26	26
J. Klaus	26	11
G.H. de Heer <sup>3</sup>	20	-
J.W. de Heer <sup>4</sup>	7	26
M.G.R. Kemper <sup>5</sup>	7	26
J.D. Kleyn	-	7
<b>Total</b>	<b>124</b>	<b>134</b>

The General Meeting of Shareholders determines the remuneration of the Supervisory Board Members. The fixed remuneration is intended to be in line with the market given the size of the Company.

### Holland Pigments BV

At balance sheet date the Dutch based Investment Company Holland Pigments held 434,043 (March 31, 2018: 432,402) shares in Holland Colours NV. Within Holland Pigments BV the active and retired employees collectively held approximately 25% of the shares of Holland Pigments.

The costs incurred by Holland Pigments BV in connection to activities relating to the employee participation are partly reimbursed by Holland Colours NV, please refer to page 10 for a further description of the activities of Holland Pigments. An amount of € 90 was accordingly paid to Holland Pigments BV in the 2018/2019 financial year (2017/2018: € 97).

At balance sheet date, there is no outstanding material position with Holland Pigments BV. Receivables from and payables to Holland Pigments BV are not covered by commercial collateral, are non-interest-bearing and are settled in cash.

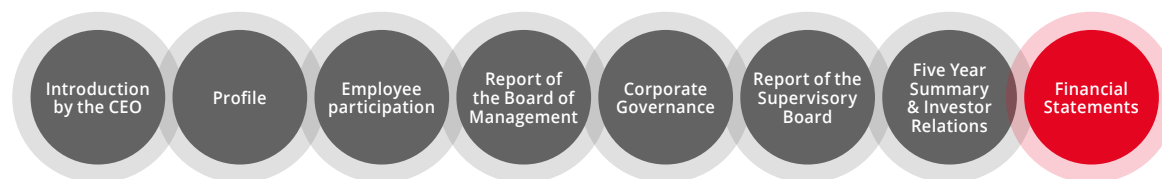
<sup>1</sup> Included for 11 months.

<sup>2</sup> Included for 2 months.

<sup>3</sup> Included for 10 months.

<sup>4</sup> Included for 2 months.

<sup>5</sup> Included for 2 months.



## 27. OTHER DISCLOSURES

### PROFIT-SHARING PLAN

Holland Colours Group operates a profit-sharing plan for its employees. The plan is the same for all Group employees and may, depending on the ROI and operating result of the Division, result in a payment of up to 1.5 months' salary. Depending on the position of the individual employee, 25% to 75% of this payment is made in Holland Pigments BV shares in recognition of the employee participation model. Settlement to the employees will take place after the financial statements have been adopted by the General Meeting of Shareholders of Holland Colours. The applicable shares in Holland Pigments BV will be purchased for the employee at the last calculated price of Holland Pigments BV shares. The remainder of the profit-sharing payment will be paid in cash to the employees by Holland Colours NV after the relevant statutory deductions are made.

A profit-sharing payment is applicable to the employees on the basis of the results in the 2018/2019 financial year.

The shares held by Holland Pigments BV in Holland Colours NV are specified below.

	2018/2019	2017/2018
<b>Number of shares in Holland Colours NV held by Holland Pigments BV</b>		
Situation at April 1	432,402	432,397
Purchased by Holland Pigments BV	1,641	5
Situation at March 31	434,043	432,402
<b>In euros</b>		
Share price of Holland Colours NV at Balance sheet date	76.40	89.00
Value	33,160,885	38,483,778

### SUBSEQUENT EVENTS

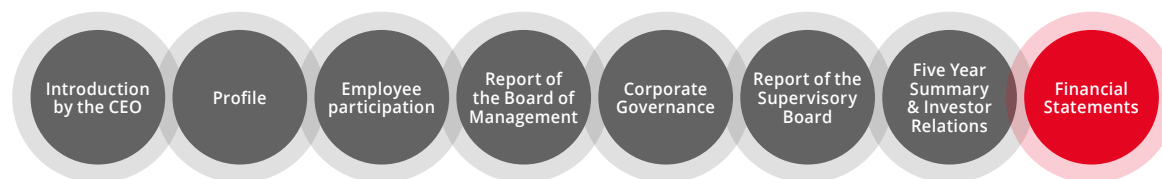
No events took place after the reporting period that could materially affect the financial statements.

### EMPLOYEE NUMBERS

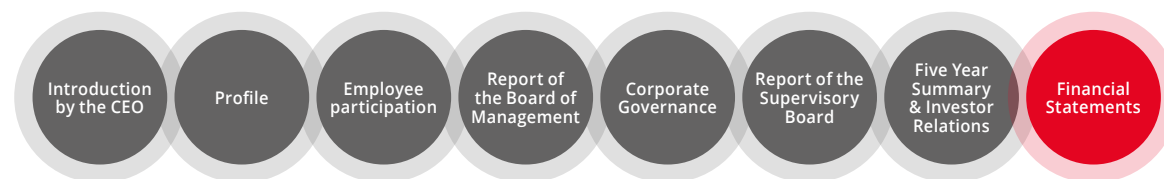
During the 2018/2019 financial year, the Company employed an average of 419 FTEs (2017/2018: 413 FTEs). Of these, 140 FTEs (2017/2018: 140 FTEs) are employed in the Netherlands.

# INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019



In thousands of euros	Note	April 1, 2018/March 31, 2019	April 1, 2017/March 31, 2018
Management Fees		6,266	5,962
Personnel Expenses	31	(2,297)	(2,714)
Amortization	33	(116)	(168)
Depreciation	34	(139)	(112)
Other Costs		(1,965)	(1,083)
<b>Operating Result</b>		1,749	1,862
Net Interest Income/Expenses		31	40
<b>Result before Tax</b>		1,780	1,902
Income Tax	32	(668)	(327)
Result Subsidiaries	35	4,941	4,238
<b>Net Result</b>		6,053	5,836

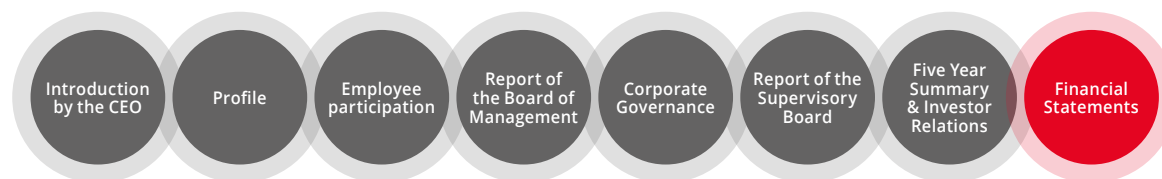


# BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019  
BEFORE PROPOSED PROFIT APPROPRIATION

In thousands of euros	Note	March 31, 2019	March 31, 2018	In thousands of euros	Note	March 31, 2019	March 31, 2018
<b>Non-current Assets</b>				<b>Equity</b>			
Intangible Assets	33	475	469	Share Capital	36	1,953	1,953
Property, Plant and Equipment	34	1,605	1,646	Share Premium Reserve	36	1,219	1,219
Financial Non-current Assets	35	34,250	29,725	Statutory Reserves	36	379	(1,585)
		<b>36,329</b>	<b>31,840</b>	Retained Earnings	36	32,035	29,212
				Result for the Year	36	6,035	5,836
						<b>41,638</b>	<b>36,635</b>
<b>Current Assets</b>				<b>Provisions</b>			
Receivables from Group Companies		235	5,566	Employee Benefit Obligations	39	81	113
Other Receivables and Prepayments		186	120				
Income Tax Receivables		-	-	<b>Current Liabilities</b>			
Cash and Cash Equivalents		7,233	1,950	Payables to Group Companies		69	10
		<b>7,654</b>	<b>7,636</b>	Income Tax Liabilities		189	274
				Other Liabilities		2,007	2,444
						<b>2,265</b>	<b>2,728</b>
<b>Total Assets</b>		<b>43,983</b>	<b>39,476</b>	<b>Total Equity and Liabilities</b>		<b>43,983</b>	<b>39,476</b>

# NOTES TO THE COMPANY FINANCIAL STATEMENTS



IN THOUSANDS OF EUROS, UNLESS STATED OTHERWISE

## 28. GENERAL INFORMATION

The Company financial statements are part of the financial statements of Holland Colours NV and are prepared in accordance with the legal requirements of Title 9, Book 2 of the Dutch Civil Code. Holland Colours NV applies the same accounting policies to the Company financial statements as those used in the consolidated financial statements per possibility given in Article 2:362, paragraph 8 of the Dutch Civil Code to apply. The only exception relates to the accounting standards relating to participation in Group companies. Investments in consolidated subsidiaries are measured at net asset value.

The 2018/2019 Company financial statements have been presented to the Supervisory Board to be approved for publication on June 4, 2019. The financial statements will be presented to the General Meeting of Shareholders for adoption on July 16, 2019.

## 29. SUMMARY OF ACCOUNTING PRINCIPLES

The accounting policies used for the Company financial statements are the same as those used for the consolidated financial statements. Unless other standards are stated, the reader is referred to the standards stated in the consolidated financial statements.

## 30. SUBSIDIARIES

### INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries and other companies over which the Company has controlling interest or exercises central management, are measured at net asset value. The net asset value is based on the measuring of assets, provisions and liabilities and determination of net profit in accordance with the accounting policies used in the consolidated financial statements.

## 31. PERSONNEL EXPENSES

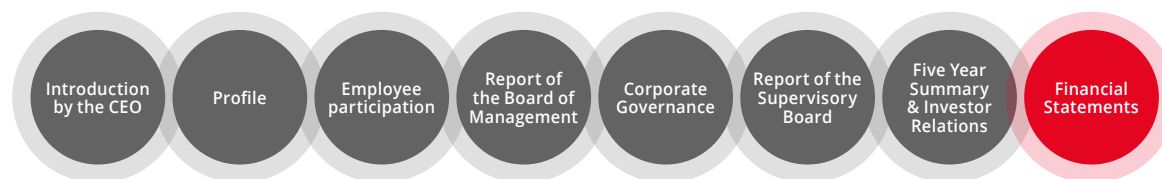
	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Wages and Salaries	1,939	2,118
Social Security	183	183
Pension Costs	176	313
<b>Total Personnel Expenses</b>	<b>2,297</b>	<b>2,614</b>

The average number of employees in the Company in the 2018/2019 financial year was 19 FTEs (2017/2018: 19 FTEs). For an explanation of the remuneration of management, please refer to Note 26, Related Parties, of the consolidated financial statements.

