

**Barentz.**

Annual  
Report 2021



**Barentz.**

# Welcome to Barentz.

The global life science and specialty performance ingredients distributor.

We are the global life science ingredients distributor specialising in human nutrition, pharmaceuticals, personal care, performance materials and animal nutrition, creating unique synergies across all fields of expertise.







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Barentz.

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## MESSAGE FROM THE CEO

# Global leadership in life science ingredients.

For our founding father Herman Barentz transparency and trust were key. He knew this was the only way to build strong and lasting partnerships. This is still our attitude towards doing business today. That is why we are proud to present to you our 2021 Annual Report. It offers all our stakeholders a comprehensive overview of our activities and performances throughout the preceding year and provides a clear overview of our markets, strategy, added value and ESG policies.

**Added value for our principals, customers and the planet.**

As a fast-growing global life science ingredients distributor specialising in human nutrition, performance materials, pharmaceuticals, personal care and animal nutrition, we create unique synergies across all our fields of expertise. For all our customers, we provide access to the best ingredients solutions available to offer added value. We are ambassadors, technological experts, networkers and a true business platform connecting first class principals and customers across all global areas. Additionally, we formulate custom products and apply our knowledge of the markets and technology, supported by sourcing complementary ingredients. As a result, we deliver better ingredient solutions for our customers and their consumers as well as for the planet.

“With our successful M&A approach we further bolstered our strong strategic global position within life science ingredients.”



**Hidde van der Wal**  
Barentz CEO



**Strong growth track record.**

Over the past decades, our strategy has focused on a well-balanced, consistent combination of robust organic growth and growth by acquisitions, rooted in decades of solid experience. We recognise the need for sustainability and have a strong focus on ESG backed up by more than seventy years expertise in high-end life science ingredients.

Our strong and healthy growth rates reflect our incessant efforts to increase the quality of our global ingredients portfolio and continuous investment in the knowledge and skills of our people. We focus on customer projects facilitating our organic growth combined with our targeted and successful M&A approach. In 2021 we were able to acquire several attractive companies. This has further bolstered our strong strategic global positions within our divisions and our life science and specialty performance ingredients markets.

COVID-19 did not adversely affect our business, but it showed us how creative and flexible our teams can be. We have found new digital ways of working, at the office, at home and together with our principals and customers. This positive attitude has convinced us that we can face other challenges, including product shortages and supply chain issues.

At the moment of publication of this report, the current developments in Ukraine are affecting most businesses worldwide. Although the overall size of our business in Ukraine is small, we are unsure how these developments will impact Barentz's future business. At this moment, they are not affecting our current overall growth and our teams in the affected countries are safe and supported by us.

**Investing in our company and in ESG.**

Our continuous growth gives us the opportunity and the obligation to adequately invest in our company. To facilitate future growth, we intensified our global IT and CRM alignment, invested in our regional R&D facilities for formulation development and expanded our global ESG training programmes for all employees. With EcoVadis gold ratings in North America and Italy and a silver rating for our worldwide operations, Barentz has started an impactful campaign that underlines our commitment toward sustainability. These results in 2021 are only the start of our objective to become a frontrunner and to ensure all our supply chain partners meet our ESG standards.

**Our people and our systems; ready for the future.**

At the same time as intensifying staff training, we also expanded our teams. By supporting them to succeed and embrace the Barentz DNA, we give them our trust and make them feel at home as members of our team. We recruited talents to strengthen strategic positions and additional young potentials to enlarge a talent breeding pond for future senior positions. We are increasing our investments in digitisation and IT, as key enablers for growth. We have built the foundation for a global data process and will continue building on our data programme to ensure optimal connectivity for our customers, principals and staff.

**New CFO and expansion of the Executive Board.**

After a very successful tenure of more than 24 years with the company, Jos van der Linden stepped down as CFO at Barentz as of 1 September 2021. On behalf of Barentz, I would like to thank Jos for the many contributions he has made and his instrumental role in Barentz growth to date. Jos has been succeeded by Derk Jan Terhorst and together they have ensured a smooth transition process. I am very happy with the material impact Derk Jan made in his first months and believe he will help strengthen Barentz in the next chapter of our company. At the end of 2021 we expanded our Executive Board to seven members by appointing Gökhan Oran and Mike McKenna, thus covering the key management positions for all divisions and regions.

**Regional governance.**

During the last year we restructured and strengthened our company management model into a matrix organization. We redefined our regional approach to North America (including Mexico and Central America), South America, EMEA and APAC and appointed regional CEOs with executorial responsibility for principals, customers and business strategy.

**Positive outlook: ready for the next growth phase.**

We are heading for further growth, both organically and by add-on acquisitions. Looking at 2022 and beyond, we are facing the future with confidence. Barentz is ready for the next growth phase. 2021 was a great year. This would not have been possible without the unremitting commitment of all our principals, customers, key stakeholders and of course all our employees. I would therefore like to thank all of them.

Hoofddorp, 3 June 2022  
**Hidde van der Wal, CEO**

# Purpose: What we're here to do.

**We develop strong partnerships, deliver ingredients and customised solutions for a more sustainable world.**

As the leading ingredient distributor at the very heart of life science, we know that our ecosystem's long-term prosperity is ultimately our own. That's why at Barentz, we're in the business of creating better solutions that enable sustained success for our customers and communities, our principals, people and ultimately the planet. And so, empowered by principles of knowledge, entrepreneurship and partnership, we're persistently conquering old challenges while unearthing entirely new opportunities. This continuous pursuit of better is what Barentz was founded on seven decades ago, and it's what continues to be the key ingredients shaping our future success – and possibly yours too.

Barentz is here to help you  
succeed and together, there's  
always a better solution.  
**Barentz. Always a better solution.**





# Profile.



## Who we are

### **The global life science and specialty performance ingredients distributor.**

We are the global life science ingredients distributor specialising in human nutrition, pharmaceuticals, personal care, performance materials and animal nutrition, creating unique synergies across all fields of expertise.



## What we do

### **Delivering better ingredient solutions.**

Thousands of customers worldwide have access to our world-class principal ingredients and their brands. For our customers, we provide access to the best ingredients solutions available to add value.

We are ambassadors, technological experts, networkers and a business platform, connecting ingredients manufacturers and users across all areas. Additionally, we source complementary ingredients, formulate custom products and apply our market and technological knowledge.

As a result, we deliver better ingredient solutions for our customers, for consumers and for the planet.



## What drives us

### **Together, there is always a better solution.**

We develop strong partnerships, deliver ingredients and customised solutions for a more sustainable world; Barentz is here to help you succeed. Together, there is always a better solution.

# Our principles.

The sustainable ingredients driving our purpose and philosophy responsibly.

## KNOWLEDGE

### We're specialists

We are specialists in the life science ecosystem. With 70+ years of experience, Barentz has the insight and expertise that only time and endless enquiry can produce.

## ENTREPRENEURSHIP

### We're formulators

Barentz is and does many things, but the entrepreneurial spirit that drives us remains unwavering. In the business of better, we are the preferred partners that make it happen.

## PARTNERSHIP

### We're collaborators

A distributor's success relies on its ability to identify, develop and sustain quality partnerships. Barentz commits to bettering our ESG performance and working with partners that truly align with these values.



THE BARENTZ GROUP DNA SUMMARISED

# Purpose,

## Why we come to work every day.

We develop strong partnerships, deliver ingredients and customised solutions for a more sustainable world; Barentz is here to help you succeed. Together, there is always a better solution





“One team driven by the powerful blend of partnership, knowledge, entrepreneurship and integrity, embracing change.”

# Values, Behaviours, Strategy.

## The principles that unite us.

Our values set out the principles that unite and inspire our people to deliver our purpose

- One team
- Strong partnership
- Knowledge driven
- Be entrepreneurial
- Embrace change
- Integrity always

## How we work together.

Our behaviour is a direct consequence of our values.

At Barentz we have developed an ongoing process of communication and activities within our teams, called Continuing Meaningful Conversations, with the aim of supporting our people's performance and development in the best way possible.

## How we create stakeholder value.

We create value for our stakeholders through organic and acquisition-led growth and have enacted a strategy based on 5 strategic pillars

- Empower people
- Develop partnerships
- Deliver strategic growth
- Drive continuous improvement
- Promote sustainability

# Barentz at a glance.

Founded in  
**1953**

Present in  
**65+** countries



Principal based  
distribution  
**82%**  
of revenue

Revenue  
**€1,704  
million**  
**+83%**

Formulation  
laboratories  
in all regions  
**40+**



Organised in 4 regions  
**EMEA,  
North  
America,  
South  
America  
and APAC**

Dedicated to  
**22,000+**  
customers



Customised  
sourcing  
**11%**  
of revenue

A global team of  
**2,000+**  
employees

Gender diversity  
**51% female,  
49% male**

Acquisitions  
in 2021  
**8**

Formulated  
solutions  
**7%**  
of revenue







## Focusing on 5 operating divisions



HUMAN NUTRITION



PHARMACEUTICALS



PERSONAL CARE



PERFORMANCE MATERIALS



ANIMAL NUTRITION

# Applications labs.

EMEA

10

8 Human Nutrition  
1 Personal Care  
1 Pharmaceuticals

South America

6

4 Human Nutrition  
1 Personal Care  
1 Pharmaceuticals

Asia Pacific

9

5 Human Nutrition  
4 Personal Care

North America

17

4 Human Nutrition  
5 Personal Care  
2 Pharmaceuticals  
6 Performance Materials





# Customised formulation and sourcing.



USA



ENGLAND



GERMANY



NETHERLANDS



FINLAND



SINGAPORE





# Our heritage.

## A powerful blend of knowledge, entrepreneurship and partnership.

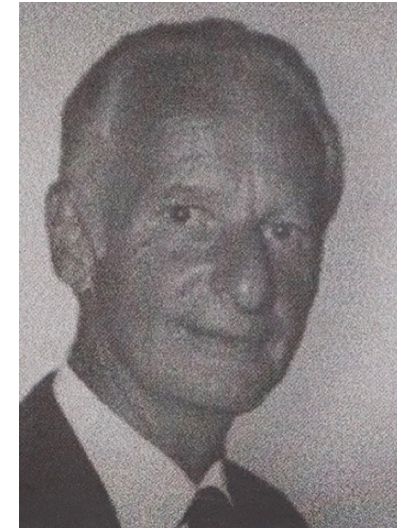
Our story begins almost 70 years ago in Amsterdam with a real entrepreneur: Herman Barentz. While hiding out during World War II, he spent his time reading and studying. This formed his strong belief in the invincible power of knowledge.

