



Annual Report 2022

Barentz.

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.

Welcome
to Barentz





About
Barentz



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Board Report



Supervisory
Board Report

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About Barentz

MESSAGE FROM THE CEO

Unique global leadership.

As a global life science and speciality performance ingredients distributor, we are right at the core of the business activities and processes of our principals and customers. What makes Barentz special is that we have been in this position for 70 years now. This paved the way towards constant growth, both organically and through targeted acquisitions. We are now a global leader with a unique position in our markets, actively leveraging opportunities to secure a solid continuous growth path in the years to come. Established in 1953, Barentz now operates in 70 countries, with a strong presence in Europe and North America, and a rapidly growing network in South America and Asia Pacific. 2022 was again an excellent year with revenue growth of 47 percent and EBITDA growth of 56 percent.

Added value for all our principals and customers.

We specialise in delivering solutions in human nutrition, performance materials, pharmaceuticals, personal care and animal nutrition. We share best practices within and between our operating divisions and are able to strongly benefit from various growth opportunities in each division. Being a global leader in our markets, we create synergies and added value for all of our 25,000+ customers.

“Our business model is resilient. We are heading for further growth, both organically and through add-on acquisitions.”

**Hidde van der Wal**

Barentz CEO

We offer each of them the combined strength of our more than 1,000 principals and our state-of-the-art formulated solutions and customised sourcing capabilities. We act as ambassadors, technological experts and networkers, and offer a solid IT-driven business platform, connecting first-class principals and customers across all global areas. Additionally, we provide value-added services that deliver the best solutions for our customers and their consumers throughout the value chain. We create trust and our business model is resilient, with more than 80 percent of our revenue streams classified as recurring. That is why neither COVID-19 nor the global economic uncertainties impacted us on the whole.

Strong growth track record.

Over the past few decades, our successful growth strategy has focused on a well-balanced, consistent combination of robust organic growth and growth by strategic acquisitions. Our organic growth is boosted by a continuous focus on innovation. We are able to adapt to trends like healthy food and food substitutes, natural ingredients, and the changed playing field in the speciality performance ingredients markets. This flexibility and our focus on developing new business generates substantial organic growth each year. Grounded on our strong and trusted chain position, we also look for targeted acquisitions. In 2022, we strengthened our positioning in France through the acquisition of Natural Ingredients, a supplier of premium, naturally sourced, herbal and functional ingredient solutions for the nutraceuticals industry. We have already been working closely together with them for many years, making it easy for us to realise synergies. The same goes for our 2022 acquisition of Unipex. We will start generating strong synergistic growth in the natural ingredients business more or less seamlessly, both in this new Barentz company and in our existing portfolio in France and the rest of Europe – the same growth scenario we already rolled out in North America. With this strategic synergy approach, today we are a world-class life science ingredients distributor and one of the largest speciality ingredients suppliers across North America. In 2022, we also strengthened our position through other acquisitions in the USA, Central America, the Czech Republic, Brazil and Mexico. This has further bolstered our strong strategic global positions.

“We are able to generate substantial new business growth each year.”

Financially strong.

We are well-funded by our main shareholder Cinven, who acts as a strategic investor and strong sponsor for our long-term growth. Together with our business leaders and Supervisory Board, we are optimising our strategic organisational network – both from a divisional and geographical point of view – each year. The market is currently characterised by a strong consolidation trend. As an overall result, Barentz will see a combination of upscaling and scale enlargement in the near future. Since we already have strong geographical positions in Europe and North America, we will focus on growth in existing and new market segments in South America and Asia Pacific.

One Barentz.

Gradually but surely, our brand and its position are being perceived as One Barentz. In our HR policy, we apply the adage ‘think global, act local’. We respect and focus on local differences and local entrepreneurship, on the one hand, and centralised values and digital talent development tools, on the other hand. At the same time, we promote best practices for sales training methods. Our average length of employment is relatively high, yet we are still able to bring in fresh talent. We learn from each other as one team. We also have launched a special programme: the Barentz Academy. Our entrepreneurial spirit is the guiding principle in all our activities. Our team is at the core of our business and the Barentz DNA will always be in all of us.

IT: a strategic enabler.

We see IT as a strategic enabler for growth. In 2023, we are going to finalise and launch our new global CRM (Customer Relationship Management) system. As this tailor-made system suits our organisation perfectly, we have named it BRM (Barentz Relationship Management system). This will facilitate our growth as well. On top of this, we support our supply chain activities with smart IT solutions. We highly respect local differences and follow an agile approach for our IT solutions: unity in diversity. Thanks to IT, we can also integrate the reporting systems of the companies we have acquired within a short period of time.

Becoming an ESG front runner.

We recognise the need for sustainability and have a strong focus on ESG, backed up by 70 years' expertise in high-end life science and speciality performance ingredients market segments. For this we have a strong ESG team in place. At the end of 2022, we published our first ESG Report, with clear targets and KPIs. We also 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 launched an impactful campaign that underlines our commitment to ESG. We are aiming for an EcoVadis platinum rating in the near future. We want to become a front runner and ensure that all our supply chain partners meet our ESG standards.

Positive outlook: ready for the next growth phase.

We are heading for further growth, both organically and through strategic add-on acquisitions. Looking at 2023 and beyond, we see a changing world with challenging geopolitical circumstances. However, we will stick to our proven growth strategy, and we are facing the future with confidence. Barentz is ready for the next growth phase. 2022 was again a record-breaking year. This would not have been possible without the unremitting commitment of all our principals, customers, key stakeholders and of course all our employees. So, I would like to thank each and everyone of you.

Hoofddorp, 15 May 2023
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 principals, our customers, people and communities and ultimately the planet. Empowered by principles of knowledge, entrepreneurship and partnership, we're persistently conquering 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 ingredient shaping our future success – and possibly yours too.

Barentz is here to help you succeed and together, there is 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 across the globe 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 DNA.

Barentz is and does many things, but our core DNA is that we are knowledge-driven specialists, formulators with entrepreneurial spirit, and collaborators continuously seeking meaningful partnerships.

In the business of better, we are the preferred partner that makes it happen. This is because we are specialists in the life science ecosystem. With 70 years of experience, we have insights and expertise that only time - and endless enquiry - can produce.

At the same time we are collaborators, and our distributor success relies on our ability to identify, develop and sustain quality partnerships. Barentz is committed to further improve its already strong ESG performance and is working with long-lasting partners that truly align with our values. That is why all our sustainable ingredients are driving our purpose and philosophy responsibly.

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

THE BARENTZ GROUP DNA SUMMARISED

Purpose.

Our purpose inspires us.

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

Behaviours.

How we work together.

Our behaviour is a direct consequence of our values. At Barentz, we aim to support our people's performance and development in the best way possible. That's why we have developed an ongoing process of communication and activities within our teams, called Continuing Meaningful Conversations.

Values.

Our values define us.

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

- We are one team
- We are strong partners
- We are knowledge driven
- We are entrepreneurial
- We embrace change
- We live by integrity always

Strategy.

How we create stakeholder value.

We create value for our stakeholders through organic and acquisition-led growth. Our strategy is based on five strategic pillars.

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

Barentz at a glance.

Founded in

1953

Present in

70+ countries



Principal based
distribution
>80%
of revenue

Revenue
€2,507
million
+47%

Formulation
laboratories
in all regions

53



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

Dedicated to
25,000+
customers

Customised
sourcing



Formulated
solutions

A global team of
2,500+
employees

Gender diversity
51% female,
49% male



Acquisitions
in 2022

7

Operating divisions.



Human
Nutrition



Pharmaceuticals



Personal
Care



Performance
Materials



Animal
Nutrition

Our heritage.

A powerful blend of knowledge, entrepreneurship and partnership.

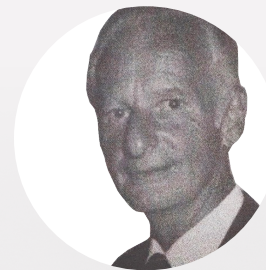
Our story begins 70 years ago in Amsterdam with a real entrepreneur: Herman Barentz. While hiding out during World War II, he spent his time reading and studying. This formed his strong belief in the invincible power of knowledge.

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.”

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.



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

Herman Barentz



Applications labs.

EMEA

12

9 Human Nutrition
2 Personal Care
1 Pharmaceuticals

South America

13

9 Human Nutrition
2 Personal Care
2 Pharmaceuticals

Asia Pacific

11

6 Human Nutrition
5 Personal Care

North America

17

5 Human Nutrition
4 Personal Care
2 Pharmaceuticals
6 Performance Materials



Customised formulation and sourcing.



AmTech Ingredients is a leading, US-based producer and supplier of powdered specialty food ingredients.



Maustepalvelu, from Finland creates and formulates a wide range of advantageous blends, including spices, bindings, brines, coatings, or batters, customised for your application.



With over 20 years' experience in lecithin, Unilecithin is a worldwide leading supplier to the food, feed, pharmaceutical and personal care industries.