## 32. INCOME TAX

	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
<b>Current Tax</b>		
Current Year	(334)	(275)
Prior Years	(220)	13
Deferred Tax	(114)	(65)
<b>Total Income Tax</b>	<b>(668)</b>	<b>(327)</b>





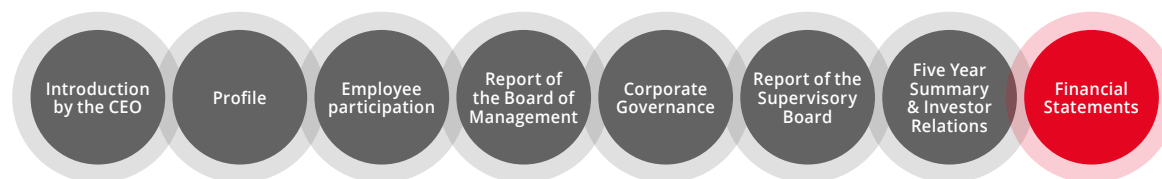
### 33. INTANGIBLE ASSETS

	Development costs	Other	Assets under Construction	Total
<b>As at March 31, 2017</b>				
Cost	1,703	1,326	-	3,029
Accumulated Amortization	(1,314)	(1,291)	-	(2,605)
Carrying Amount	389	35	-	424
<b>Change in Asset Value</b>				
Capital Expenditures/Transfer	143	17	53	213
Impairments	(25)	-	-	(25)
Amortization	(125)	(18)	-	(143)
Balance	(7)	(1)	53	45
<b>As at March 31, 2018</b>				
Cost	1,846	1,343	53	3,242
Accumulated Amortization	(1,464)	(1,309)	-	(2,773)
Carrying Amount	382	34	53	469
<b>Change in Asset Value</b>				
Capital Expenditures/Transfer	133	42	(53)	122
Carrying Amount of Disposals	-	-	-	-
Impairments	-	-	-	-
Amortization	(105)	(11)	-	(116)
Balance	28	31	(53)	6
<b>As at March 31, 2019</b>				
Cost	1,979	1,385	-	3,364
Accumulated Amortization	(1,569)	(1,320)	-	(2,889)
Carrying Amount	410	65	-	475

The Company's total expenses for research and development were € 918 in the 2018/2019 financial year (2017/2018: € 985). Of this amount € 133 (2017/2018: € 143) is capitalized, whereas the remainder is reported under Other Income and Expenses after Tax in the Company financial statements.

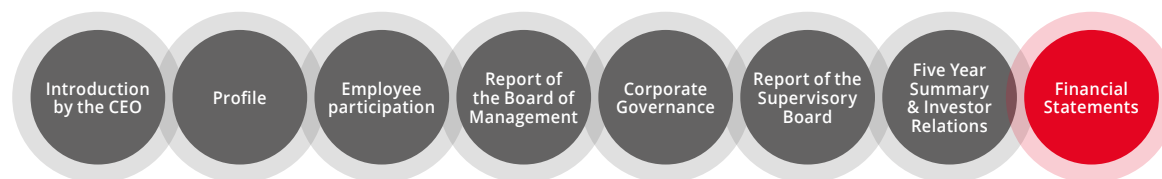
The costs of Amortization and Impairments of € 116 (2017/2018: € 150) are included in the Amortization item in the Company financial statements. Of this amount, no impairment of capitalized development costs (2017/2018: € 25).

The Other Intangible Assets consist of the costs of computer software and licenses, as well as the external costs related to their implementation and commissioning.



### 34. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Machinery and Equipment	Other Capital Assets	Assets under Construction	Total
<b>As at March 31, 2017</b>					
Cost	3,778	1,505	598	106	5,987
Accumulated Depreciation	(2,737)	(1,232)	(450)	(11)	(4,430)
Carrying Amount	1,041	273	148	95	1,557
<b>Change in Asset Value</b>					
Capital Expenditures/Transfer	27	243	27	(96)	201
Reclassification	-	-	-	-	-
Carrying Amount of Disposals	-	-	-	-	-
Impairments	-	-	-	-	-
Depreciation	(12)	(66)	(34)	-	(112)
Balance	15	177	(7)	(96)	89
<b>As at March 31, 2018</b>					
Cost	3,805	1,748	625	10	6,188
Accumulated Depreciation	(2,749)	(1,298)	(484)	(11)	(4,542)
Carrying Amount	1,056	450	141	(1)	1,646
<b>Change in Asset Value</b>					
Capital Expenditures/Transfer	-	97	-	-	82
Reclassification	-	-	-	-	-
Carrying Amount of Disposals	-	-	-	-	-
Impairments	-	-	-	-	-
Depreciation	(13)	(75)	(51)	-	(139)
Balance	(13)	21	(51)	-	(57)
<b>As at March 31, 2019</b>					
Cost	3,805	1,845	625	-	6,275
Accumulated Depreciation	(2,762)	(1,373)	(535)	-	(4,670)
Carrying Amount	1,043	471	90	-	1,605



### 35. FINANCIAL NON-CURRENT ASSETS

The financial non-current assets can be specified as follows:

	March 31, 2019	March 31, 2018
Investments in Subsidiaries	32,855	28,491
Other Financial Assets and Deferred Tax Assets	1,395	1,234
<b>Financial Non-current Assets</b>	<b>34,250</b>	<b>29,725</b>

The table below shows movements in the investments in subsidiaries.