When he started his own company in Amsterdam in 1953, knowledge became the foundation for growth, and he shared this mantra with all people he worked with during his lifetime: “The only thing that no-one can take away from you is your knowledge.”

Herman Barentz transformed this insight into the business of our company. “You should always know everything about the products, the markets and the challenges of your principals and your customers. Only then can you be of value for their business and add to their success. This strong business principle held by our founder still inspires us every day. That’s why we are renowned for our technical and market expertise.”

“The only thing that no-one can take away from you, is your knowledge.”

Herman Barentz



## Entrepreneurship as driver.

In 1953, Herman Barentz started his company with nothing more than an idea. The French company Roquette had started to produce a new range of products, and Herman Barentz saw a business opportunity. He convinced them he was the right person to represent the brand in the Netherlands. This turned out to be a huge success, and supplier after supplier joined. This entrepreneurial mentality is still one of the strongest drivers of Barentz’s business.

## Long-lasting partnerships.

Every entrepreneur remembers their first deal. To make that deal, you have to make promises. To get a second deal, you have to keep your promises. For Herman Barentz, trust was key, because he knew this was the only way to build strong and lasting partnerships. This is still our attitude towards doing business today. Perhaps the best example we can give is that we are still working together with our very first partner. Almost 70 years on.



## Our track record: growing our geographical and strategic footprint.

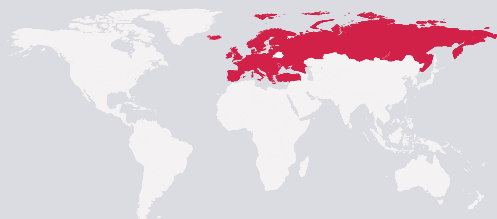
1953  
1988

SUSTAINABLE GROWTH  
IN THE NETHERLANDS



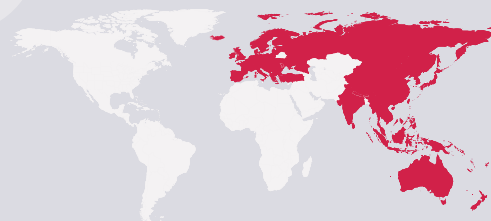
1988  
2012

STEP-BY-STEP ROLL-OUT  
WITHIN EUROPE



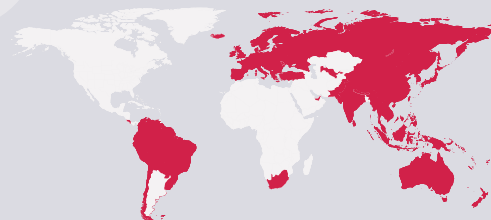
2012  
2015

DOORS OPENED IN ASIA-PACIFIC REGION  
AND CHINA



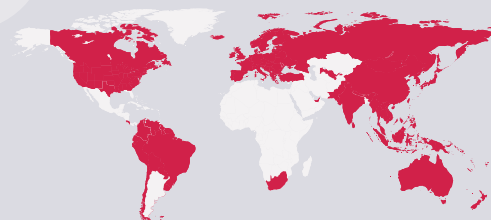
2015  
2019

EXPANSION TO SOUTH AFRICA  
AND LATIN AMERICA



2020

LAUNCH OF BARENTZ IN NORTH AMERICA  
(USA AND CANADA)



# Highlights per region.

## North America

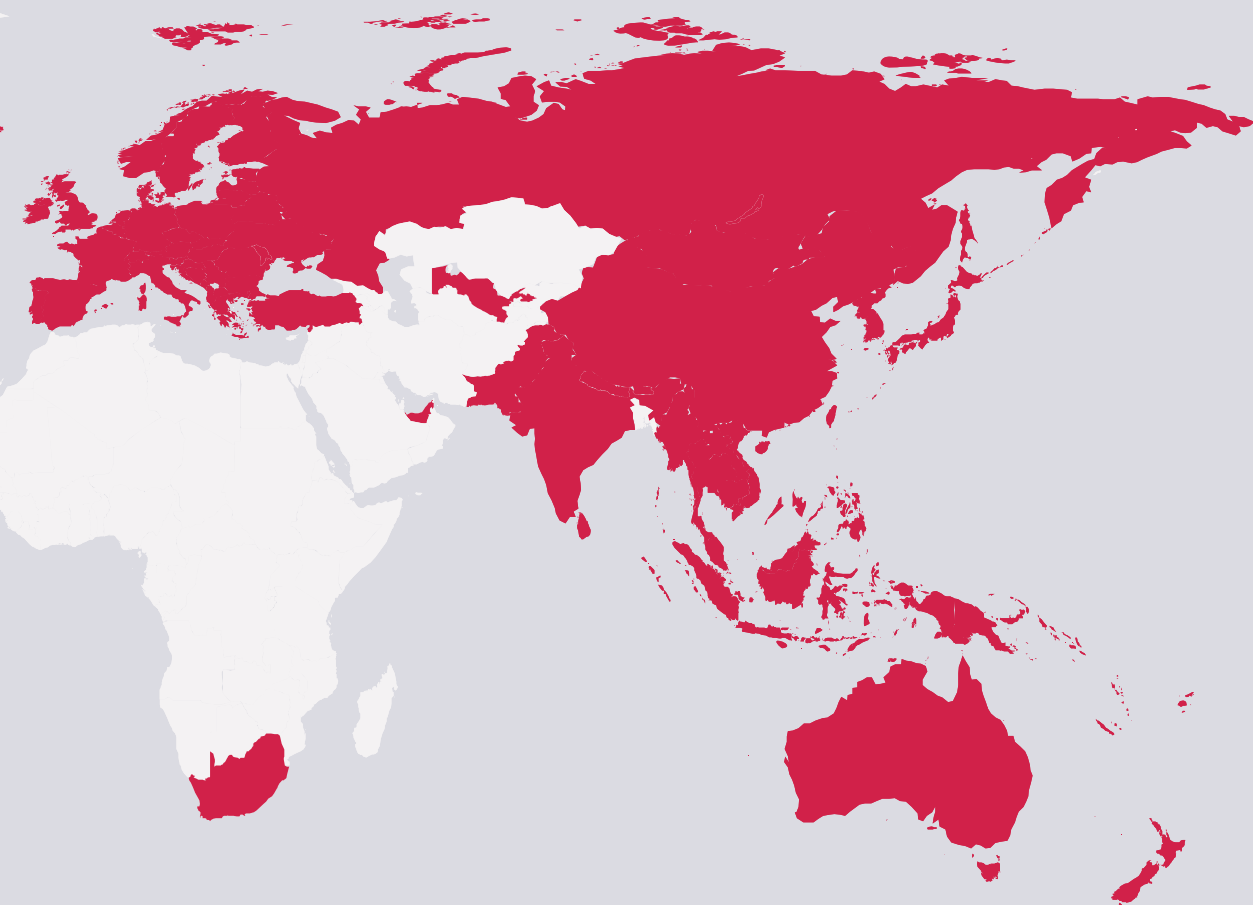
Maroon Group, acquired at the end of 2020, was fully integrated and rebranded to Barentz in 2021. During the year several new acquisitions were added to expand the North America region towards Central America. Total revenues increased by 784% in 2021 vs 2020, with the integration of Maroon Group playing a vital role.

## South America

Revenue in 2021 increased by 47% vs prior year. Business in South America also expanded to Argentina in 2021 by the opening of a Barentz office there.







## EMEA

EMEA business grew by 24% in 2021 driven organically as well as with the acquisition of Noack. A restructuring of the organization took place in 2021 forming a matrix organization in which a new EMEA management team was formed under the leadership of Torsten Pieschnick.

## Asia Pacific

The restructuring and strengthening of the matrix organization in the APAC region included the forming of a local management team and the appointment of Daniel Hitz as regional CEO. Together with organic growth and the acquisition of Gangwal we strengthen our position in APAC. Total revenues increased by 26% compared to the prior year.

# Highlights 2021.

## February



23, 2021

### **Barentz acquires the Noack Group.**

Barentz has expanded its activities in the Central East European region. We are proud to announce we have acquired a majority stake in the Noack Group, a specialist distributor of ingredients for the animal nutrition and feed industry. In addition, Noack serves the food and veterinary industry with a wide range of agrofood.

## March

4, 2021

### **Acquisition of the distribution business of The Cary Company.**

Following the recent acquisition of Maroon Group by Barentz, Barentz North America has acquired the Raw Materials and Specialty Chemicals distribution business of The Cary Company, a specialty distributor in the paint, coatings, adhesives, and plastics markets. The transaction represents an ideal fit with Barentz's strategy to support customers and principal suppliers through industry-focused sales and technical teams with dedicated coverage in North America.

## May

3, 2021

### **Barentz opens office in Argentina.**

Barentz proudly announces the opening of our office in Argentina. Barentz has recently been appointed by Roquette Freres as its strategic partner in Argentina for all human nutrition and pharmaceutical ingredients business. Additionally, the world-class product portfolio has been expanded further by other specialty ingredients in partnership with other outstanding principals.

## June

30, 2021

### **Barentz acquires Pestell Nutrition Inc. in North America.**

Barentz has expanded its activities in North America. We are proud to announce the acquisition of Pestell Nutrition Inc., a leading distributor of minerals, feed ingredients, feed additives, and pet specialty ingredients for the animal health, animal nutrition and pet food sectors across Canada and the USA.

## July

13, 2021

### **Barentz appoints new CFO.**

Barentz announces that Derk Jan Terhorst has been appointed as the company's Chief Financial Officer and as a member of the Board starting from 1 September 2021.





## December

2, 2021

### **Barentz acquires Gangwal in India.**

Barentz proudly announces an agreement to acquire a majority stake in the distribution operations of Gangwal Chemicals Private Limited.

21, 2021

### **Barentz expands its Board and appoints regional leaders.**

Barentz is delighted to announce that we have expanded our Board and strengthened our regional leadership team.