VitaBlend is your industry-leading partner for nutritional systems and antioxidant systems for human nutrition, animal nutrition, and personal care.



Sevecom is a specialist in the Animal Nutrition market and well known for its deep knowledge and expertise in emulsifiers, delivering products with high technological value, customised solutions, and technical support at the same time.



De Weerd Spices is a Dutch-based specialist in natural taste development and innovation for the European food industry, specializing in blending herbs and spices.



Our sourcing expert RFI Food Ingredients is Germany's largest distributor of citric, tartaric, and malic acid and associated salts and is also strong in the intensive sweetener and other basic additives markets.



Royal Polak

Royal Polak Spices is Europe's leading business-to-business cinnamon specialist. They supply the food industry from the bakery and pastry segments to the dairy, beverages and (sports) nutrition markets.



Located in Elyria, OH, Addipel manufactures American-made powder blends and compacted pellets of any non-pigmentary polymer additives.



TasteStrik®, located in the Netherlands, is part of Barentz. With an excellent Tastelab and a team of experts the company is active in the European market of food ingredients with a leading role as developer, producer and distributor of high-quality aromas and ingredients for the bakery, culinary, dairy, chocolate, confectionery, speciality and breakfast cereals industries.

Highlights per region.

North America

“Our North American business expanded significantly in 2022 thanks to organic growth and strategic acquisitions. We increased our presence in Central America with the acquisition of Divsa. We expanded our market development capabilities with the addition of Viachem to the portfolio, creating value for our customers and principals. Total revenue increased by 61% in 2022 vs 2021.

South America

“Our South American business expanded strongly with a revenue growth of 65% in 2022. Our Pharma division was the main driver. We increased our presence in South America with the integration of Deltagen and the acquisitions of Grasse and Volp, and allowing us to leverage our Pan-American presence in all divisions.

EMEA

Both our acquisitions in France, first Unipex and later nutraceuticals focussed Natural Ingredients, strengthened our positioning in the natural ingredients business, with synergistic growth in France and the rest of Europe. It also provided us with a stepping stone in North Africa. Our EMEA business grew by 34% in 2022, driven organically as well as by these acquisitions.

Asia Pacific

Our business in Asia Pacific grew by 66% in 2022 driven organically as well as by the integration of Gangwal in India. Strong overall performance was delivered in Human Nutrition, Personal Care and Pharmaceuticals. Marc Duchene, formerly VP Sales Human Nutrition, has been appointed as CEO for the region with the mission to drive organic growth and execute our buy & build strategy in the region.

HIGHLIGHTS PER REGION

EMEA: another excellent year mainly driven by organic growth.

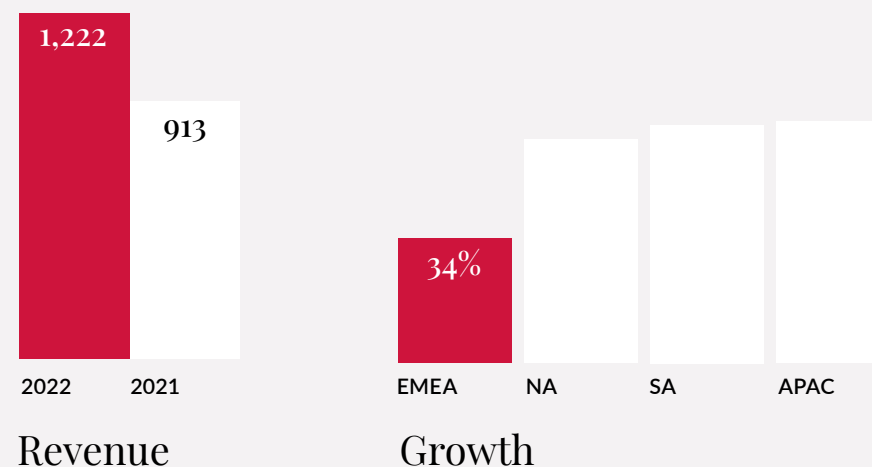
2022 was another excellent year driven by strong organic growth, which further expanded our key principal relationships, customer base and geographical footprint. Revenue increased by 34% to €1,222 million (2021: €913 million). In 2022, the activities in the EMEA region accounted for almost 50% of our company's total revenue.

Heritage is an important driver behind this strong position and growth. After all, our solid base started out in Europe, making EMEA the biggest region by definition and history. It is therefore no surprise that nearly half of our global workforce (about 1,200 employees) is also based in EMEA. The strategy strongly focuses on the core of our global life science and performance material activities with all five divisions delivering.

“The majority of our growth has been organic.”

KEY-FIGURES

in € million



Strong European local presence.

EMEA covers the whole of Europe through 59 local Barentz offices and entities, and local technical sales and supply chain capabilities, and we also have offices in Turkey and South Africa and a presence in North Africa.

What makes EMEA unique is that the majority of our growth has been organic, especially in Eastern Europe. True Barentz entrepreneurs have set up greenfield operations in many territories and have built the business from scratch, attracting principals to work with us, as well as building a very strong customer base. What makes this region challenging is the fact that EMEA is made up of over forty countries with language, cultural and regulatory differences. This requires being present locally, in every country, for a better understanding and to serve local needs. The only solid base for this is our knowledge: our local experts with in-depth cultural understanding, application know-how and supply chain and market experience always provide a better solution to meet the needs of all our principals and our customers. This gives us a solid foundation for further growth and the right mix of opportunities and risks in the years to come.

Strengthening our operations in France.

An important acquisition was the takeover of Unipex, a leading distributor of life science ingredients and specialty chemicals in France, Benelux and Africa. This is a good example of enabling us to become a market leading distributor in pharmaceuticals, personal care and human nutrition, as well as establishing a position in Performance Materials. The unique fact that the two companies have a natural fit - culturally, business-wise and in their DNA - will create strong and immediate synergies. Barentz' presence in France and North Africa was strengthened substantially and complements our strong European network. Our combined business will act as a growth accelerator for the near future. The additional acquisition of Natural Ingredients, also in France, enables us to further venture into the nutraceuticals market where we see and expect great growth opportunities.

Our people make the difference.

Our people are our biggest asset. We continue to further specialise in our market and application-dedicated resources, as well as further investing in our technical lab capabilities. Not only did we upgrade our lab conditions, we were also able to attract new talented application specialists. This strengthened our local knowledge and presence. We have also rolled out HR initiatives for training, developing and retaining our talents.

**ERP and CRM: backbone for further growth.**

We are strongly focusing on further strengthening our pan-European structure to prepare Barentz for the future. We are upgrading our ERP and CRM systems and supply chain capabilities in order to further accelerate our digitisation and digitalisation capabilities. Together, these systems will act as an extra backbone for growth. Digitally speeding up our business enables us to serve our principals and customers even better.

Outlook.

We continue to further strengthen our market presence and coverage in all our key European markets for all our divisions, as well as developing new business areas. Our already strong local European coverage will act as a solid base for further growth in the years to come.

HIGHLIGHTS PER REGION

North America: strong organic growth complemented by strategic acquisitions.

2022 was a year of impressive growth for the North American region. The team continued to deliver on our strategy of organic growth complemented by strategic acquisitions. The one-billion-euro revenue mark was crossed for the first time as revenue increased by 61% to €1,064 million (2021: €661 million). In 2022, the activities in the North American region accounted for 43% of the company's total revenue.

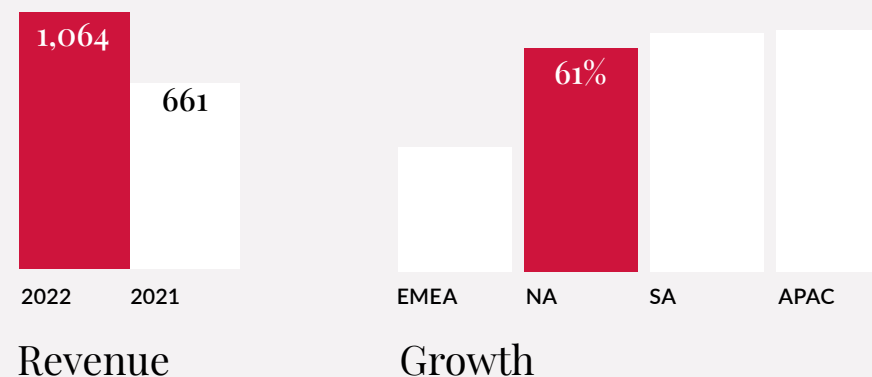
Supporting an historically strong position in Performance Materials, we achieved further expansion of our Pharmaceuticals, Personal Care, Human Nutrition and Animal Nutrition divisions. This broad-based end market and geographic diversification establishes a strong platform for further growth in the region.

Solid market developments.

A reshoring of production across multiple segments in the North American region created a long-term positive outlook. Customers who are looking for a robust regional sourcing model to support their ESG initiatives can take advantage of Barentz' mature service model and global reach. We're able to leverage principal and customer across the globe with sourcing experts embedded in all regions.