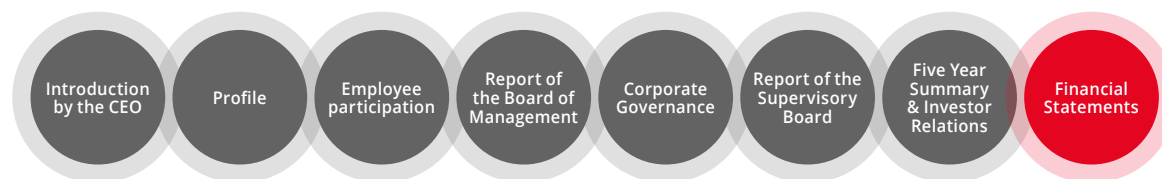
	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Opening Balance	28,491	27,431
Movements:		
• Capital Payments to Subsidiaries	-	363
• Result from Subsidiaries	5,274	4,243
• Change in Equity	(80)	(60)
• Dividends Declared	(2,774)	(1,060)
• Currency Translations	1,943	(2,426)
<b>Closing Balance</b>	<b>32,855</b>	<b>28,491</b>

Movements in the Other Financial Assets and Deferred Tax Assets are shown below.

	Deferred Tax Assets	Other Financial Assets	Total
<b>As at March 31, 2017</b>	1,299	-	1,299
Additions	-	-	-
Withdrawals	(65)	-	(65)
Exchange rate Differences	-	-	-
<b>As at March 31, 2018</b>	1,234	-	1,234
Additions	-	275	275
Withdrawals	(114)	-	(114)
Exchange rate Differences	-	-	-
<b>As at March 31, 2019</b>	<b>1,120</b>	<b>275</b>	<b>1,395</b>

### 36. EQUITY

For a clarification on the Share Capital and Share Premium, as well as the movement of the Foreign Currency Translation Reserve, Hedge Reserves and Other Reserves, please refer to Notes 17 and 18 of the consolidated balance sheet, as there are no differences between Company Equity and consolidated Equity.



### 37. STATUTORY PROVISIONS REGARDING THE APPROPRIATION OF PROFITS

**REGARDING THE APPROPRIATION OF PROFITS, THE FOLLOWING IS DETERMINED IN THE ARTICLES OF ASSOCIATION**

**Article 21**

1. From the profit established in the approved financial statements, reserves are formed as determined by the Board of Management with the approval of the Supervisory Board.
2. The profit remaining after the transfer to the reserves and distribution as stated in paragraph 1 is at the disposal of the General Meeting of Shareholders, with due regard to the provisions of Section 105, Book 2 of the Dutch Civil Code.
3. The Board of Management, with the approval of the Supervisory Board, is authorized to decide on the distribution of an interim dividend with due regard to the provisions of Article 105 Book 2 of the Dutch Civil Code.
4. The dividend will be made payable within one month after it has been set, in the manner and at the place determined by the Board of Management.
5. Claims for profit distribution expire after a period of five years from the date on which the dividends were made payable.
6. A resolution regarding the disposal of any reserve may be adopted by the General Meeting of Shareholders with due regard to the legal and statutory provisions.

**PROPOSAL FOR THE APPROPRIATION OF PROFIT**

In compliance with Article 21 of the Articles of Association and the Dividend Policy as discussed in the General Meeting of Shareholders of last year, and set out on page 31 under Investor Relations, it is proposed to distribute the profit as follows:

- A cash dividend of € 3.52 per share of € 2.27 which amounts to € 3,027 in total.
- Transfer to the Other Reserves: € 3,027.

The proposal for appropriation of profit has not been included in the balance sheet.

### 38. LONG-TERM DEBT

The Company has a credit facility in the Netherlands of € 7,000 (March 31, 2018: € 7,000). Per end of March 2019, no collaterals have been provided.

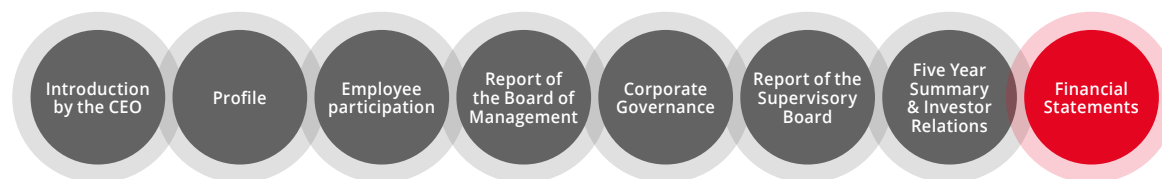
### 39. EMPLOYEE BENEFIT OBLIGATIONS

This employee benefits provision relates to the obligation to issue a conditional annual payment.

The liabilities regarding employee benefits also include the item Other Employee Benefits, which relates to a provision for future jubilee payments of € 7 (March 31, 2018: € 11) and other future payments of € – (March 31, 2018: € –).

Movements in the Employee Benefit Obligations as shown in the table below.

	Pre-pension plan the Netherlands	Other Employee Benefits	Total
<b>As at March 31, 2017</b>	144	7	151
Additions	–	7	7
Withdrawals	(24)	–	(24)
<b>As at March 31, 2018</b>	120	14	134
Additions	–	–	–
Withdrawals	(28)	(7)	(35)
<b>As at March 31, 2019</b>	92	7	99



The following amounts have been accounted for as current under Other Liabilities and deferred charges:

	Pre-pension plan the Netherlands	Other Employee Benefits	Total
<b>As at March 31, 2019</b>	24	–	24
As at March 31, 2018	21	–	21

## 40. DERIVATIVE FINANCIAL INSTRUMENTS

Not applicable.