27, 2021

### **Barentz expands in Mexico.**

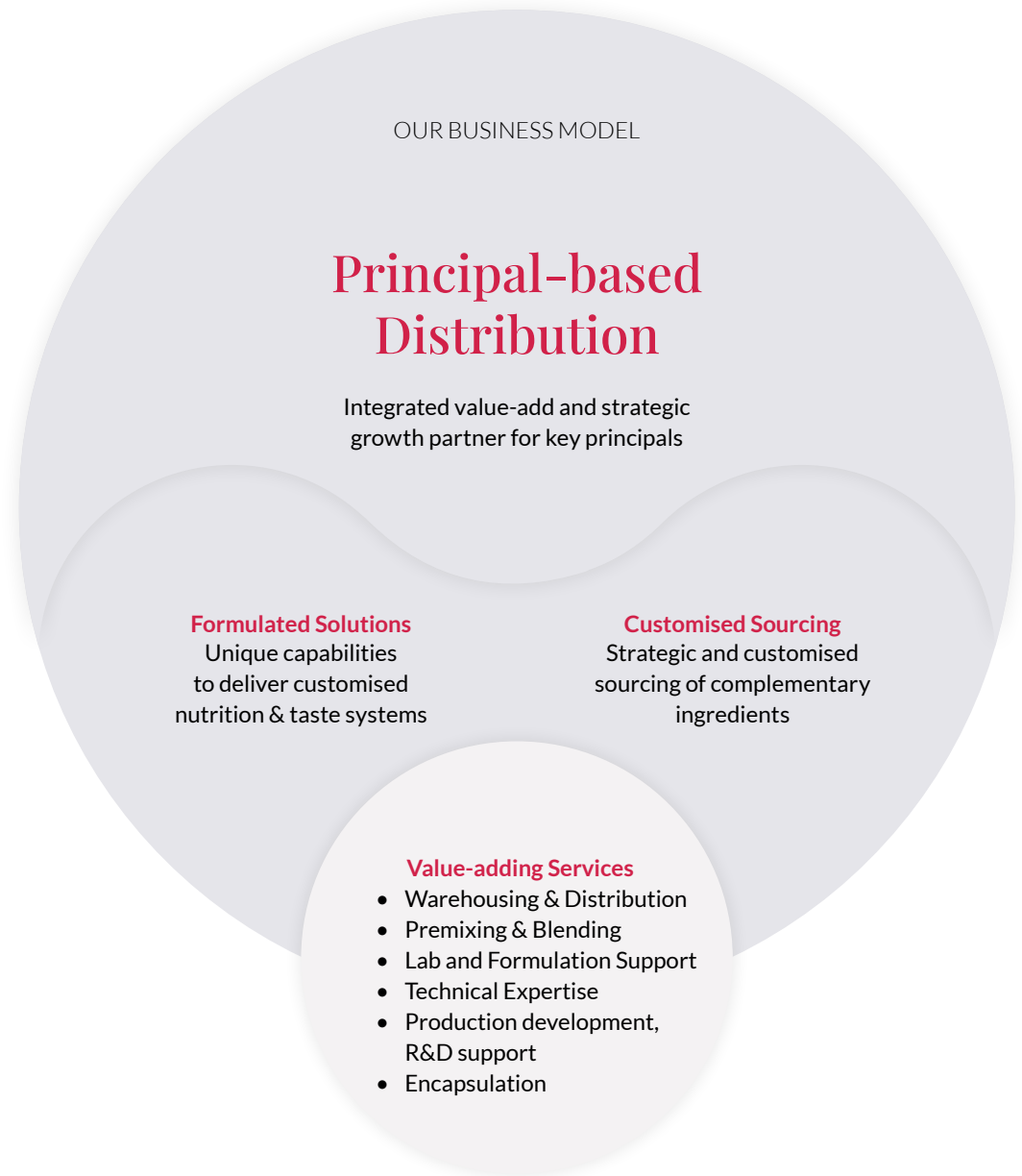
Barentz announced today that it has acquired certain assets of Chemcel, S.A. de C.V. (the "Business"), a value-add distributor of specialty ingredients into the Mexican pharmaceutical and nutrition markets. The operations will be continued as Gruppo Barentz Mexico.

# Management Board Report.



# A principal and geography-focused growth strategy

We are adding value for our principals and customers by offering principal-based distribution, formulated solutions, customised sourcing and corresponding solution-oriented services.





## How we create stakeholder value.

We create value for our stakeholders through organic and acquisition-led growth and have enacted a strategy based on 5 strategic pillars.

### VALUE CREATING KEY PILLARS

## Empower people,

This is our first and most important task within our company: to support our people with all they need to succeed, place trust in them and make sure they really feel part of our team.

## Develop partnerships,

For Herman Barentz, trust was key, because he knew this was the only way to build strong and lasting partnerships. This is still our attitude towards doing business today. Perhaps the best example we can give is that we are still working with our very first partner, almost 70 years on.

## Deliver strategic growth,

Our growth is based on a constantly monitored balance between organic, profitable growth and selective mergers and acquisitions. Selective means that we take cultural matching seriously.

## Drive continuous improvements,

We are running improvement programmes in all our business for products, services, and processes. They all have different objectives and are executed on different levels, but they have one thing in common: changing behaviour is more important than changing processes.

## Promote sustainability.

By working with principals, customers and key stakeholders on sustainability, we want to be the best company we can be, wherever we operate.



## OUR DIVISIONS AND MARKETS

# Human Nutrition.

**Human nutrition partner led by food technologists.**

Food and beverages are so much more than nourishment. They enrich our day, body, mind and soul in many ways. They connect people and cultures: past and future. They create meaningful relationships. They put a smile on our faces, and they reward our inner need to explore.

By stimulating all our senses and offering perfect nutrition, food and beverages make an impact. We at Barentz are passionate about supporting our business partners in making food and beverages appeal to all senses for global and local tastes – with better taste, aroma, texture, nutrition, fortification and appearance.

**Inspire the senses, enrich the day.**

From single ingredients to customised formulations with recipes, application and process support: we support our business partners in improving and shaping the nutritional profile of their products, from functional foods to specialist nutrition and nutraceuticals.

We do not only distribute the best ingredients from world-class suppliers, but also deliver customised nutrition & taste systems along with sourced complimentary ingredients, applying the know-how of our experienced food technologists.

**Our markets.**

We are active in nine human nutrition market segments.





BAKERY



BEVERAGES



MEAT AND DAIRY SUBSTITUTES



NUTRITION



SAVOURY



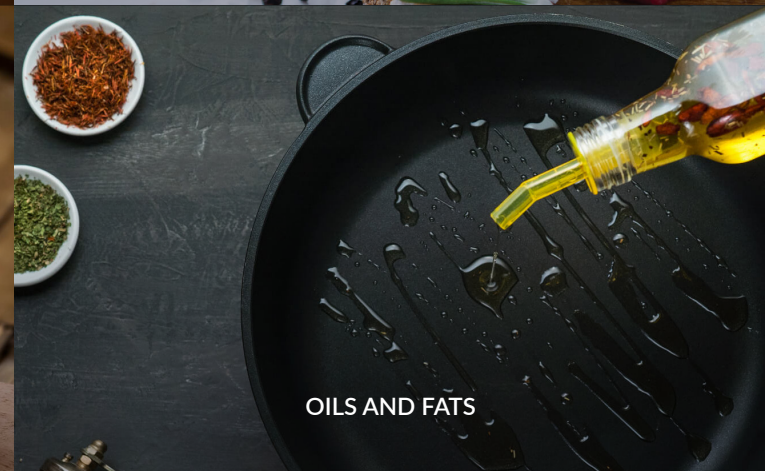
MEAT, FISH AND POULTRY



CONFECTIONARY



DAIRY



OILS AND FATS



## Nutritious,

### FINISHING TOUCH

Vitamin & mineral fortification,  
nutritional & health claims

## Delicious,

### TASTE, COLOUR & VISUAL APPEAL

Flavour profile and  
coating creation

## Safe,

### NATURAL PRESERVATION

Shelf life and freshness

## Juicy,

### FAT & FIBRE SYSTEM

Sensory & mouthfeel  
optimization

## Texturised and powder.

### PLANT PROTEINS

Single or combinations of  
proteins to mimic a real meat  
structure

### Innovative food concepts with better nutrient levels, taste and texture.

The global and local food markets are changing rapidly, depending on the market and region. But one thing is for sure: what is on the plate always needs to be tasty and nutritious. Barentz has raised the bar by developing new concepts, redefining what's possible in terms of better nutrition solutions in meat, plant-based food, and hybrid foodstuff made from meat and plants.

## Functional,

### BINDING SYSTEM

Vegetarian or Vegan options  
with support of "low/no/  
reduced" calories







“Consumers make their choices based on health, taste and convenience. We are on the next level with healthy and functional ingredients that help to individualise offerings for food products.”

Gökhan Oran, Vice President Human nutrition

**We anticipate megatrends in our business.**

We supply the best ingredients from the many world-class manufacturers we represent, learn about global and local trends, and leverage the know-how of our experienced food technologists. That's how we can help our customers to create tasty food and beverage solutions that will really entice their consumers. In addition, at Barentz, we are known for our entrepreneurial spirit which helps us create solutions quickly and efficiently.



**PLANT-BASED REVOLUTION**

Alternative protein sources: soy, pea, wheat, rice, mung bean, fava bean, quinoa, chickpea and more, including texturised plant proteins.



**GO NATURAL AND CLEAN**

Clean label, free from, natural colours, natural antioxidants, allergen and GMO free (IP), organic, vegan, vegetarian, fermented and more.



**WELLBEING & IMMUNITY**

Sugar alternatives, reduced sodium, reduced fat, fortified with vitamins and minerals, extracts and more.



**HEALTH CLAIMS**

Allergen-free, gluten-free, natural, organic, bone health, gut health, brain health, energy and more.



**FOOD FOUNDATION**

Starches, fibres, emulsifiers, texture and taste, antioxidants, proteins, lecithins and more.



**PLANETARY HEALTH**

Meat substitutes, protein sources, sustainable ingredients and more.