KEY-FIGURES

in € million



The growth in North America was driven by strong market momentum across our specialty portfolio and in addition we realised several principal expansions. Customers are looking for world-class ingredients, supported by strong technical and formulary development.

Targeted regional growth and portfolio expansion.

Regional growth and portfolio expansion were targeted by significantly expanding our capabilities beyond our Performance Materials legacy. We further expanded our Pharmaceuticals division in all our key global markets with special geographical expansions in Mexico, Canada and Central America. Life sciences expanded across the entire region as well. The regional growth in Human Nutrition was successful thanks to intensification of Barentz' global principal relationships, especially by bringing in principals from EMEA and APAC. The growth in this segment in Mexico constituted good progress. In Animal Nutrition, we strongly focused on value-added services. Growth here was also realised by our key specialty portfolio focus.

Strategic acquisitions.

Barentz acquired Viachem, a specialty distributor of life science ingredients and specialty chemicals. Viachem is known for its in-house market development role to identify, research and qualify market opportunities for new and existing product lines. Viachem, with offices in Plano, Texas and Augusta, Georgia, will act as a growth engine for the region across all divisions. Another strategic add-on was Divsa. This is Central America's leading value-adding distributor of life science ingredients and specialty chemicals. With locations across Guatemala, the Dominican Republic, Honduras, El Salvador, Costa Rica and Panama, Divsa represents the ideal fit to bridge Barentz' well-established presence in North and South America.

“We established a strong platform for further growth in the region.”



Value-added services and brand awareness.

We further expanded our value-added services with investments in laboratories and technical centres across the region. Having the ability to work closely with our customers and principals on new product development and reformulations is a real differentiator for us. These laboratories collaborate with our global technical teams as we capitalise on regional trends, helping our customers stay at the forefront of new developments. We further intensified our marketing and communication activities by rebranding our acquisitions, bolstering our social media communication and aligning all other marketing and communications activities with the global Barentz branding strategy.

Outlook.

We remain focused on the execution of our growth strategy and we are optimistic about future growth prospects as we further expand our product portfolio and geographic reach across all divisions.

HIGHLIGHTS PER REGION

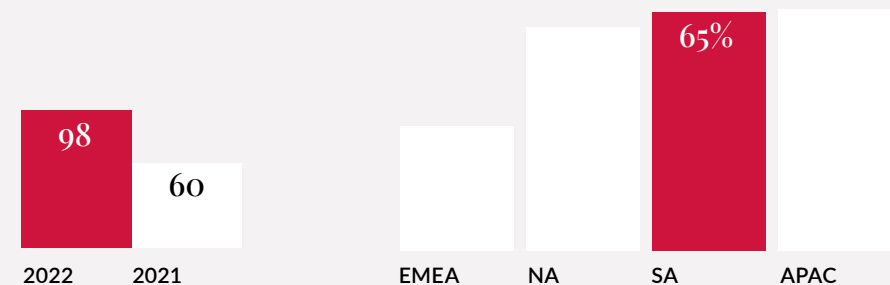
South America: great year, ready for the next growth phase.

2022 was a great year for Barentz in South America, driven by strong organic and acquisitive growth. The market positions were strengthened considerably with a focus on increasing our added value for both our principals and customers. Innovation is and remains key. Revenue increased by 65% to €98 million (2021: €60 million). In 2022, the activities in the South American region accounted for 4% of the company's total revenue.

Barentz South America is now present in all countries of South America, delivering not only Human Nutrition solutions to our principals and customers, but to an increasing extent Personal Care, Pharmaceutical, Animal Nutrition and Performance Material solutions as well. The most important countries are Brazil, Argentina, Ecuador, Colombia and Peru. Overall, Barentz is committed to expanding its presence in South America and providing customers in the region with high-quality ingredients and technical support based on innovation. This is a strong differentiating factor.

KEY-FIGURES

in € million



Revenue

Growth

Local-for-local added value approach.

In the South American region, there is a huge cultural diversity between and even within countries. For instance, in Brazil - our biggest market and the centre of our region with a population of 220 million consumers - market conditions differ enormously between the northern and southern part of the country. That is why our distinguishing local-for-local approach pays off. Our full technical team lets us give extra on-the-spot formulation support, also backed by our fully equipped application and quality laboratories spread across the whole region. Our innovative approach, which focuses on overall concepts and not individual components, opens up new markets with promising products and prototypes.

From Human Nutrition to Personal Care, Pharmaceuticals and Performance Materials.

In the beginning, Barentz' focus in this region was based on Human Nutrition. That is why our position in the market is strong. This position was strengthened by the acquisition of Grasse, which has specific expertise in taste and health for human nutrition. The company also operates in the pharmaceutical segments. This fits in with the strategy of slowly but surely building up positions in other markets, both organically and through strategic add-on acquisitions. The presence in the personal care industry in Brazil was strengthened by adding new products to our portfolio, including specialty waxes, butters and emollients. Personal care is important in the Brazilian culture and Barentz' added value in this market is significant. This was intensified by the acquisition of Volp, renowned for its specific expertise in supplies and customised solutions for the personal care market. The complementary product portfolio will not only strengthen our existing offering in the Brazilian market, but also present new opportunities in the whole South American region. At the same time, cross-pollination between our North and South American activities has created new positions in the Personal Care, Pharmaceutical and Performance Material markets.

“Barentz is now present
in all countries of South America.”



ERP, CRM and sustainability.

With a fully integrated ERP and CRM, we have up-to-date information to support our partners in better understanding the differentiated markets in the region. Aligned with Barentz' commitment to always improve its ESG standards, Barentz South America values the diversity in our team and our major efforts in contributing to the environment and the local communities.

Outlook.

We strive to surprise our principals and customers with our cutting-edge technologies in ingredients for all life science and performance material markets. Our expansion in the region focuses on increasing our innovative added value local-for-local approach. We are ready for the next growth phase.

HIGHLIGHTS PER REGION

APAC: excellent year, tremendous opportunities for further growth.

APAC had an excellent year, with revenue increasing by 66% thanks to a combination of market conditions and the onboarding of new business. Our well-established strategic regional coverage, the immense size of local markets and the differentiated portfolios of value-added services that Barentz can now offer its principals and customers will result in further strong growth in the years to come.

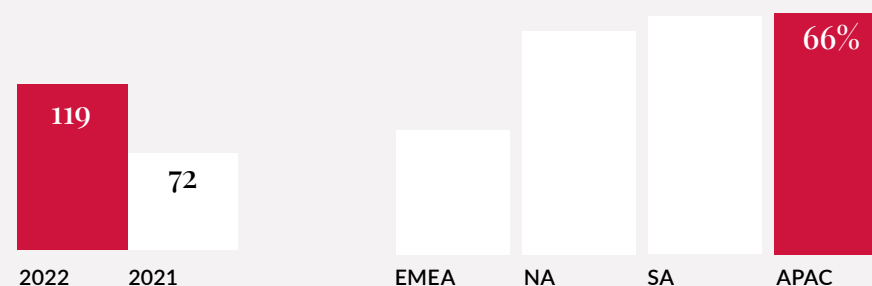
The activities in the APAC region are fully focused on our core life sciences segments. The portfolio is strategically well spread over our activities in Human Nutrition, Personal Care and Pharmaceuticals. Strong growth opportunities are immense in the years to come. The region is home to over four billion citizens, i.e. half of the global population, including three of the most populated countries in the world: India, China and Indonesia. These countries are already the biggest contributing entities for Barentz in this region.

Buy & build strategy: focus on organic growth supported by strategic acquisitions.

In 2022, APAC performed well in terms of organic growth, reinforcing strong footholds in Indonesia and China, as well as the entire South-East Asia and Oceania platforms. This is a solid base for the years to come. Further growth is driven by intensifying the relationship with principals. We have invested strongly in additional lab capabilities to strengthen our commitment to our principals and local customers by supporting them with product and application knowledge. That is why the added value of Barentz in the region has increased substantially.

KEY-FIGURES

in € million



Revenue

Growth

At the same time, we will keep on expanding our geographical and industry coverage through selected high-value acquisitions.

Value creation in Human Nutrition and Personal Care.

Our APAC Human Nutrition business is characterised by the importance of taste and texture in the development of new products. In addition to trends relating to health & wellness, functional food, and plant-based innovations, this enhances value growth for our principals. Our Human Nutrition activities benefited from high-demand market conditions and the onboarding of new business in additional territories, as well as the development of customised solutions from our Singapore-based Vitablend facilities.

Understanding the different local needs is one of the differentiating elements in Barentz' proposition. Our Personal Care teams constantly work with our principals to bring new active ingredients and concepts to the local markets we serve. In 2022, our clear focus resulted in our Personal Care business showing strong growth in the region, especially in Indonesia, Malaysia and Thailand.