## 41. AUDIT FEES

In the 2018/2019 financial year, the following audit fees were charged by the independent auditor, PricewaterhouseCoopers Accountants NV to the Income Statement in accordance with Section 382a Title 9 Book 2 of the Dutch Civil Code.

	2018/2019	2017/2018
Audit of the Financial Statements	249	213
Other Audit Services	–	–
Tax Services	–	–
Other Non-audit Services	–	–
<b>Audit Fees</b>	<b>249</b>	<b>213</b>

The total costs of PricewaterhouseCoopers Accountants NV amount to € 169 (previous year: € 135).

## 42. OTHER INFORMATION

### LEASE AND RENTAL OBLIGATIONS

At balance sheet date the Company had outstanding commitments regarding leases and rents, as shown in the table below.

	March 31, 2019	March 31, 2018
Less than 1 year	88	70
Between 1 and 5 years	117	92
Longer than 5 years	–	–
<b>Lease and Rental Obligations</b>	<b>205</b>	<b>162</b>

The Group rents vehicles and office equipment which are classified as leases. The terms of the lease contracts are generally up to five years.

The total costs of lease agreements as included in the Income Statement is € 113 (2017/2018: € 110).

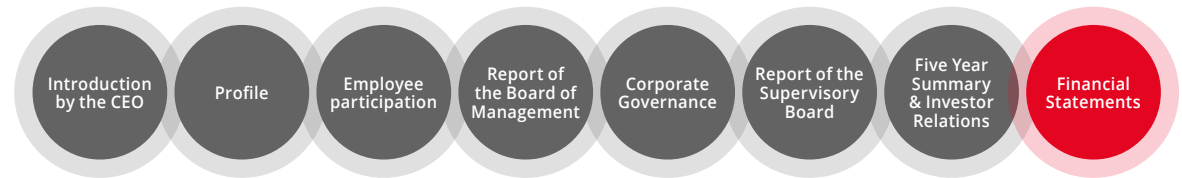
### SUBSEQUENT EVENTS

No events took place after the reporting period that could materially affect the financial statements.

### WRITTEN GUARANTEE

Holland Colours NV has given a guarantee for its subsidiary Holland Colours Europe BV in accordance with Section 403, Title 9, Book 2 of the Dutch Civil Code, and according to Section 479A of the Companies Act on behalf of its subsidiary Holland Colours UK Ltd.

Holland Colours NV has not issued any other written guarantee as security for the payment obligations of foreign companies.



### OTHER INFORMATION

The Company forms a tax unity together with Holland Colours Europe BV with regard to income tax and sales tax. Both the Company and its subsidiary are jointly and severally liable for tax payable by all companies that are part of the tax entity.

Apeldoorn, June 4, 2019

#### Board of Management

C.W.H. Vinke

M.G. Kleinsman

E.M.S. van Hamersveld

#### Supervisory Board

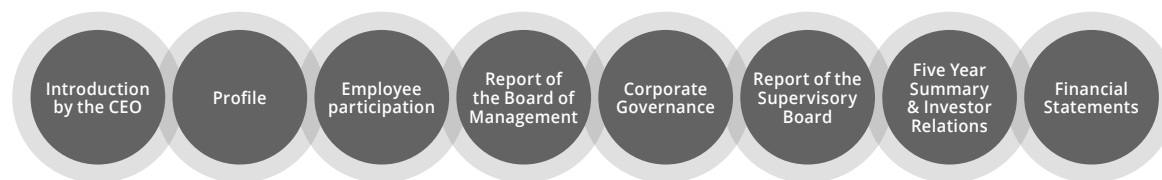
R. Zoomers

G.H. de Heer

A.R. Doornbos

J. Klaus

# OTHER INFORMATION



## INDEPENDENT AUDITOR'S REPORT

To: the general meeting and supervisory board of Holland Colours N.V.

### REPORT ON THE FINANCIAL STATEMENTS 2018/2019

#### Our opinion

In our opinion:

- Holland Colours N.V.'s consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2019 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- Holland Colours N.V.'s company financial statements give a true and fair view of the financial position of the Company as at 31 March 2019 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### What we have audited

We have audited the accompanying financial statements 2018/2019 of Holland Colours N.V., Apeldoorn ('the Company'). The financial statements include the consolidated financial statements of Holland Colours N.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 March 2019;
- the following statements for 2018/2019: the consolidated income statement, the consolidated statements of comprehensive income and changes in equity and the consolidated cash flow statement; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The Company financial statements comprise:

- the company balance sheet as at 31 March 2019;
- the company income statement for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

#### The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of Holland Colours N.V. in accordance with the European Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

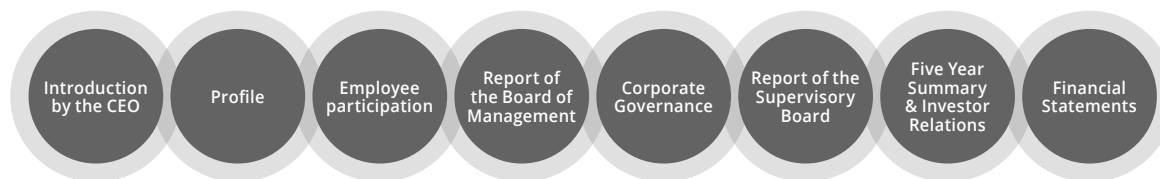
#### Our audit approach

##### Overview and context

Holland Colours N.V. manufactures, distributes and sells colour concentrates. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In note 2 of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the estimation uncertainty, magnitude and the related inherent risks of material misstatement in the valuation of inventory, we considered this to be a key audit matter as set out in the section 'Key audit matters' of this report. Furthermore, we identified revenue recognition as a key audit matter because of the various price agreements and terms and conditions for delivery of the product to customers.