OUR DIVISIONS AND MARKETS

# Pharmaceuticals.

**Comprehensive ingredients partner for pharmaceutical manufacturing.**

**At Barentz Pharmaceuticals, our business is to excel in delivering premium quality and high-performance excipients, nutraceutical & functional food actives, APIs and pharmaceutical intermediates – sourced and provided by our pre-eminent supplier partners.**

Customers highly value our deep technical knowledge and broad product portfolio, our capability to manage quality throughout the entire supply chain and our extensive regional and local networks.

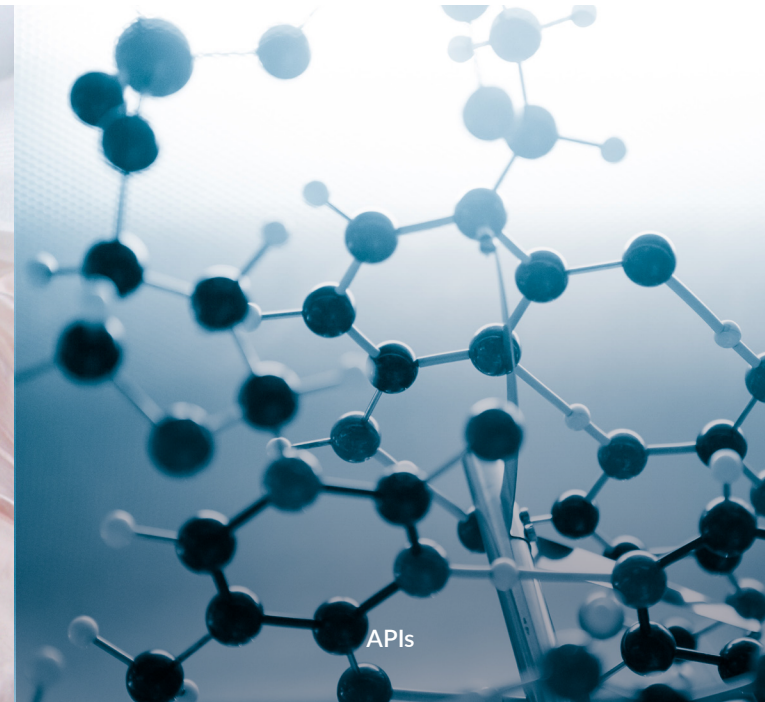
## Our solutions.

We are active in three different segments.





EXCIPIENTS



APIs



NUTRACEUTICALS

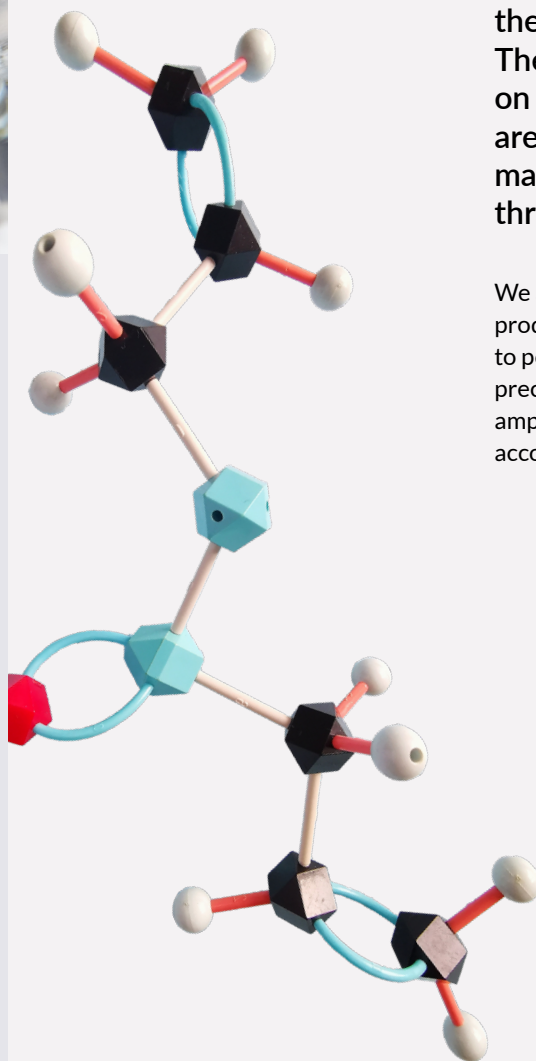


## Excipients.

APIs are the most critical component of a medicine, but they invariably need a select group of excipients to maximise their effectiveness and increase patient safety.

Barentz supplies a comprehensive range of excipients for a variety of different dosage forms including binders, fillers, disintegrants, lubricants, drug delivery systems, film coatings, flavours, sweeteners, thickeners, rheological modifiers and emulsifiers.

All our excipients are sourced from leading global, high-integrity manufacturers. Our products can be used in all regulated markets. We are ready to support all our customers' formulation challenges.



## APIs you can trust.

Active pharmaceutical ingredients (APIs) are the fundamental elements of all pharmaceuticals. The quality of the APIs has a significant effect on how efficient and safe a medicine is. APIs are subject to stringent regulations in their manufacture, and these tight controls continue throughout their supply chain.

We are pleased to represent some of the foremost drug substance producers in the world. We hold appropriate licensing authorisation to possess and supply numerous controlled-drug substances and precursors, including opiate agonists & analgesics, barbiturates and amphetamines. All our APIs are transported and delivered to you in accordance with GDP (Good Distribution Practice) obligations.

### An extensive range of drug classes.

We offer an extensive range of drug classes, including beta blockers, calcium channel blockers, alpha adrenergic agonists, histamine receptor antagonists, methylxanthine CNS stimulants, bronchodilators, local anaesthetics, selective serotonin reuptake inhibitors (SSRIs) and serotonin-norepinephrine reuptake inhibitors (SNRIs).





**“All our excipients are sourced from leading global, high-integrity manufacturers. Our products can be used in all regulated markets. We are ready to support all our customers’ formulation challenges.”**

Anthony Litchfield, Vice President Pharmaceuticals

## A Leader in nutraceuticals.

Recent changes in global healthcare have shifted the focus from cure to prevention. A growing number of end-consumers choose to take greater control over their own health and wellbeing using non-prescription nutraceuticals and dietary supplements.

Barentz offers a wide range of ingredients to support this rapidly expanding market. These include amino acids, vitamins, minerals, omega-3, omega-6, herbal extracts, fruit extracts, vegetable extracts, enzymes, slimming agents and joint-health-improving agents. These materials are suitable for inclusion in a wide array of dosage forms, such as capsules, pastilles, tablets, powder sachets, ampoules or drop dispensers.

### Custom premixes made with the best brands.

For custom premixes, we cooperate with the nutraceutical specialists at Vitablend, part of Barentz. As a leading manufacturer of nutritional premixes, Vitablend provides ready-to-use, instantised meal replacements, as well as custom powdered and liquid premixes for a wide variety of dietary supplements.

Besides nutritional fortification and antioxidant solutions, Vitablend also specialises in encapsulation technology. Encapsulation makes functional ingredients available for applications that were previously inaccessible. Vitablend specialises in small-batch encapsulation and forms the link between the functional ingredients industry and pharmaceutical companies.

### OUR ADDED VALUE



#### DEEP TECHNICAL KNOWLEDGE, BROAD PORTFOLIO.

Our local sales managers and technology experts have vast experience of formulation science and pharmaceutical production processes.



#### TOTAL QUALITY MANAGEMENT, ACROSS ALL PRODUCTS.

We are one of the few distributors officially authorised to supply all pharmaceutical ingredients and active substances to customers across the globe.



#### GLOBAL OUTREACH, LOCAL EXPERTISE.

We deliver to thousands of customers in over 50 countries in all four global regions, across all industry sectors: innovator pharma, generics, OTC, CMOs & CDMOs, medical devices, biotech and nutraceuticals.



**“With nutraceuticals we are entering the new world of natural: exploring the benefits to the patient and the planet.”**

Alexandre Blanc, European market & principals manager nutraceutical activities





OUR DIVISIONS AND MARKETS

# Personal Care.

**Creativity differentiates the way we source, formulate and deliver ingredients.**

Consumers of personal care products are frequently on the lookout for novel ideas, textures and concepts. To meet this element of consumer demand and other expectations, Barentz's technical and commercial experts work at the forefront of innovation, building on a unique blend of science and creativity. And delivering outstanding ingredients and formulations, of course.

Our principals use cutting-edge technologies in green chemistry to offer sustainable ingredient alternatives. Sourcing from clean by-products wherever possible, we help you to deliver responsible beauty solutions.

**The powerful beauty of creativity.**

Personal care and cosmetics play a vital role in our daily lives and routines. For thousands of years, humans have cleansed, enhanced and beautified their skin and appearance, using creams and ointments prepared with the utmost care. Deep-rooted local traditions, ever-changing global trends and new technologies make personal care a very dynamic market environment.

## Our markets.

We are active in seven personal care market segments.





SKIN CARE



HAIR CARE



BATH & SHOWER



SUN CARE



ORAL CARE



COLOR COSMETICS



FRAGRANCES



# The Barentz difference.

## Creative innovation

At Barentz, we stay ahead of trends, such as gastrobeauty, solid cosmetics, blue-light protection and encapsulation. Learn more about our innovative and creative solutions that meet consumer expectations.

## Responsible beauty

Our principals use cutting-edge technologies in green chemistry to offer sustainable ingredient alternatives. Sourcing from clean by-products wherever possible, we enable you to deliver responsible beauty solutions.



## Tempting differentiation

We help our customers stand out from the competition in their local market. Speak to us for ingredients, formulations and guidance that can make your product temptingly different.





“Here in one of our personal care applications labs, we offer excellent possibilities to work in partnership with our customers to develop first-class formulations.”

Sharlotte Chamisa and Rachael Davison,  
Barentz laboratory Wakefield UK

## Discover inspiration for your market segments.

Personal care encompasses a much wider variety of product types and is so much more extensive than people often perceive.

As an industry leader, Barentz Personal Care offers a comprehensive portfolio of ingredients for skin and haircare applications, colours and fragrances, as well as home-care ingredients for home-cleaning products.

Our broad, but carefully selected range of ingredients comprises high-performance actives, including advanced botanicals, specialty ingredients and selected raw materials for versatile applications – including the most challenging formulation systems, sensory profiles and sophisticated demands from consumers.