Pharmaceuticals platform in and beyond India.

In early 2022, we onboarded and started integrating Gangwal Chemicals, located in Mumbai, India, giving us the opportunity to position Barentz in India as a leader in the distribution of excipients and APIs in the Pharmaceuticals, Nutraceuticals and Personal Care segments. Moving forward, we will work to bridge this highly professional platform with other APAC territories, allowing for further growth opportunities.

One Barentz, One Team, One Goal.

Barentz' teams in APAC are characterised by a strong team spirit. They are proud of being part of the company's success. We work actively to nurture talents by training and onboarding Barentz principles through the implementation of global Barentz programmes in human resources and ESG. This is supported by continuous investment in our IT systems, which will not only improve operational excellence, but also create further opportunities for growth.



Outlook.

The focus remains on becoming the leading life sciences distributor for our principals and customers in the entire APAC region and continuing our buy-and-build strategy to further expand our market reach. Based on our strong position and immense market size, there are tremendous opportunities for further growth in the years to come.

“The added value of Barentz in the region has increased substantially.”

OUR TRACK RECORD

Growing our geographical and strategic footprint.

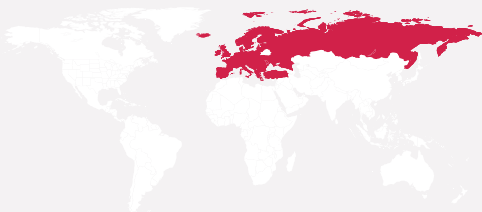
1953
1988

SUSTAINABLE GROWTH IN THE NETHERLANDS



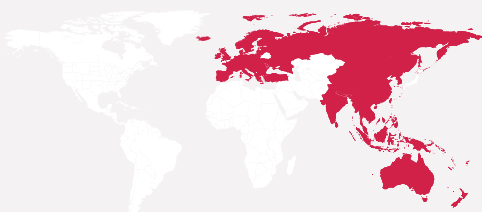
1988
2012

STEP-BY-STEP ROLL-OUT WITHIN EUROPE



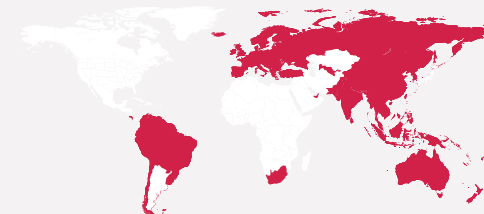
2012
2015

DOORS OPENED IN ASIA PACIFIC REGION AND CHINA



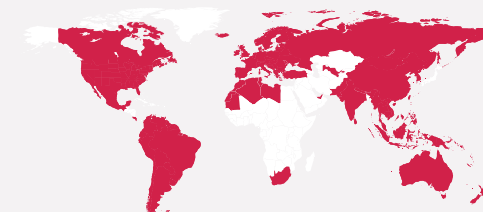
2015
2019

EXPANSION TO MIDDLE EAST, SOUTH AFRICA
AND SOUTH AMERICA



2020
2022

EXPANSION TO NORTH AMERICA, SOUTH AMERICA
AND ASIA PACIFIC REGION



Strategic business plan

2023 – 2025

Highlights 2022.

January

February

March

April

May

June

July

August

September

October

November

December

February

3 February, 2022

Barentz acquires Grasse in Brazil.

Grasse is a leading Brazilian distributor of flavour and nutrition ingredients for the human nutrition and pharmaceutical industry. With their expertise in taste and health in human nutrition, Grasse Aromas e Ingredientes Ltda built a strong position in the Brazilian food, beverage, and consumer health markets over the previous 25 years. This expertise perfectly complemented the current activities of Barentz' joint venture Tovani Benzaquen and strengthened and balanced the companies' proposition in human nutrition applications.

March

7 March, 2022

Global Silver EcoVadis rating for sustainability.

In the second consecutive year in which we participated in the EcoVadis ESG review programme, Barentz was granted Silver Level recognition from EcoVadis. This put Barentz in the top 50th percentile of all globally rated ESG programmes. The award reflects our ambition and commitment towards bettering our ESG performance and working with partners that truly align with these values.

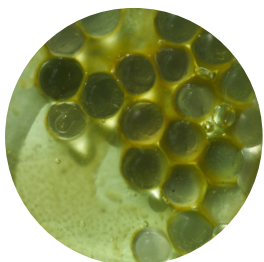


9 March, 2022

Acquisition of DIVSA in Central America.

With the acquisition of DIVSA, Barentz gained Central America's leading value-adding distributor of life science ingredients and specialty chemicals. With locations across Guatemala, the Dominican Republic, Honduras, El Salvador, Costa Rica and Panama, DIVSA represents the ideal fit to bridge our well-established presence in North and South America. The company added multiple in-house laboratories & technical service teams, which are highly complementary to Barentz' global network of more than 50 application laboratories over the world.

Highlights 2022.



22 March, 2022

Barentz acquires leading life science and specialty ingredients distributor Unipex in France.

Barentz acquired Paris-based Unipex, which not only strengthened its presence in France and southern Europe, but also provided the company with a stepping stone in North Africa. Unipex is regarded as the ESG and sustainability benchmark in the French market, which fits into Barentz' global ESG programme.



June

30 June, 2022

Acquisition of specialty ingredients distributor ACE Trade in Czech Republic.

We proudly announced the acquisition of ACE Trade CZ, a distributor of specialty ingredients for the personal care, homecare and industrial markets. With over 24 years of experience in the specialty ingredients sector, the company is well-known for the added value it brings to the cosmetics industry. The acquisition further extended Barentz CZ's strong local network of logistics centres and application laboratories.



August

4 August, 2022

Barentz acquires Volp in Brazil.

Life science ingredients distributor Volp is renowned for its specific expertise in supplies and customised solutions for the personal care market and has built a strong position with small, medium and large customers in Brazil, showing a strong commitment to sustainability. This acquisition by Barentz complemented the current activities of Barentz' joint venture Tovani Benzaquen and strengthened and balanced the group proposition in Life Sciences.



September

5 September, 2022

New appointment in the APAC region.

Marc Duchene, previously VP Sales Human Nutrition EMEA, was appointed the new CEO for the APAC region with effect from 1 October 2022. Marc brings over 20 years of experience in the field of specialty ingredients distribution and general management and had already been working at Barentz, including Barentz APAC, for over 15 years.

Highlights 2022.

October

3 October, 2022

Nardev rebranded to Barentz in APAC.

Following the acquisition at the end of 2020, the successful integration of all NARDEV activities into the Barentz regional APAC operations was completed. This bolstered Barentz' position in the region's life science ingredients market.



6 October, 2022

Acquisition of Viachem in the USA.

Barentz proudly announced the acquisition of Viachem, the North American specialty distributor of life science ingredients and specialty chemicals. Combining a dedicated market research role and digitally enabled sales & marketing capabilities, Viachem represents a market growth engine for Barentz and its principal suppliers. The company focuses on redefining the distribution experience for both producers and customers.

December

16 December, 2022

Barentz acquires nutraceutical distributor Natural in France.

Following the acquisition of Unipex, we acquired nutraceuticals distributor Natural in France. Natural is a supplier of premium, naturally sourced, herbal and functional ingredient solutions for the nutraceuticals industry in France and Europe. The company, based near Angers, operates a customer-focused distribution model, with a relentless focus on delivering (and securing supply for) a unique portfolio of nutraceutical ingredients solutions to brands and CDMO customers at the highest service levels.