Other areas of focus, which were not considered to be key audit matters, were the adoption of IFRS 15 and accounting for income taxes (both deferred and current). As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the board of management that may represent a risk of material misstatement due to fraud.



We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a production company. We therefore included specialists in the areas of IT in our team.

**Materiality**

The scope of our audit is influenced by the application of materiality, which is further explained in the section ‘Our responsibilities for the audit of the financial statements’.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of

our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

The outline of our audit approach was as follows:

**Materiality**

- Overall materiality: € 435,000

**Audit scope**

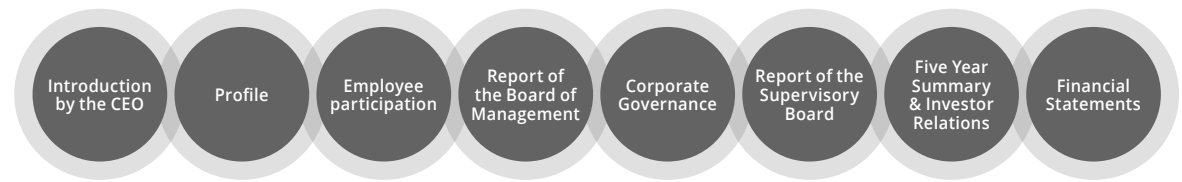
- We conducted audit work in The Netherlands, Indonesia, the United States of America and Hungary.
- We conducted a site visit to Indonesia.
- Audit coverage: 90% of consolidated revenue, 91% of consolidated total assets and 94% of consolidated profit before tax.

**Key audit matters**

- Revenue recognition
- Valuation of inventory

<b>Overall group materiality</b>	€ 435,000 (2017/2018: € 400,000).
<b>Basis for determining materiality</b>	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 5% of profit before tax from continuing operations.
<b>Rationale for benchmark applied</b>	We used profit before tax from continuing operations as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis, we believe that profit before tax from continuing operations is an important metric for the financial performance of the Company.
<b>Component materiality</b>	To each component in our audit scope, we based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across components was between € 280,000 and € 390,000.





We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above € 20,000 (2017/2018: € 20,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

*The scope of our group audit*

Holland Colours N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Holland Colours N.V.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

The group audit primarily focussed on the significant components Holland Colours N.V. (company only), Holland Colours Europe B.V., Holland Colours Americas Inc. and PT Holland Colours Asia. Due to their significance within the Group, an audit of the complete set of financial information was performed on these components.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

<b>Revenue</b>	90%
<b>Total assets</b>	91%
<b>Profit before tax</b>	94%

None of the remaining components represented more than 8% of total group revenue or 5% of total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The group engagement team performed the audit work for group entities Holland Colours N.V. and Holland Colours Europe B.V. For the components Holland Colours Americas Inc. and PT Holland Colours Asia, as well as for the stock count procedures relating to the inventory of Holland Colours Europe B.V. in Hungary, we used component auditors who are familiar with the local laws and regulations to perform the audit work.

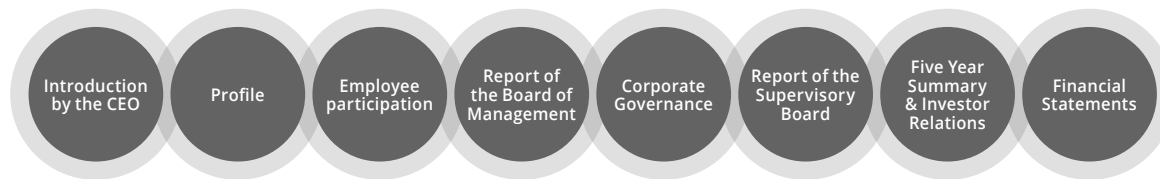
Where component auditors performed the work, we determined the level of involvement we needed to have in their audit work to be able to conclude whether we had obtained sufficient appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included amongst others our risk analysis, materiality and scope of the work. We explained to the component audit teams the structure of the Group, the main developments that are relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual calls with each of the in-scope component audit teams during the year including upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, the reports of the component auditors, the findings of their procedures and other matters, which could be of relevance for the consolidated financial statements.

The group engagement team visits the component teams and local management on a rotational basis. In the current year the group audit team visited the Indonesia component given the increasing activities within Asia during the last years. We have held several meetings with both local management as well as the component auditor. Furthermore we reviewed selected working papers of the component teams and performed any further work considered necessary by the group audit team.

The group engagement team performed the audit work on the group consolidation and financial statement disclosures at the head office.

By performing the procedures above at components, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.