## OUR DIVISIONS AND MARKETS

# Performance Materials.

**Better quality of life.**

Our Performance Materials division encompasses three aspects of our business, all of which could help improve the quality of life: coatings & plastics, synthesis solutions, and household, institutional & industrial cleaning.

Complementing a portfolio of sustainable products, we've invested heavily in our technical and formulary teams, with world-class laboratories in place to support our customers and principals. We provide a wide range of value-add offerings, including custom formulated turn-key solutions, one-packs, custom synthesis and repackaging, to name just a few.

With a truly global footprint, we have sourcing experts embedded in the key regions of the world who understand the dynamics of the technical solutions we offer, complex logistics and supply chains, and the benefit of backward integration. With a diverse array of products, we serve numerous end-market applications: electronic materials, EV, light weighting of vehicles, disinfection, laundry care, household cleaners, specialty lubricants, food packaging, and an array of coatings and adhesives that create value for our customers.

Our themes in  
Performance Materials.





MEDICAL IMAGING FILMS



MULTI-LAYER FILM



MEDICAL APPLICATIONS



PLASTIC COMPONENTS FOR AUTOMOTIVE



HOUSE PAINT



PLASTIC TOYS



DISINFECTANTS



**Value-Add Solutions.**

We manufacture consistent, high-quality, and robust 100% active compacted pellets that can dramatically reduce the amount of chemical dust in the manufacturing environment, which afford advantages from an operational and EHS perspective. We offer a wide variety of raw material options and have the ability to process multiple component blends with unlimited combinations of ingredients. We supply pre-weighed, custom packages in a wide variety of ways to best meet your needs.

“Addipel customizes multiple component, fully dispersed pre-mixes that are engineered to meet your needs.”

**Barentz provides:**

Medical imaging films such as XRAY, MRI, etc. •  
Multi-layer film for food packaging (bags of snacks, meat wraps, etc.) • Medical adhesives – dialysis bags – prescription pill bottles • Plastic components for automotive, such as mirrors, bumpers and electric vehicles • Plastic toys • House paint, deck stains, etc. • Disinfectants, household cleaners •



Disinfection and Cleaning ,



Household laundry detergents ,



Floor polishes, cleaners, etc. .





## Custom Synthesis.

We are a team of experts who understand the industries of Coatings, Composites, Electronics, Emulsion Polymers, Lubricants, Oil & Gas, Paper, Plastics, and Specialty Intermediates. Beyond our ability to supply, we pride ourselves on bringing “out of the box” solutions to create win-win, long-term relationships. Our philosophy is customer driven, value focused, and based on your needs.

“Our Technical Sales and Innovation Teams are dedicated to supporting customers by offering specialty raw materials and formulary guidance to achieve performance objectives. Our collaborative, solutions-based approach creates value for our customers and principal partners.”

Kathleen Eatough, Senior Vice President, Sales



## OUR DIVISIONS AND MARKETS

# Animal Nutrition.

**Most sustainable partner for a healthy livestock and pet food specialties.**

Our product portfolio consists of a long and varied list of feed ingredients and additives. We can offer single products, but very often, our ingredients fit into a certain trend or are aimed at solving a specific problem or challenge.

In many instances, the solution isn't only one ingredient, but a combination of several ingredients. This has led us to develop different unique concepts for livestock and pets. Each concept offers different solutions, so our customers can choose which one best fits their situation.

**Unique position and future-proof.**

With a rising population, it is more important than ever to use our scarce resources more efficiently and start thinking more holistically about circularity in the food chain. Animals play an important role in this, and as such, we can make a powerful impact through clever solutions applied through their nutrition.

Animal products are an important factor in meeting the world's future food demand. Meat, dairy and eggs are the most straightforward examples of this, but also the manure produced from farm animals is essential to fertilise our fields and grow other crops for human consumption.

## Our markets.

We are active in two animal nutrition market segments.





LIVESTOCK



PET FOOD



With our strong base of well-established products from top-quality suppliers, complemented with innovative and novel ingredients, we believe that we are very well positioned to provide our customers not only with ingredients, but also solutions that help them face the challenges at hand and beyond.

#### **Our offering.**

Our portfolio of ingredients and concepts aims to help improve feed efficiency, raise productivity, reduce waste and contribute to animal health and wellbeing. All to help achieve maximum output, with minimum input.

We do this by using functional and nutritional ingredients. Every feed formulation is different, and our specialists can help you find the right combination of ingredients. We can assist in bringing synergies through supplements or even whole feed formulation.

Our foundation of single ingredients and commodities is complemented by several specific concepts and even ready-blended solutions aimed at achieving our customers' needs.

## Main product focus in our livestock specialties.

Proteins • amino acids • yeasts and phytogenics •  
but also carbohydrates • vitamins and minerals •  
fats and oils • organic acids and colourants.

## Livestock specialties.

From bulk single ingredients to complete livestock ingredient solutions, Barentz has a strong focus on developing sustainable alternatives that contribute to animal health and wellbeing through nutrition. We've built a strong plant-based-protein portfolio to offer a variety of sustainable solutions. Some nice examples are single cell proteins, insect protein and water lentils.



#### **Access to world-class suppliers.**

We exclusively distribute for several world-class suppliers, as well as sourcing directly in countries, such as China, to help guarantee supply-chain security and integrity. By implementing in-house quality controls and on-site testing, our customers receive the right ingredients.

As a global distributor, we have warehouses across the world and can provide our customers with a wide range of logistical solutions, as well as several alternative options to optimise their supply chain.



## Pet food specialties.

Thanks to our cross-industry knowledge and involvement in food, feed and nutraceutical markets via our divisional structure, we are experts in pet food ingredients. Our knowledge of healthy nutrition, combined with human trends and developments, makes us a key partner for pet food manufacturers. We help ensure they make the right ingredient choices by developing new or improved pet food concepts and solutions.



“Our knowledge of healthy nutrition, combined with human trends and developments, make us a key partner for pet food manufacturers.”

Tim Lemeer, Vice President Animal nutrition

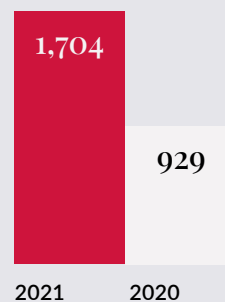
# Financial Performance.

In 2021 there were continuing challenging market conditions, with ongoing COVID-19 restrictions and supply chain constraints. Despite these challenges, 2021 was a strong year for Barentz, with all regions delivering double digit growth. This growth is driven organically as well as influenced by results of acquisitions.



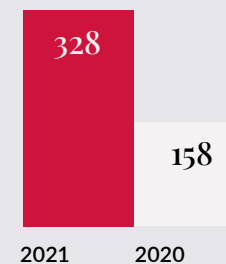
## KEY-FIGURES 2021

in € million



### Revenue

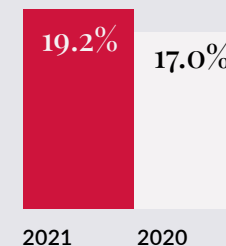
+83%



### Gross profit

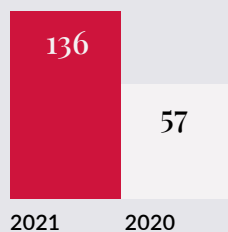
+108%

Revenue increased by 83% of which 12% is driven by organic growth and 71% due to acquisitions. Gross profit as % of revenue increased by 225 basis points to 19.2%. EBITDA as % of revenue increased with 180 basis points to 8.0%.



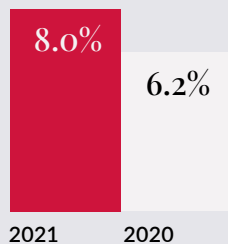
### Gross profit as % of revenue

+225 bps



**EBITDA**

+137%



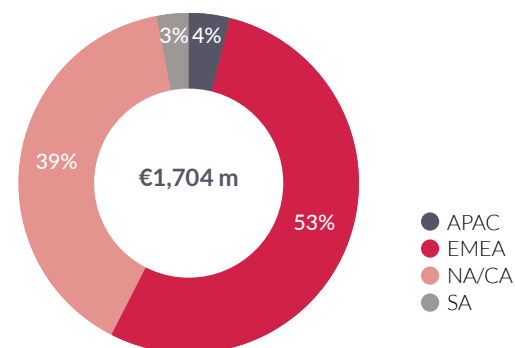
**EBITDA**

as % of revenue

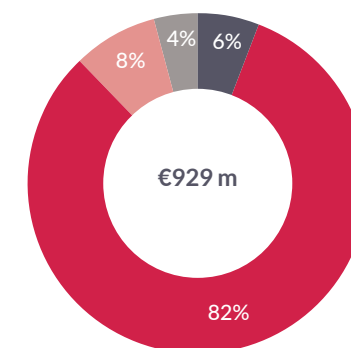
+180 bps

The regional split significantly changed in 2021, mainly driven by the integration of the Maroon acquisition of December 2020 which created a more diversified geographic presence.

2021 Revenue split



2020 Revenue split



Barentz successfully expanded and grew the business across all regions in 2021. EMEA revenue increased by 24%, North and Central America by 784%, APAC by 26% and South America by 47%.



**Net working capital.**

Net working capital, defined as inventories, trade and other receivables less trade and other payables increased by EUR 131 million from EUR 229 million at year-end 2020 to EUR 360 million at year-end 2021. The increase in net working capital is the result of both organic (volume and price based) and acquisition growth, with higher stock levels to support the strong order book 2022. At the same time net working capital is impacted by external factors, such as COVID-19, supply chain disruptions and currency fluctuations.

**Investments.**

Barentz is operating an asset-light business model, limiting the capital expenditure, currently at less than 1% of Net Sales. Total investments in 2021 amounted to EUR 11.9 million, primarily related to investments in hardware and software, next to investments for improving production facility and equipment at Pestell USA, Maustepalvelu in Finland, Vitablend and De Weerd Spices, both in the Netherlands.

**Funding.**

To fund Barentz growth and acquisition strategy in 2021, additional equity amounting to EUR 74 million was invested by existing shareholders and partly rolled over from management in acquired companies, whereas additional funding amounting to EUR 319 million was secured with the existing group of lenders under the existing facilities. Barentz Group entered into a Senior Facilities Agreement (SFA) and Payment-in-Kind Notes Purchase Agreement (PIK) on 27 November 2020 with a group of lenders. Total committed amounts under these facilities on 31 December 2021 amounted to an equivalent of EUR 1,282 million, of which EUR 1,162 million was drawn at year-end 2021.