Management Board Report



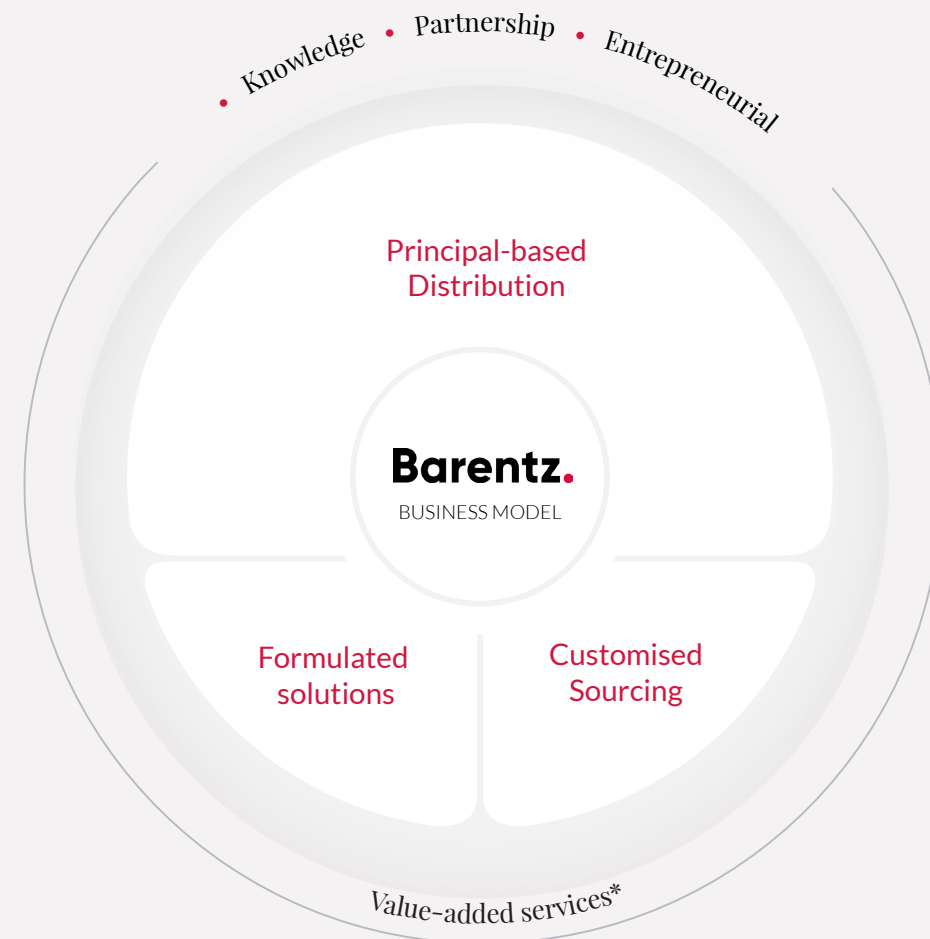
OUR GROWTH STRATEGY

Our growth strategy: principal-based and geography-focused.

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

On the next page, the Barentz value creation model shows how we use our resources, capabilities and expertise for our sustainable growth and for the benefit of our stakeholders.

OUR BUSINESS MODEL

***Value-added services**

Warehousing & Distribution, Premixing & Blending, Lab and Formulation Support, Technical Expertise, Production development, R&D support and Encapsulation.

HOW WE ADD VALUE

Barentz' value creation model: we create value by always finding a better solution.

INPUT

Financial.

Net working capital: € 464 million
Net debt: € 1,284 million

Network.

Present in 70+ countries
Formulation laboratories: 53

Human & Intellectual.

Founded in 1953
Employees: 2,500+
Diversity & inclusion:
51% women, 49% man

Social & Relational.

Principals: 1,000+
Customers: 25,000+

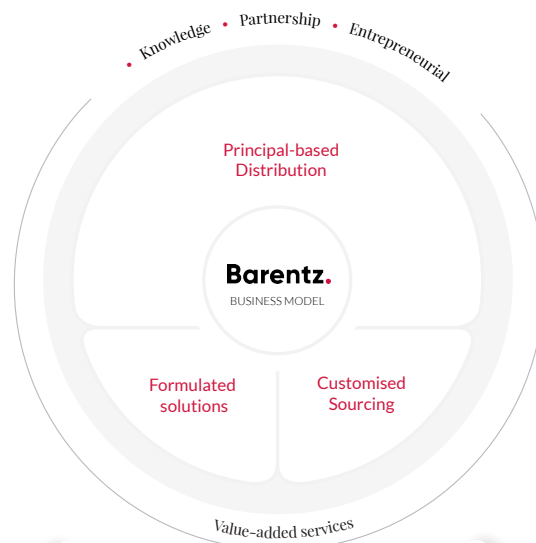
Natural.

Natural resources

ADDED VALUE

We create added value through our principal led and geography focused growth strategy

MISSION & VISION



STRATEGY

Empower people,
Develop partnerships,
Deliver strategic growth,
Drive continuous improvement,
Promote Sustainability.

Organic growth

Growth by acquisition

GOVERNANCE & RISK MANAGEMENT

OUTPUT

Total revenue:
€ 2,507 million

Organic Revenue Growth:
20%

Acquisition growth:
22%

Adjusted EBITDA margin:
9.5%

OUTCOME



Environment



Labor and
Human Rights



Ethics



Sustainable
Procurements



Community Action
and Partners

IMPACT



ORGANIC AND ACQUISITION-LED GROWTH WITH 5 STRATEGIC 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 of 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.

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.





OUR DIVISIONS AND MARKETS

Human Nutrition: shaping the taste and nutrition of a better tomorrow.

In the ever-changing local and global human nutrition markets, our role as an ingredients partner is to empower our customers to succeed today and in the future. Founded and led by food technologists ever since, Barentz is driven by technical expertise, synergistic ready-to-use concepts, access to carefully selected world-class ingredients and resilient local and global supply chain excellence. By this, we add value.

Whether the plan is to improve taste, texture, colour, nutrition or cost-in-use, we are the one-stop-shop for better food experiences, from single ingredients to customised formulations with recipe, application & process support.

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

“We are passionate food technologists with a broad knowledge of nutrition and taste. Plant-based is a special area for us. Some of our customers position us as the plant-based gurus.”

Gökhan Oran,
Executive Vice President,
Head of Human Nutrition



Global sharing of local segment and country-specific expertise.

Partnership and knowledge have been two of our key drivers for over seventy years. Whether it's an Account Manager or Food Technologist, our customers will always be speaking with an experienced local specialist. These local experts bring decades of knowledge to any formulation challenge, while understanding consumers' taste preferences and trends. Being globally active, makes it possible to share best practices and to anticipate to any human nutrition trend. After all, we are a global team of local experts, deeply attuned to market trends and developments. We bring the world to our customers. Our experts and principals can help translate global trends to suit our customers' local needs. Together with our principal partners, we offer complete solutions based on global innovation, combined with local requirements.

Extensive application know-how.

We strive to optimise our customers' and principals' formulas by drawing on our vast knowledge of the total end product matrixes. This results in more efficient production, texture, shelf life, nutrition or simply better taste. New trends and consumer preferences require new formulations. We are here to partner with our principals and customers. That is why we add value.

Unique building-block system.

We have developed a global human nutrition building-block system for each market segment that can be applied on a local level (e.g. fish substitutes). This system forms a method of creating finished products by selecting unique blends of ingredients that provide tailor-made nutrition, texture, taste and preservation.

Global application and formulation support.

In every market segment, we have dedicated technical sales teams and application specialists. With more than 25 application labs, across every continent, our food technologists support our customers quickly and efficiently, using the best ingredients from world-class manufacturers and based on the latest global and local trends. From single ingredient conversion to full recipes & concepts. We also work together with our principals on joint developments to study future innovations and solutions. We are ahead of the markets.



Mariano Vasconcellos, Technical Director Human Nutrition, Mariette Broers, New Product Developer and Tally Zangy, Human Nutrition Specialist

TASTE: NEXT-LEVEL, MOUTH-WATERING EXPERIENCES FROM ALL OVER THE WORLD

With a presence in more than 50 countries, our local experts have built up broad and deep knowledge about natural ingredients that are used by local chefs to prepare tasty dishes specific to their region. It is our passion to share this knowledge with our partners and to work together to develop next-level, mouth-watering experiences.

Fish substitutes, we know how to.

From single ingredients to customised formulations with recipe, application and process support.

Nutritious

FINISHING TOUCH

Vitamin & mineral fortification, nutritional & health claims

Delicious

TASTE, COLOUR & VISUAL APPEAL

Flavour profile and coating creation

Juicy

FAT & FIBRE SYSTEM

Sensory & mouthfeel optimization



Functional

BINDING SYSTEM

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

Safe

NATURAL PRESERVATION

Shelf life and freshness

Texturised and powder

PLANT PROTEINS

Single or combinations of proteins to mimic a real meat structure



OUR DIVISIONS AND MARKETS

Pharmaceuticals: the quality, expertise and network you need to change lives.

Pharmaceuticals is a unique industry that demands a unique supply chain – one built on quality, in-dept research, prudence and integrity. Operating at the centre of this ecosystem, Barentz is a comprehensive ingredients partner. We add value and seek to cultivate lasting relationships with our customers, supporting the development of drug products that improve the wellbeing of billions of patients.

Barentz' customers can access a vast range of premium-quality and high-performance excipients, APIs, intermediates and nutraceutical actives through just one trusted intermediary. This level of credibility and choice gives them reassurance and control over their formula, which – alongside our expert advice and technical support – defines our approach.

Our markets.

We are active in nine pharmaceutical market segments.



Biopharma



CDMOs



Innovator
Pharma



Dietary
supplements



Generics



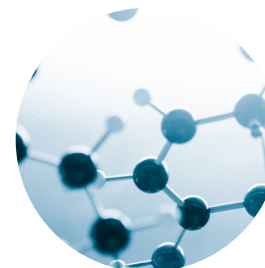
Medical
devices



Nutri-actives



OTC



Regulated
Synthesis

In-depth technical knowledge and professional support.

We pride ourselves on our knowledge and understanding of the pharmaceutical landscape, our customers' needs and the technical nuances of developing drug products. As a purveyor of ingredients, we have an obligation to offer expertise. We add real value for our customers and go the extra mile to produce the best possible products for their patients. Their well-being is at the heart of everything we do.