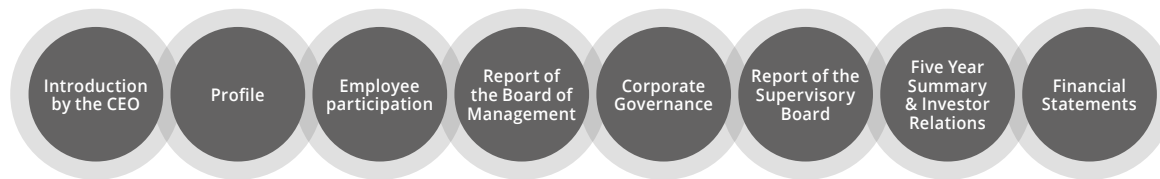
*Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comments or observations we made on the results of our procedures should be read in this context.

The key audit matters have remained unchanged to the key audit matters that we reported in previous year: 'Revenue recognition' and 'Valuation of inventory'. Both key audit matters are inherently related to the nature of activities of the Company.

Key audit matter	Our audit work and observations
<p><b>Revenue recognition</b>  <i>Refer to the accounting principles for revenue recognition within the financial statements note 2</i></p> <p>Revenue is recognised when a performance obligation is satisfied by transferring control over a promised good or service. A contract with a customer generally has one performance obligation which is satisfied at a certain point in time.</p> <p>The Group applies price agreements per customer and various terms and conditions for delivery of its products to customers. Given the variety in price agreements as well as in terms and conditions for delivery, determining the timing of transfer of control of the promised goods is inherently complex and due to the magnitude and the number of transactions, this could potentially lead to materially misstated revenue. Therefore, we considered revenue recognition to be a key audit matter.</p>	<p>We evaluated the design and implementation of the internal control procedures regarding accuracy and cut-off of revenue for the purpose of our audit.</p> <p>With respect to the accuracy of the revenue, we have performed a substantive audit approach including the following procedures.</p> <p>To assure the accuracy of the prices and quantities invoiced, the Group has created an exception report in which deviations between order prices and invoiced prices and shipped quantities and invoiced quantities are identified.</p> <p>We obtained the exception report and assessed the reliability of the report together with IT specialists by reconciling the exception report to the financial administration. We tested a sample of the exceptions between order prices and invoice prices and quantities delivered and quantities invoiced by assessing the nature of the noted exception and whether the exception is acceptable.</p> <p>Furthermore, we reconciled a sample of invoices to sales contracts and/or discount agreements, order confirmations, shipping documents and bank receipts.</p> <p>With respect to the cut-off, we obtained the Group's revenue recognition analysis, tested the mathematical accuracy and the reliability of underlying data by reconciling the analysis to the invoiced revenue in the last period and the revenue adjustment to the journal entry recorded. We tested the accuracy of the analysis by means of testing a sample of the transactions of the last period of the financial year by tracing the information related to the date of transfer of control included in the analysis to shipping documents and client specific contractual terms and conditions.</p> <p>Our procedures did not result in material findings.</p>



Key audit matter	Our audit work and observations
<p><b>Valuation of inventory</b>  <i>Refer to note 14 of the financial statements</i></p> <p>With a value of €12.5 million, inventory is one of the significant assets of the Group and due to its nature subject to market developments requiring management judgement. This management judgement especially relates to the valuation of raw materials being subject to obsolescence due to changing recipes and finished goods that are produced for specific clients (including the surcharge for overhead). At year-end, this is reflected in the valuation against the net realisable value, through recognition of an inventory allowance (€ 1.0 million).</p> <p>Marking products as (partly) obsolescent is based on inventory aging report and whether inventory will be sold, which requires management’s judgement. Inaccurate pricing and/or obsolescence assessment may, given the significant balance of inventory, result in the inventory being materially misstated. Therefore, we considered this to be a key audit matter.</p>	<p>As part of our risk assessment procedures, we performed look-back procedures to assess the quality of management estimates, by comparing the actual write-offs in the current financial year to the inventory allowance in prior year’s financial statements.</p> <p>We performed substantive audit procedures on the calculation of the standard cost prices against which the inventory is initially valued. This included testing a sample of components in the standard cost price of finished goods by reconciliation of the raw material component to purchase invoices. In addition, we tested the surcharge for overhead by testing the mathematical accuracy of the calculation made by the Group, by testing the cost center allocation and by evaluating the percentages used to allocate the overhead to the various product categories. Furthermore, we performed an overall analysis of price- and efficiency variances recorded during the year to test the accuracy of the costing method used for finished goods.</p> <p>We tested the reliability of the inventory aging report together with IT specialists. This report is used by management to assess the aging of the inventory. We challenged the Group’s assumptions related to the valuation per aging category based on actual write-offs and the actual developments in inventory aging. We reviewed revenue on product level for negative margins, which could indicate a lower market value and discussed developments in the product portfolio and pricing.</p> <p>Our procedures did not result in material findings.</p>

**REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT**

In addition to the financial statements and our auditor’s report thereon, the annual report contains other information that consists of: introduction by the CEO, profile, employee participation, report of the board of management, corporate governance, report of the supervisory board, five year summary, investor relations, the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code and contact.

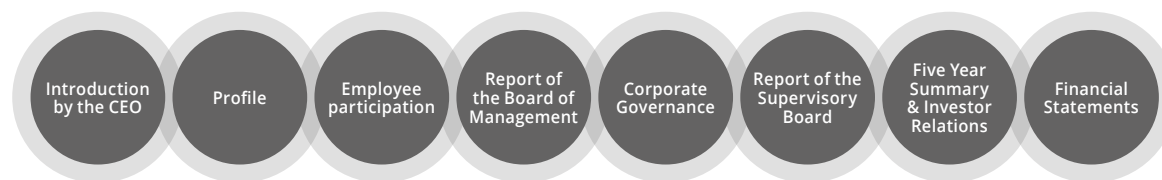
Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The board of management is responsible for the preparation of the other information, including the report of the board of management and the other information pursuant to Part 9 Book 2 of the Dutch Civil Code.