At 31 December 2021 the Company has drawn EUR 475 million, USD 457 million and GBP 36 million, respectively under the Senior Facilities Agreement and EUR 125 million and USD 130 million, respectively under the PIK Notes Purchase Agreement. The revolving credit facility of EUR 120 million remains undrawn at 31 December 2021.

The Senior Facilities Agreement expires in November 2027. The PIK Notes Purchase Agreement expires in November 2030.

Future add-on acquisitions will be funded from the cash flow resulting from operating activities to the extent possible.

Additional facilities are available, pursuant to the existing credit facilities, in future periods. The credit facility arrangement contains certain restrictive financial covenants for the Company.

Restrictive financial covenants include maintaining compliance with the consolidated senior secured net leverage ratio.



# Growth through acquisitions.

**At Barentz, we benefit from a highly fragmented distribution market and a continuing consolidation trend, largely driven by our principals looking to optimise their sales channels.**

We consider acquisitions to be an important pillar of our growth strategy to further expand our geographical and strategic footprint, complement our product portfolio and benefit from economies of scale.

To accelerate growth and create strategic value through acquisitions, we combine a relationship-driven approach with professional and programmatic execution, smoothly integrating and creating optimal commercial and operational synergies.

In addition to a strong organic performance, we saw strong acquisition-led growth in 2021, with a total of eight announced acquisitions across EMEA, the Americas and APAC. We moreover secured full control over five majority stakes: NK Chemicals, Barentz Service, TasteStrik, Barentz Iberia and Globe Ingredients.

## MAJOR ACQUISITIONS IN 2021



### Noack, Austria

ANIMAL NUTRITION

In February, we acquired a majority stake in the Noack Group, a specialist distributor of ingredients for the animal nutrition and feed industry. Noack has a strong position in animal nutrition ingredients and also specialises in agrofood and veterinary diagnostics, with a wide range of test systems. The Noack product portfolio is complementary to Barentz's broad animal nutrition range of ingredients and will assist us with our expansion into Central Europe.



### Pestell Nutrition, Canada

ANIMAL NUTRITION

Following the completed acquisition of US-based Maroon Group in late 2020, we further strengthened our activities in North America with the acquisition of Pestell Nutrition at the end of June. Pestell Nutrition is a prominent distributor of feed additives, nutritional ingredients, macro and trace minerals, and pet specialty ingredients for the animal health, animal nutrition and pet food sectors across Canada and the USA. The company is also renowned for its technical solutions and application knowledge. The acquisition brings our animal nutrition division into a more balanced position within our life science and specialty-ingredients portfolio, whilst accelerating our strategic positioning towards animal health.





## The Cary Company, USA

PERFORMANCE MATERIALS

In March, our North American Performance Materials business was strengthened by the acquisition of the Raw Materials and Specialty Chemicals distribution business of The Cary Company, a specialist distributor in the paint, coatings, adhesives and plastics markets. The transaction further strengthens our market-leading position in core North American markets and shows our commitment to targeted regional expansion.



## Gangwal, India

PHARMACEUTICALS AND PERSONAL CARE

In November, we announced the acquisition of a majority stake in the distribution operations of Gangwal Chemicals Private Limited, India. We have been keen to enter the Indian market for a long time. In Gangwal, we found the right partner due to the similarities in how we do business. In that respect, the transaction marks an important strategic step in strengthening our footprint in the high-growth and resilient pharma excipient distribution market, whilst increasing our geographic presence in the fast-growing APAC region.



## Chemcel, Mexico

PHARMACEUTICALS

In December, we acquired certain assets of Chemcel, S.A. de C.V., a value-add distributor of specialty ingredients in the Mexican pharmaceutical and nutrition markets. Mexico has long represented a strategic market for Barentz, and Chemcel provides the natural platform to further expand into the Mexican market. We will continue operations as Gruppo Barentz Mexico.

**“In 2021, Maroon was successfully integrated and rebranded to Barentz North-America, and with Pestell we established the animal nutrition division globally. We are now operating a truly global and growing specialty ingredients platform with diversified exposure to attractive and resilient life sciences end-markets.”**

Gino Soeriuwardojo, Head of M&A Barentz Group



# Placing Environmental, Social and Governance at the centre of all we do is who we are.

In 2021, we formalised our global ESG programme. We assigned a board member sponsor, launched an ESG Leadership Council and announced the creation of a new role: Global Director of ESG. Our Global Director of ESG harmonised our efforts throughout the organisation and established our ESG Steering Committee and ESG working group. These teams of diverse individuals are responsible for ensuring ESG is placed at the core of our business and they will implement our various ESG programmes on the ground across our four operating regions.



EcoVadis Gold ratings  
in North America and Italy  
EcoVadis Silver rating globally.

**“To be a responsible & sustainable distributor of life science ingredients, which offers our customers products that increase the quality and length of our consumers’ lives.”**

Mike McKenna, President & COO North America

We have developed our Barentz ESG Workplan to provide a framework for our ESG activities. The Workplan was developed after considering the UN Sustainability Development Goals most relevant to our operations, feedback from independent third parties, such as EcoVadis, and our initial materiality assessment.

#### FOUR KEY ESG PILLARS

The plan categorises our activities into four key ESG pillars:

**Environment,**

**Labour & human rights  
and ethics,**

**Sustainable procurement,**

**Community action  
& involvement.**



## FOUR KEY ESG PILLARS



## Environment,

As an organisation that operates in more than 65 countries, one of the most important goals of our ESG programme is to minimise the impact we have on the environment. We can achieve this through our sustainable portfolio of products and leveraging our value-add technical and formulation expertise. By aligning with our key principals and customers, we share best practices on reducing waste, limiting single-use products and driving the adoption of bio and sustainable technologies. We've identified a formal waste-reduction target for all of our facilities and are monitoring our scope 1, 2 and 3 emissions.



## Labour & human rights and ethics,

The key to Barentz's success is our people. We take our commitment to human rights extremely seriously and have implemented various programmes to ensure all our employees, partners and stakeholders are complying with our industry-leading standards. We have implemented anti-bribery and corruption policies, and an employee & supplier code of conduct, and we provide training to our employees to increase awareness of these important topics. In addition, we have implemented a global whistleblower programme, overseen by an independent third party, to allow any individual to anonymously report allegations of wrongdoing. ESG is a vital aspect of our day-to-day interactions, and our teams are aware of how we all can help ensure compliance and market leadership.



## Sustainable procurement,

As a distributor of life science ingredients, our ESG programme is intimately linked to that of the suppliers we choose to partner with. When evaluating a potential new supplier, we document procedures to evaluate their environmental, labour, human rights, and ethical practices. Suppliers with commitments to sustainability and social responsibility receive preferential treatment during our evaluations. Our global sourcing teams, which are embedded in our key operating regions, play a pivotal role in identifying the right partners and the right products that meet our customers' sustainability needs. But we will not stop here: we intend to develop our sustainable portfolio even further.



## Community action & involvement.

At Barentz, we have a responsibility to improve the communities in which we live and operate. Around the world, our team of over 2,000 colleagues have taken action to help support their local charities and contributed to numerous amazing causes. For more than 70 years, we have been proud of the impact that we've made and will continue to provide our team with the support they need to make positive impacts on our communities.

### Certifications.

Our continued membership of and certification by various external organisations highlights our commitment to integrity, quality and sustainability. Our corporate quality system is ISO 9001-certified in 26 countries, and we have been certified by Safe Quality Foods, recognised by EcoVadis and hold numerous other quality and sustainability accreditations. As a corporate member of the Roundtable of Sustainable Palm Oil (RSPO), we hold licences to trade RSPO-certified palm oil products across all our locations. We also hold organic certificates for 10 affiliates, and Proterra and Donau Soy certificates for our soy-lecithin range and soy products. Committed to ethical conduct across all our operations, our US team is also a proud member of the Institute of Business Ethics.

Through our technical expertise, thirst for new and innovative products, and our commitment to ESG and industry-leading service, we remain focused on adding value to our communities, colleagues, customers, and suppliers – striving to always offer a better solution for success. ESG is core to our business into the future.



**“ESG is core to our business  
into the future.”**

Mike McKenna, President & COO North America



# People and culture.

Our people are our most important asset. We believe that if we take care of our people, they will take care of our business. Barentz gives its people the opportunity to learn and grow to be their very best.

Last year, we delivered approximately 20,000 training hours. We have also agreed on an ongoing process of communication and activities between management and their people, called Continuing Meaningful Conversations, with the aim of supporting our people's performance and development in the best way possible. We have implemented various channels of communication with our employees, including a monthly CEO blog, and we sent out multiple questionnaires in 2021 to receive feedback on topics such as community involvement.

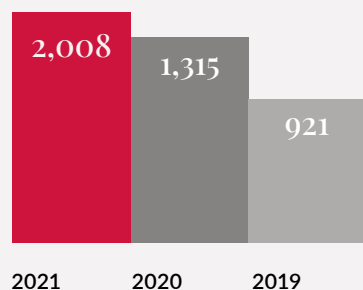
## Equal employment opportunities.

By the end of 2021, we employed a total of approximately 2,000 FTEs over 65 global locations. As a proud equal opportunities employer with a standing policy of non-discrimination, our policy is to provide equal employment opportunities (EEO). This means we open employment to everyone, regardless of race, colour, creed, age, religion, sex, national origin, physical or mental disability, genetic information, pregnancy, marital status or military status. To uphold equal employment and advancement opportunities for all individuals, our employment decisions are based solely on merit, qualifications, skills, abilities and job-related factors. We openly promote these values internally and externally.