Our team has significant experience in formulation science and the manufacturing processes, allowing us to go above and beyond – from suggesting the optimal ingredients, to helping our customers formulate and refine their drug products.

A quality-managed, encyclopedic portfolio.

Safety and efficacy are the most important factors in patients' minds. We place the highest priority on the quality, integrity, and reliability of our entire catalogue of ingredients. We source those ingredients from our fully vetted and pre-eminent supplier partners, taking a comprehensive approach to quality through our two-tiered Quality Management System.

We manage quality throughout the entire supply chain – from warehousing to transportation – ensuring the integrity of the finished drug product.

Fully certificated.

Thanks to our scrupulous nature and added value strategy and drive, we are:

- ISO9001 certified.
- Good Distribution Practice (GDP) certified.
- Officially authorised to supply all pharmaceutical ingredients and active substances to customers across Europe.
- Full members of IPEC Europe – part of the global IPEC Federation, an organisation that promote quality in pharmaceutical excipients.



Based on our stringent quality requirements of our portfolio, we offer ingredients that meet a huge extra breadth of criteria. We are constantly expanding our range of criteria to incorporate the latest industry developments, such as plant-based alternatives and biopharmaceuticals.

“Our special attention goes to BioPharma and Dietary supplements. These are key growth markets where our products, especially nutraceutical actives, sourced from leading global high-integrity manufacturers, enhance our customers' success.”



Paul Woodcock,
Global Technical and Marketing
Director Pharmaceuticals

“The expansion of our North American network of suppliers significantly adds to the sustainable growth of our pharmaceutical business. Our global network proves its strengths and is invaluable.”



Divya Tewari,
President Pharmaceuticals
North America

Global outreach, local expertise.

Since 1953, Barentz has been building extensive global, regional and local networks of trusted suppliers, partners and facilities. Our networks have benefited countless patients and now serve more than 3,500 pharmaceutical customers in over 50 countries across three continents. This unparalleled regional presence is crucial to understanding local laws, customs procedures, time-zone differences, language and cultural barriers, preventing unnecessary delays.

We have warehouses all over the world that allow us to cut the time and cost of transportation, ensuring our customer can maintain efficient manufacturing schedules. We've also deployed local sales teams to aid in effective communication and help our partners with forecasting, delivery planning, new product developments and price trends. This is part of our added value approach.

Organic growth and network expansion.

In 2022, Pharmaceuticals experienced significant organic growth, partly based on the return to normal treatments and OTC sales, following the impact of Covid-19 in 2021. We expanded our regional and global network to cover Mexico, Central America, France, North Africa, and India, where we strengthened our excipient business. We are ready for the next phase of growth.



OUR DIVISIONS AND MARKETS

Personal Care: the formula for better.

Personal care isn't just about looking good. It's about feeling good. It's about empowering customers to be the best version of themselves. It's about taking care of their physical and mental wellbeing. The products our customers develop are essential to how their clients live their lives and who they are and act as individuals in a global society.

At Barentz, we get it. We add value in even the most tiny details. We believe that there's always a better solution, and Personal Care is close to our core. We understand that consumers are constantly searching for new, better and more sustainable and responsible ways of nurturing what nature has given them. So, it's our strategic aim and core believe that we continually innovate and provide the high-quality, reliable and sustainable ingredients our customers need to meet those demands.



Our markets.

We are active in seven personal care market segments.



Color cosmetics



Hair care



Skin care



Bath
& Shower



Fragrances



Oral care



Sun care



“The personal care industry, like any other sector, is facing sustainability challenges, as there is a huge momentum towards sourcing ingredients responsibly. At Barentz, we are perfectly positioned with industry-leading suppliers to provide creative and sustainable solutions for our customers.”

Chris Ott,
Vice President
Head of Global Personal Care



Inspirational formulations, tailored to our customers.

We support our customers in selecting the most suitable ingredients for their needs and advise on the most effective way to use them, upholding our high standards of seamless traceability and exceptional functionality.

A unique blend of science and creativity.

Consumers of personal care products are frequently on the lookout for novel ideas, textures and concepts. After all, consumer trends follow each other in rapid succession, time after time. To meet these changing demands and expectations, Barentz's technical and commercial experts work at the forefront of innovation, building on a unique blend of science and creativity, taking a four-pronged and added value approach. Creativity differentiates the way we source, formulate and deliver the right ingredients. It's at the heart of how we innovate: devising original solutions to both new and existing problems.

Responsible beauty.

We use ingredients our customers can trust, for products their consumers will trust - time and time again. We're committed to helping our customers achieve their desired outcomes. We add our personal knowledge touch. We do everything we can to make that happen and put them at the core of our development process. We are proactively local entrepreneurs, which are empowered by our global presence.



INNOVATION

Waterless technologies – shampoo tablets.

Our personal care laboratories are always working on novel concepts to find solutions for customers and consumers. Underlining Barentz's commitment to sustainability, we entered an innovation competition, tackling single use as a negative concept. The novel shampoo tablets we created used many of our own ingredients and were water free, zero waste and contained in an upcycled wheat straw case. Our formulations were well received and spurred new projects with customers.

Trends we anticipate.



NATURAL COSMETICS

We have a broad range of natural and naturally derived ingredients including a range of certified with COSMOS and Ecocert products.



SUSTAINABLE INGREDIENTS

The short lifecycle of cosmetics means it is important to ensure the supply chain is sustainable, and that ingredients have the lowest impact on the environment possible.



CLEAN BEAUTY

In line with sustainability, we offer multifunctional ingredients for a minimalist approach.



ALTERNATIVE INNOVATIONS

Barentz offers greener alternatives to traditional ingredients such as silicones, PEG's and other technologies.



FERMENTED COSMETICS

A recent trend in cosmetics is fermentation. Fermented ingredients contain smaller molecules for better bioavailability to the skin.



BLUE BEAUTY

Striving to reduce plastic pollution we can support solid cosmetics with innovative ingredients.



OUR DIVISIONS AND MARKETS

Performance Materials: improving the quality of life.

Barentz helps to improve the quality of life of millions of consumers around the globe through our expertise in performance material ingredients for CASE & plastics, synthesis solutions and household, industrial & institutional cleaning. We add value by maximising product performance.



CASE & Plastics



Household Care, Industrial &
Institutional cleaning



Synthesis Solutions

Our markets.

We are active in nine performance material market segments.



Adhesives



Lubricants



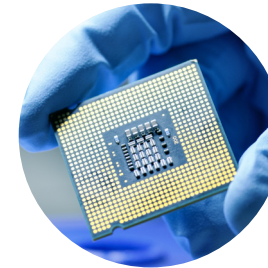
Cleaning &
Desinfection



Coatings



Composites



Electronics



Energy



Plastics



Vehicle
Care

Formulation expertise.

Our formulation development expertise, including raw material selection and optimisation, as well as our team of multi-functional scientists, provides valuable insights to overcome our customers' challenges. Our synergistic ingredients work optimally together to deliver high performances in their formulations and thus their consumers' quality of life. We help our customers to make the difference.

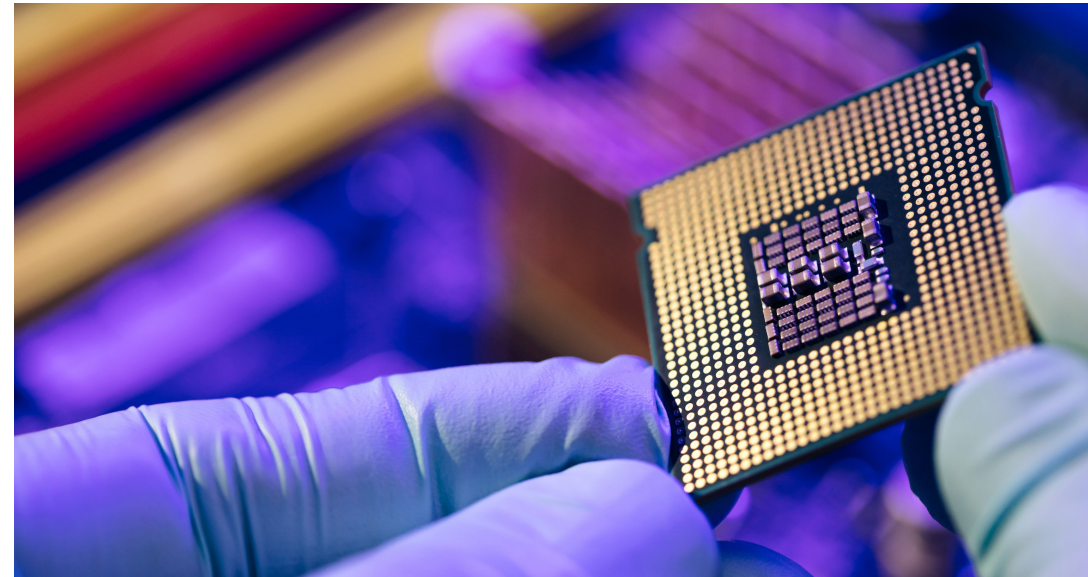
Barentz's commercial teams have diverse backgrounds in science and business, with many starting their careers in the laboratory. This rich expertise means our principals and customers can depend on us for formulation guidance to achieve their performance objectives.