**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Our appointment**

We were re-appointed as auditors of Holland Colours N.V. on 10 July 2014 by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 10 July 2014 and the appointment has been renewed in the annual meeting held on 11 July 2017 by shareholders representing a total period of uninterrupted engagement appointment of 5 years.

**No prohibited non-audit services**

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

**Services rendered**

In addition to the audit, we have provided no services to the Company and its controlled entities, for the period to which our statutory audit relates.

**RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

**Responsibilities of the board of management and the supervisory board for the financial statements**

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

**Our responsibilities for the audit of the financial statements**

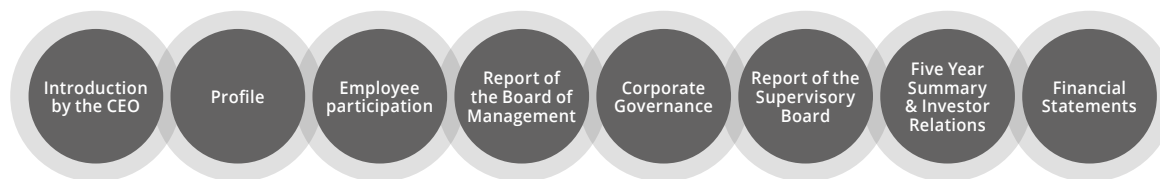
Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 4 June 2019  
**PricewaterhouseCoopers Accountants N.V.**

*Original was signed by F.S. van der Ploeg RA*



## APPENDIX TO OUR AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2018/2019 OF HOLLAND COLOURS N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group

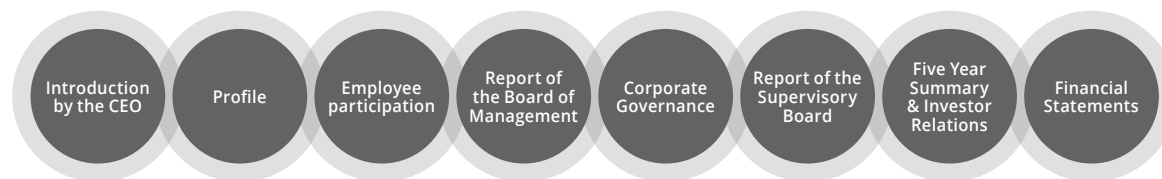
operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

# CONTACT



## HOLLAND COLOURS NV

Halvemaanweg 1  
7323 RW Apeldoorn  
P.O. Box 720  
7300 AS Apeldoorn  
The Netherlands  
T (31) 55-368 0700  
E info@hollandcolours.com  
Chamber of Commerce 08036180

## HOLLAND COLOURS EUROPE BV

Halvemaanweg 1  
7323 RW Apeldoorn  
P.O. Box 720  
7300 AS Apeldoorn  
The Netherlands  
T (31) 55-368 0700  
E info@hollandcolours.com

## HOLLAND COLOURS UK LTD

Unit 16/17/18, Sabre Court  
Valentine Close, Gillingham Business Park  
Gillingham, Kent ME8 0RW  
United Kingdom  
T (44) 1634-388 727  
E uk@hollandcolours.com

## HOLLAND COLOURS HUNGARIA KFT

Tószegi út 51  
P.O. Box 8  
5007 Szolnok  
Hungary  
T (36) 56-420 644  
E szolnok@hollandcolours.com

## HOLLAND COLOURS AMERICAS INC

1501 Progress Drive  
Richmond, Indiana, 47374  
USA  
T (1) 765-935 0329  
Toll-free (1) 800-723-0329  
E richmond@hollandcolours.com

## HOLLAND COLOURS CANADA INC

200 Consumers Rd, Suite 303  
Toronto, Ontario M2J 4R4  
Canada  
T (1) 416-449 4344  
Toll-free (1) 800-361 3967  
E canada@hollandcolours.com

## HOLLAND COLOURS MEXICANA SA DE CV

Tezosomoc #4  
(Bodega 3)  
Col. Recursos Hidráulicos  
Tultitlán, Edo de México  
México  
CP 54913  
T 52 (55) 58-94-36-41  
E mexico@hollandcolours.com

## PT HOLLAND COLOURS ASIA

Jl. Berbek Industri II/2  
(Surabaya Industrial Estate Rungkut)  
Sidoarjo 61256-East Java  
Indonesia  
T (62) 31-849 3939  
E surabaya@hollandcolours.com

Export department Surabaya:  
T (62) 31-841 1 801  
E exportasia@hollandcolours.com

Jl. Industri III/88 Blok A1-3  
Kompl. Industri Facto, Jatake  
Tangerang 15136-West Java  
Indonesia  
T (62) 21-590 5135

## PT HOLCO INDO JAYA

Jl. Berbek Industri IV No 1  
(Surabaya Industrial Estate Rungkut)  
Sidoarjo 61256-East Java  
Indonesia  
T (62) 31-849 3939  
E indojaya@hollandcolours.com



COLORING YOUR SUCCESS

[www.hollandcolours.com](http://www.hollandcolours.com)