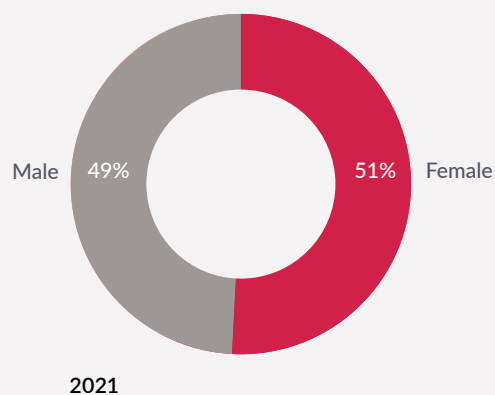




## HR KEY-FIGURES 2021



FTE by year



2021

HR diversity metrics

11%

Percentage of  
female employees  
in senior-  
management  
positions

**Impact of COVID-19.**

Like every company in 2021, Barentz continued to face the impact of COVID-19 on the way we were used to work until early 2020; we needed to continuously adjust to create the safest and healthiest workplace for our people and customers.

Thanks to great teamwork, we continued our operations in our Distribution Centres, Laboratories and Production Facilities, serving our customers above and beyond expectation. Because of the increased H&S measures, a number of our locations also saw a decrease in sickness rates.

Our recent feedback sessions during COVID-19 showed us that we are supporting our people to work efficiently from home one or two days a week. This flexibility allows us to attract new talent and retain our current people.

**Creating impact.**

At Barentz, individual actions come together to create more impact. We don't work in silos. We work through local Business Units, which are close to our customers, to listen to them and speak their language. Those local Business Units all over the world are supported by our central, divisional and regional smart and agile teams that can take our and your business anywhere. Together we support our principals and customers, investing in their future. There's a whole world of possibilities to discover, always based on the heritage of our founder Herman Barentz.

# Corporate governance.

## Two-tier board.

Barentz Holding B.V. is a Dutch limited-liability company (besloten vennootschap). Barentz has a two-tier board consisting of the Management Board and the Supervisory Board.

The powers and duties of both corporate bodies are derived from Dutch corporate law, the articles of association and other corporate agreements, documents and policies. The Management Board and the Supervisory Board are accountable to the general meeting of shareholders (the "General Meeting"). In addition to these corporate bodies, the Barentz Board is established as an operational board to support the business.

## Management Board.

Our Management Board consists of the statutory directors Hidde van der Wal (CEO, since 2000) and Derk Jan Terhorst (CFO, since 2021). In September 2021, Derk Jan Terhorst replaced Jos van der Linden, who had held the position of CFO since 1997.

The Management Board is responsible for the overall management and strategy of Barentz, heads the corporate staff, ensures that we comply with relevant rules and regulations and looks after the interests of all stakeholders. The Management Board is appointed by the General Meeting.

The remuneration of the Management Board is determined by the General Meeting upon proposal by the remuneration committee of the Supervisory Board.

## Supervisory Board.

The Supervisory Board is responsible for overseeing the Management Board and the general performance and advises the Management Board. The Supervisory Board is composed of four members, as prescribed by the articles of association. Three members are appointed by the General Meeting, one of whom is appointed as chair of the Supervisory Board. The Supervisory Board has two committees: the audit committee and the remuneration committee, both composed of two Supervisory Board members and governed by the relevant terms of reference.

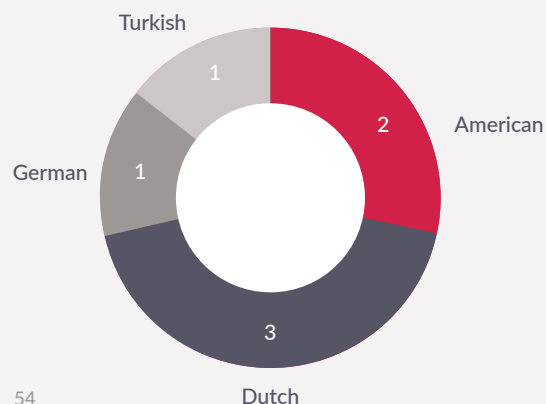
## Barentz Board.

The Barentz Board is responsible for Barentz's general and operational management. Thanks to the growth and expansion of our global presence, we further improved our organisational design and strengthened the Barentz Board at the end of 2021. The organisation is set up as a matrix with global divisions and regions on the axes and local leadership to operate the business. The Barentz Board has seven board members and comprises the statutory board, supplemented by key management positions covering all global divisions and regions. The Barentz Board members are appointed by the Supervisory Board upon nomination of the Management Board. In 2021, Mike McKenna and Gökhan Oran joined the Barentz Board. Seven Barentz Board meetings were held, most of them via MS Teams as a result of the COVID-19 restrictions. All board members were present at all such meetings. Recurring items on the board agenda included the financial results, business updates, ESG, M&A, HR and legal matters.

## General Meeting.

The General Meeting was held on 27 August 2021, during which the 2020 annual accounts were adopted and the Management Board was granted discharge. The majority shareholder Cinven has regular contact with the Management Board.

Composition of Barentz Board in terms of nationality



## COMPOSITION OF BOARD OF MANAGEMENT

**Hidde van der Wal**

CEO, CHAIR OF THE BOARD

Hidde joined Barentz in 1988 after qualifying initially as a food technologist. He has worked throughout the organisation and is a truly focused and experienced international executive. From 1994 until 2000, he was Vice President at ADM's protein division and then re-joined Barentz as CEO. Hidde has led Barentz through the growth of the business throughout Europe and initiated its expansion into Asia and the Americas to create a global presence.

**Derk Jan Terhorst**

CFO

Derk Jan joined Barentz as CFO in 2021, after gaining significant experience in international financial management. He worked for Ahold Delhaize for over 18 years including as CFO in Central Europe, and subsidiaries in Latin America and the USA. Before joining Barentz Derk Jan was Chief Financial Officer at Tony's Chocolonely. Derk Jan holds a Master's degree in economics and started his career at General Electric.

**Torsten Pieschnick**CEO EUROPE,  
EXECUTIVE BOARD MEMBER  
FOR PHARMACEUTICALS  
AND PERSONAL CARE

With a doctorate in chemistry and profound experience in the ingredients industry, Torsten leads the Pharmaceutical and Personal Care business activities for Barentz. During his many years with Barentz, he has built strong teams to serve customers optimally.

**Terry Hill**CEO NORTH AMERICA,  
EXECUTIVE BOARD MEMBER

Terry Hill became CEO of Maroon Group in 2019 after serving on the Board of Directors since 2017. Terry previously spent 30 years with Univar, where he performed various global leadership roles during his tenure. He has also held leadership roles within the National Association of Chemical Distributors, serving on the Board of Directors and spearheading initiatives in e-commerce, emerging leaders and regulatory affairs.



## COMPOSITION OF BOARD OF MANAGEMENT

**Kees Schepers**

EXECUTIVE BOARD MEMBER  
FOR SOUTH AMERICA, APAC, AND  
CUSTOMISED FORMULATION CENTERS

Kees holds a Master's degree in chemical engineering and drives the growth of South America and the APAC region. He also has responsibility for Customised Formulation Centres. Previously, Kees led all Asian and American territories' business-development activities for Barentz. Since starting his career at Barentz in 2000, Kees has built up years of experience in food industries at Barentz, Glanbia Nutritionals and Avebe.

**Gökhan Oran**

VICE PRESIDENT HUMAN NUTRITION,  
EXECUTIVE BOARD MEMBER

With a Bachelor's degree in food engineering and two Master's degrees in food production and management, Gökhan has spent the last 20 years in executive roles in the distribution of food ingredients and specialty chemicals. He started his career at Quest International (Netherlands) in 2000, before moving to the IMCD Group in 2004. Gökhan joined Barentz in 2019.

**Mike McKenna**

PRESIDENT & COO NORTH AMERICA,  
EXECUTIVE BOARD MEMBER

Mike joined Barentz in December 2020 with the acquisition of Maroon Group. Having served in leadership and commercial roles with the company since 2004, Mike has extensive experience in the sector, completing and integrating numerous acquisitions and implementing our differentiated value proposition. Mike leads the North American team and Barentz Global ESG programme.

COMPOSITION OF THE  
SUPERVISORY BOARD**Our Supervisory Board is  
composed of:**

- Jürgen Steinemann (Chairman).
- Ben Osnabrug.
- John Davison.
- Harrie Brunklaus.

See page 63 for more information.

# Risk management.

## Management of risks and opportunities

As a group, Barentz faces various risks, which could be external, macroeconomic, microeconomic or internal in nature that may affect revenues, earnings, assets, potential loss of customers or suppliers and non-compliance with certain regulations. Risk management is a key element in Barentz's and its subsidiaries' governance model and is embedded in the company's business processes.

As the company recognises risks and uncertainties as part of our business activities, the global presence and wide diversification in terms of activities, product portfolio, geographic presence, customers, and suppliers mitigate the group's risks to various risks and uncertainties. However, as Barentz operates on a global scale, and is closely aligned with economic activity, material demand fluctuations, and other adverse developments can have a material impact on Barentz business and its results.

Our risk management approach aims to balance maximising pursuing business opportunities on the one hand and managing the risks involved on the other.

## Risk governance and risk appetite

As Barentz grows and matures, we invest in our global risk management capabilities. Previously, our risk management and control environment functioned primarily at local level. To build a robust control framework globally, the Board of Directors addresses this process in all their Supervisory Board meetings where Organizational Readiness is a key agenda topic and Risk management is one of the 10 leading work streams. The Barentz Executive Board determines the risk appetite for various elements: strategic, operational, financial and compliance. The Barentz management risk appetite is Low for Operational, Financial and Compliance related matters. Its risk appetite is Moderate for Strategic matters. An integrated Enterprise Risk Management review was held with the Barentz Board in Q1 2022 as part of this process.

## Risk management framework

Our control environment consists of control activities at local, regional, and global level. The risk management framework we are implementing can be depicted as follows.





The framework consists of two approaches

- Control self-assessment at local level using a bottom-up approach
- ERM process at global level with a risk management assessment by the Barentz Board identifying key risks at a global level.

The ERM workshop took place in Q1 2022. Follow up on this risk assessment, action plans and mitigating actions will be implemented during the coming quarters.

Several activities took place in the 2nd line with a more granular and extended management reporting package. Consistent monthly review meetings with the Group CEO and CFO attending established a comprehensive review and detailed planning cycle. As we mature as a company, more comprehensive documentation and process review analysis will take place to bring the risk management and control environment further into line.