Supply chain optimisation.

With global supply relationships across over twenty countries, based on strong partnerships with leading manufacturers, we deliver the most reliable and efficient logistics solutions. We partner with world-class principals dedicated to creating innovative and sustainable products that drives our customers' success. This makes it possible to anticipate on any performance material trend.

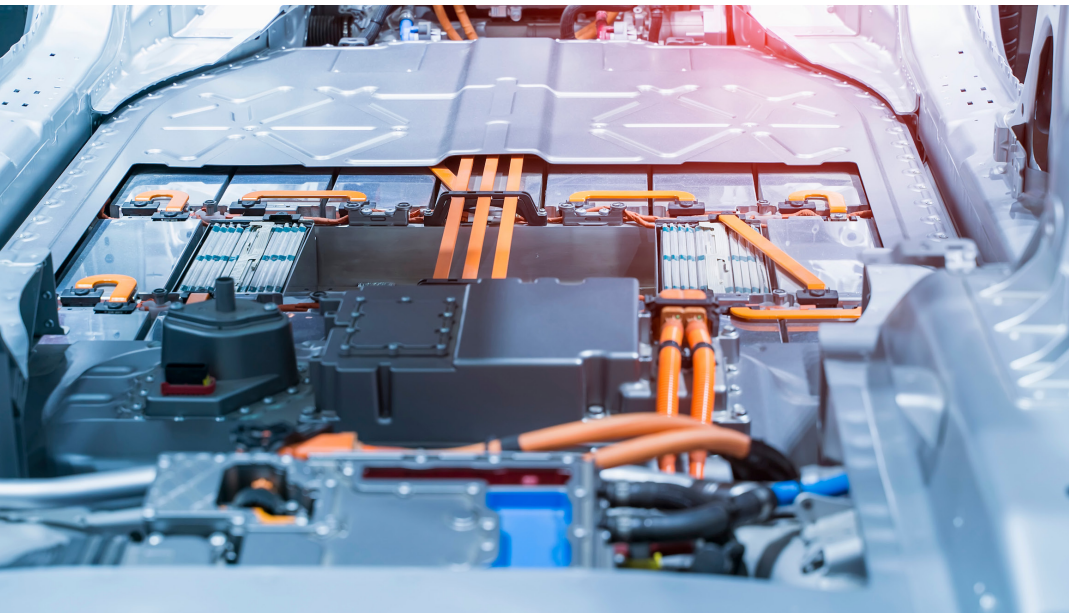
Benefits of a global business with local customer service.

Customers rely on us to source their key components strictly on time. They need the right quantities at the highest value, while we need to meet or exceed local regulatory requirements. We provide the benefits of a global business with local customer service. Thanks to our strategically designed logistics network, we offer our clients exceptional, and prompt added value customer services. This is our solid base for further growth.

**SECURITY OF SUPPLY**

Semiconductor manufacturer.

Barentz supplies key raw materials to support the semiconductor and equipment manufacturers in their growth. Our customers rely on our entrepreneurial mindset to come up with custom packaging solutions to meet their growing needs of capital investments and new tool installation. We pride ourselves in our ability to listen to a customer's challenges and harness our technical expertise to innovative and lend formulation support. We offer our solutions not only to our customers, but to our customers' university partners, to drive innovation in the semiconductor market.



CUSTOMISED PACKAGING

Recycling electric batteries.

As electric vehicle batteries production increases, the market needs solutions to keep up with the demand of recycling these batteries. We leverage our entrepreneurial mindset and expertise in this field by taking our customers' needs and converting them into a sustainable customer solution. We supply key technical components in a variety of packaging options that can be tailored to specific needs and requirements, ensuring quality requirements are satisfied.

“We are committed to supporting the growth of our customers and principal partners in the semiconductor manufacturing and recycled electric vehicle batteries markets.”



Jennifer Sacksteder,
Business Development Manager
Performance Materials Division



OUR DIVISIONS AND MARKETS

Animal Nutrition: added value for animal nutrition and pet food markets.

Barentz is the proactive partner for our customers and principals in the demanding animal nutrition and pet food markets. Our broad portfolio of single ingredients, specialties and formulated solutions, combined with a unique service level and entrepreneurship, set us apart. With our knowledge of ingredients and additives, and dedicated commitment to always find a better solution, we are able to add value and assist our partners to overcome challenges and formulate even better performing animal feed and innovative pet foods. Aligning with our customers and principals by thinking and acting as entrepreneurs, complemented with our local acting teams, is key to our success.

Barentz has the right set of fundamental ingredients and additives available for any formulation. Complemented by a diverse set of sustainable and performance-enhancing additives, there is always a better solution to deliver the best performance in a cost-effective and sustainable way. Our focus is on sustainability and health enhancing additives, as we believe that healthy animals are productive animals. We are committed to contribute to a better world through better animal nutrition.

Whatever formulations are needed, Barentz has the right set of ingredients available from our strong foundation of products. With a diverse set of performance-enhancing additives, there is always a better solution to deliver the best performance in a cost-effective way. We believe that healthy animals are productive animals.

Our markets.

We are active in two animal nutrition market segments.



Animal Nutrition



Pet food

“2022 has been a great year for Barentz Animal Nutrition, where diligent execution of our core strategy combined with our unique positioning in the market has again proved its value to all our partners.”



Tim Lemeer,
Vice President
Head of Global Animal Nutrition



Strategic value drivers.

We defined four core strategic value drivers to create added value and help our principals and customers to achieve better results:

PROACTIVE AND AGILE RESPONDING TO CHANGING MARKETS

When prices or availability change, feed formulations change also as a consequence. Proactively informing our partners about these changes creates a winning edge, and with our extensive knowledge and sourcing capabilities we are on top of global and local market developments. By acting upon these changes with great agility and entrepreneurial decision making, we are at the forefront of supplying our customers with the best fitting ingredients and additives every time. Our broad portfolio, technical know-how, and our excellent supply-chain, is helping our customers and principals to create better solutions in both animal nutrition and pet food.

SERVING AS A TRUSTED PARTNER

High-quality, well-documented ingredients that perform as promised are the foundation of what we do. Supported by our principals, we work hard to earn our customers' trust. Our global network of warehouses and our flexible and efficient logistics solutions ensure high quality, quick, and reliable deliveries.

CONCEPTS AND FORMULATIONS THAT TAKE YOU FURTHER

With flexible combinations of additives and co-developed concepts, we support the formulation of new products to anticipate the latest animal nutrition trends to deliver on changing customer demands. Acting as a partner in bringing synergies through combinations of solutions, whether single ingredients or specialties, is key to our success. We bring concepts and formulations to the next level.

MEETING SUSTAINABILITY TARGETS

From reducing emissions and working with novel ingredients, to reducing the impact of the supply chain, our partners can trust us to help them with the right solution in becoming more sustainable. We are conscious of the impact of animal nutrition on our planet and strive to be a leading actor in reducing this. As a distributor, we are in the middle and can influence and help change both supply and demand in terms of sustainability. We are committed to contribute to a better world through better animal nutrition.

“Ranking feed ingredients by sustainable parameters within Barentz is the title of the case study I just finished at Wageningen University. I am passionate about contributing to a more sustainable feed and pet food industry.”

Catharina Nieuwenhuizen,
Nutritional Technical Director,
Animal Nutrition





INNOVATION FOR RUMINANTS

Better health and reduced methane.

Barentz recently introduced a new sustainable product for ruminants to customers in the Netherlands and Ireland. The new product is a treated linseed product, rich in Omega-3 and lignans with a good fat digestibility. It not only improves performance and supports fertility, but also reduces methane emissions by up to 17%.

This is one of the great examples of partnership, with one of our key suppliers of A-brand ingredients and our subsidiary NOACK.

A more sustainable business.

Sustainability is an opportunity for both our principals and customers to increase market share and profits. It often starts with doing more with less. However, we go beyond this adagio. Our sustainable solutions increase efficiency and add value to feed. Being sustainable is no longer something that is just expensive, we believe adding sustainable value is a profitable and responsible business-case. We have developed innovative ingredients, sustainable additives and concepts ready to support any trend or need of customers. Customers value our partnership when it comes to creating a more sustainable business. Sustainability is a driver for growth for all our principals and customers. Barentz acts as the linking pin and is recognized for its leading position in sustainability.

Concepts for animal nutrition.

When responding to new trends or challenges, sometimes only changing a single ingredient rarely does the job. However, there is no silver bullet. We believe in a synergistic solution of combining products. That is why we develop unique concepts from products in our portfolio, based on the deep technical know-how of the synergy between them that perfectly tackles the challenge at hand. By having a better solution on the drawing board, the time to market for our customers is drastically shortened.