### **Risk assessment process**

Risk descriptions and mitigations are displayed below for the key risks identified

#### **Strategic risks.**

Considering the war in the Ukraine, there are specific measures in place for our operations in Russia and the Ukraine. Russia and the Ukraine combined accounted for just under 2% of Group revenues in 2021. Our focus has been and remains first on the safety of our associates, secondly on compliance with the sanctions on Russia and thirdly on protecting our business interests. The financial risks from this tragic situation mainly focus on FX effects of ~1M to date in April 2022 YTD, in 2022 results.



Category	Risk	Risk description	Risk mitigation
<b>Strategic.</b>	Loss of business due to loss of principal or customer	Barentz depends on principals to develop and supply. Supply shortages or non-competitiveness can negatively affect results. The termination of a major supplier or customer relationship could have a material adverse effect	<ul style="list-style-type: none"> <li>• Diversification in terms of regional, divisional and product portfolio mitigates the impact</li> <li>• Barentz knowledge and partnership approach to both principals and customers provides evidence it can offset effects that may arise</li> </ul>
	Macroeconomic environment	Change in economic or political context with negative impact due to credit tensions, inflation or less economic activity (recession), e.g. a recession, inflation and geopolitical disruption due to war in Russia & Ukraine	<ul style="list-style-type: none"> <li>• Diversification in terms of regional, divisional and product portfolio mitigates the impact</li> <li>• Granular planning cycle and prudent budgeting plans including contingency plans</li> <li>• Regional and local management in the governance structure to enable timely information and risk assessment</li> </ul>
	Mergers & Acquisitions	Inability to identify the right candidates, failure to integrate the companies, too high pace acquiring	<ul style="list-style-type: none"> <li>• Focus diligently on identifying the right targets, clear detailed analysis including cultural fit, granular due diligence process, integration planning, governance and approval process</li> <li>• Review analysis post acquisition, review versus investment case</li> <li>• Acquisition activities are driven centrally by an experienced management team supported by top external consultants and detailed supervision by the Supervisory Board</li> </ul>

Category	Risk	Risk description	Risk mitigation
Operational.	Information Security	IT systems are key to manage and operate the business. Cybersecurity attacks and other threats to IT infrastructure resulting in IT systems failure and business interruption	<ul style="list-style-type: none"> <li>• External cybersecurity risk assessment conducted by KPMG; engaging external cybersecurity company to help implement global plan</li> <li>• Recruitment of global CIO and significant investment in global, regional and local IT teams</li> <li>• Embedding cybersecurity culture (training, awareness, communication)</li> </ul>
	Human resources	Reliance on single source of competence for key positions. Plus failure to attract and retain high potential employees	<ul style="list-style-type: none"> <li>• Attract and pay market rates for key positions; domain experts in many key global roles were recruited last year (CFO, CIO, regional leadership APAC, SA, CHRO, Controllers, Legal, Tax )</li> <li>• Barentz's brand name enables key top talent to be recruited</li> </ul>
	Health, safety, environmental incidents	Barentz's businesses involved in the distribution of life science and performance material ingredients, formulated solutions activities, customized sourcing activities and related value add services are exposed to health, safety, quality incidents	<ul style="list-style-type: none"> <li>• The majority of Barentz's businesses have implemented certified quality systems and make use of monitoring systems to identify, track and mitigate potential nonconformities</li> <li>• Barentz outsources logistical transportation and warehouse activities to reputable third party logistical companies. Training programmes are conducted throughout the company and as we step up our ESG efforts the standard is increasing and overseen by a team of experts in the various fields.</li> </ul>

Category	Risk	Risk description	Risk mitigation
<b>Financial.</b>	Interest rate risk	Barentz is exposed to interest rate risk with respect to its financial assets and liabilities	<ul style="list-style-type: none"> <li>The interest rate risk on USD and EUR Term B loans is covered through interest rate CAP agreements put in place in early 2022 valid until Q1 2024. For USD, 100% hedged for rate increases above 2.25%. For EUR, 83% hedged for rate increases above 1%, with 33% hedged for rate increases above 0.75%. Barentz is evaluating new hedging agreements for the years to come.</li> </ul>
	Working capital & liquidity risk	Risk that Barentz will encounter difficulties in meeting its obligations associated with its financial liabilities due to increased working capital needs or other cash needs	<ul style="list-style-type: none"> <li>Barentz manages its working capital performance through increased and more granular reporting, specific DIO, DPO and DSO analysis. It conducted an extensive NWC analysis in North America and is implementing an improvement plan. A similar analysis and plan are being constructed in Europe</li> </ul>
	Credit Risk	Exposure to credit risk due to inability for customers to pay Barentz and its subsidiaries including country risk and default risk of particular industries	<ul style="list-style-type: none"> <li>Barentz operates under regional and country specific credit policies under which each new customer is analysed individually. The review includes external ratings and other sources. Additionally Barentz has global and local agreements in place with credit risk insurance companies such as Atradius and the majority of receivables is covered under these agreements</li> </ul>



Category	Risk	Risk description	Risk mitigation
Financial.	Exchange rate fluctuations	Barentz is exposed to risks associated with fluctuations in exchange rates in relation to sales, purchases and borrowings	<ul style="list-style-type: none"> <li>Borrowings in USD, GBP and EUR are denominated in the relevant currency to generally match the underlying cash flows and provide a natural hedge. The Group Treasury ensures that net exposure in respect of other assets and liabilities is kept to an acceptable level</li> </ul>
	Non compliance with laws and regulations	Being present in various countries across the globe exposes Barentz to local and international legal and compliance risks.	<ul style="list-style-type: none"> <li>As a matter of principle, Barentz complies with all applicable laws and regulations. Barentz's code of conduct is a key filter when evaluating M&amp;A opportunities and implementing the COC is a key part of the integration process. Subject matter experts are hired for specific areas as tax, customs, legal, treasury and quality. ESG is high on the agenda as part of our strategy and compliance is an integral part of that.</li> </ul>
Compliance.	Anti-corruption and bribery	Non compliance with anti corruption and bribery laws could harm the company, its associates and lead to fines	<ul style="list-style-type: none"> <li>Specific anti-corruption and anti-bribery policies were put in place during 2021. They include training, policy issuance, communication, help lines and workshops.</li> </ul>

# Supervisory Board Report.



## LETTER FROM THE SUPERVISORY BOARD

# Progress across a broad spectrum.

2021 was a record year for Barentz with progress in many areas. The company again delivered double-digit organic growth and strong margin enhancements. Furthermore, it generated great results in terms of integrating and growing previous acquisitions as well as strategically acquiring and welcoming eight new companies to the group. Major steps were taken to strengthen its leadership team by broadening the composition of the Executive Board, strengthening the matrix organization as well as bringing in new talent in many key commercial and functional roles. These steps enable Barentz to further build on its capabilities and look confidently towards the future as a leading global specialty life science ingredients distributor.

## Doubling key financial metrics

Based on its solid strategy and a consistent combination of robust organic growth and growth by acquisitions, Barentz managed to more than double its key financial metrics, which is a great achievement. Barentz proved to be a strong and resilient company and continued its strong growth despite COVID-19 and the devastating Russia Ukraine war.

## Solid M&A track record

At the same time, Barentz was able to expand its geographical and business footprint in all core regions by making new advantageous and strategic acquisitions. Barentz announced a

total of eight acquisitions across EMEA, the Americas and APAC, strengthening its position in specialty life science. In addition, the company secured full control over three majority stakes: NK Chemicals, Barentz Service and TasteStrik. In the last years Barentz has built a solid M&A track record and the 2020 acquisitions as well as previous add-ons are delivering performances and results that are above the initial investment cases.

## Added value

Barentz is able to deliver added value to its key principals, customers and other stakeholders by providing deep technical knowledge, a broad range of solution-oriented services and a global outreach with local expertise. This value proposition makes Barentz unique and proved its worth in a turbulent external environment.

## Strengthening the organisation

The 2021 investments in the corporate governance structure are a solid base for the company's strategic ambition to become even more global. Both the new Executive Board composition and the strengthening of the regional leadership team structure reflect the new matrix organization, which will not only support further growth, but at the same time enhance the risk management capabilities of the organization.

## Financial and organisational ambitions

Barentz is a financially sound company. The appointment of the new CFO, who has both a private and public company background, appointing PWC as the new auditor, the IFRS conversion project and several other projects reflect the financial ambitions of the company. Additionally, building the team in Finance, Tax, IT, and HR make it possible to further strengthen and prepare the organisation for the future. Investments in ESG are a key part of the company's strategy and led to our being awarded the Ecovadis silver rating,

We congratulate the Barentz management and all employees on these great achievements and look forward to further developing the company based on its principles of partnership, entrepreneurship and knowledge to realise future growth ambitions.

Hoofddorp, 3 June 2022

**Jürgen Steinemann, Chairman of the Supervisory Board**



## COMPOSITION SUPERVISORY BOARD



**Jürgen Steinemann**  
CHAIR



**Ben Osnabrug**



**John Davison**



**Harrie Brunklaus**

## Supervisory Board.

The Supervisory Board is responsible for overseeing the Management Board and the general performance, and advises the Management Board.

The Supervisory Board is composed of four members, as prescribed by the articles of association. Three members are appointed by the General Meeting, one of whom is appointed as chair of the Supervisory Board. The fourth member, Harrie Brunklaus, is appointed as Supervisory Board member on behalf of Stichting Barentz Beheer (the "Foundation") as the holder of the priority shares in the company. The other board members of the Foundation are allowed to attend the meeting of the Supervisory Board as observers.

The General Meeting determines the remuneration of the Supervisory Board members.

The Supervisory Board has two committees: the audit committee and the remuneration committee both composed of two Supervisory Board members and governed by the relevant terms of reference. There was one audit committee meeting in which the annual accounts and the board report, as drafted by the external auditor, were discussed in presence of the external auditor.

The agendas for the Supervisory Board meetings are prepared in consultation between the chair of the Supervisory Board and the CEO, and the Corporate Secretary takes care of the logistics, corporate governance and minutes of the meetings.

In 2021, seven Supervisory Board meetings were held, most of them via Microsoft Teams as result of the COVID-19 restrictions. All Supervisory Board members were present at all meetings. The buy-and-build strategy, the financial performance of the company, ESG, HR and legal and compliance are recurring items on the Supervisory Board's agenda.

# Barentz.

Always a better solution.

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CF Report

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