Concepts for pet food.

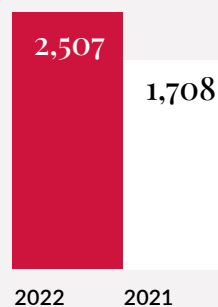
Barentz' customisable, ready-to-use-concepts are also the perfect opportunity for market success in pet food: clean label, hypoallergenic formulations, plant-based alternatives or animal health and wellbeing can be covered with our solutions. They can easily be fine-tuned to the demands of pets, pet food markets and pet food formulations.

Financial Performance.

In 2022 there were continuing challenging market conditions with ongoing supply chain constraints and increased geopolitical tension. Despite these challenges 2022 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.

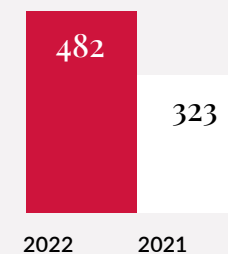
KEY-FIGURES

in € million



Revenue

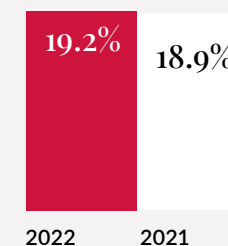
+47%



Gross profit

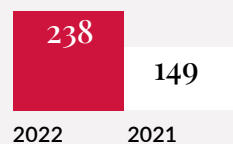
+49%

Revenue increased by 47%, 20% is driven by organic growth, 22% due to acquisitions and 5% driven by FX impact. The gross profit as % of revenue increased by 33 basis points to 19.2%. Adjusted EBITDA as % of revenue increased with 78 basis points to 9.5%.



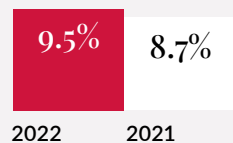
Gross profit as % of revenue

+33 bps



Adjusted EBITDA

+60%



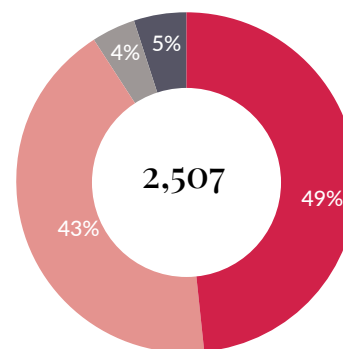
Adjusted EBITDA as % of revenue

+78 bps

The regional split in 2022 changed mainly as a result of the various acquisitions which created a more diversified geographical presence.

In 2022 Barentz successfully expanded and grew the business across all regions. EMEA revenue increased by 34%, North and Central America by 61%, APAC by 66% and South America with 65%.

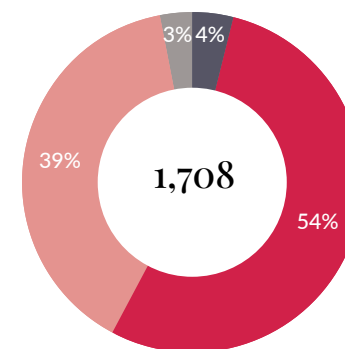
● EMEA
● NA/CA
● SA
● APAC



Revenue split

2022

in € million



Revenue split

2021

in € million

Net working capital.

Net working capital, defined as inventories, trade and other receivables less trade and other payables increased by EUR 106 million from EUR 358 million at year-end 2021 to EUR 464 million at year-end 2022. 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 for 2023. While NWC increased at year-end 2022 the trade NWC as percentage of revenue improved with 37 bps.

Investments.

Barentz is operating an asset-light business model, limiting the capital expenditure, currently at less than 1% of Net Sales. Total investments in 2022 amounted to EUR 10 million, primarily related to investments in hardware, next to investments in production facilities for formulated solutions.

Funding.

To fund Barentz growth and acquisition strategy in 2022, additional equity amounting to EUR 10 million was invested by existing shareholders and partly rolled over from management in acquired companies, whereas additional funding amounting to EUR 250 million was secured with the existing group of lenders under the existing facilities, of which 150 million is still undrawn at 31 December 2022. Per March 2023 the Revolving Credit Facility was increased by EUR 75 million to a total line of EUR 195 million.

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 2022 amounted to an equivalent of EUR 1,581 million, of which EUR 1,385 million was drawn at year-end 2022. At 31 December 2022 the Company has drawn EUR 575 million, USD 452 million and GBP 36 million, respectively under the Senior Facilities Agreement and EUR 139 million and USD 146 million, respectively under the PIK Notes Purchase Agreement. The revolving credit facility amounts to EUR 120 million, of which EUR 85 million was drawn at 31 December 2022. 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.

ACQUISITIONS 2022

Strengthening geographic coverage and existing divisions through strategic M&A.

As pure-play life science and speciality performance ingredients distributor, we benefit from industry-wide outsourcing trends and supplier rationalisation, market share gains and an industry-leading life science-oriented end market mix, as well as further consolidation opportunities, in a growing underlying market.

We leverage our active track record of platform and bolt-on acquisitions and will continue to allocate excess capital to strategic M&A, focusing on acquiring asset-light, principal-based distribution targets across existing global life science divisions.

In 2022, we continued to be very acquisitive and efficiently pursued value-accretive M&A. We added a total of 7 businesses to the group globally, while creating regional cohesion through rolling-up and securing control over former joint-venture partners.

“We leverage a strong and long-lasting cultural heritage, which provides the foundation of how we do business today. In terms of M&A, we seek a strong cultural match based on trust and partnership as a prerequisite for accelerated and synergetic growth. We have been able to demonstrate this differentiator clearly to the targets we welcomed in 2022.”

Gino Soeriwardojo,
Group M&A Director



Grasse, Brazil

HUMAN NUTRITION AND PHARMACEUTICALS

In February, we acquired Grasse Aromas e Ingredientes Ltda, a leading Brazilian distributor of flavour and nutrition ingredients for the human nutrition and pharmaceutical industries. With its head office in Diadema, São Paulo, Grasse has built a strong position in the Brazilian food, beverage and consumer health markets over the past 25 years. The company is renowned for its expertise in taste and health, supported by its strong sales force and in-house application laboratories.



Gino Soeriowardojo,
Group M&A Director



ACE Trade, Czech Republic

PERSONAL CARE AND PERFORMANCE MATERIALS

In June, we acquired ACE Trade CZ, a distributor of speciality ingredients for the personal care, homecare and industrial markets. The company has over 24 years of experience in the speciality ingredients sector and is well known for the added value it brings to the cosmetics industry. The acquisition further extends Barentz CZ's strong local network of logistic and application centres.



Divsa, Central-Americas

HUMAN NUTRITION, PHARMACEUTICALS, PERSONAL CARE AND
PERFORMANCE MATERIALS

With the acquisition of DIVSA closed in March, Barentz acquired Central America's leading value-adding distributor of life science ingredients and speciality chemicals. With locations across Guatemala, the Dominican Republic, Honduras, El Salvador, Costa Rica and Panama, DIVSA is the ideal fit to bridge Barentz's well-established presence in North and South America. The company brings multiple in-house laboratories & technical service teams, highly complementary to Barentz's global network of more than 40 laboratories over 4 continents.



Unipex, France

HUMAN NUTRITION, PERSONAL CARE AND PERFORMANCE MATERIALS

In May, we acquired Unipex in France. Unipex is among the most high-end speciality solution providers in Europe for both principals and customers that cater to pharmaceuticals, nutraceuticals, cosmetics, food, home care and chemical end-markets. With a very strong position in the heart of the European life science ingredients market, the Unipex acquisition has transformed our position in France. Through this acquisition, we not only strengthened our presence in France and Southern Europe, but also secured a stepping stone into North Africa. Unipex is regarded as the ESG and sustainability benchmark in the French market, which fits seamlessly into Barentz' global ESG programme.



Volp, Brazil

PERSONAL CARE

In August, we welcomed Volp to our Group. Volp has its head office in Osasco, São Paulo, and has built a strong position in the Brazilian personal care market, with a focus on small, medium and large customers. It is renowned for its specific expertise in supplies and customised personal care solutions and is heavily committed to sustainability. This acquisition by Barentz compliments the current activities of Barentz's joint venture Tovani Benzaquen, strengthening and balancing the group proposition in Life Sciences.



Viachem, North America

HUMAN NUTRITION, PHARMACEUTICALS AND PERFORMANCE MATERIALS

In October, Barentz acquired Viachem, the North American speciality distributor of life science ingredients and speciality chemicals. By combining a dedicated market research function and digitally enabled sales & marketing capabilities, Viachem represents a market growth engine for Barentz and its principal suppliers. The company focuses on redefining the distribution experience for producers and customers alike and has proven successful in quickly growing its suppliers' market share, without incurring any additional risk and resource commitments. Barentz North America will leverage and integrate the digitally enabled sales capabilities of Viachem across its divisions.



Natural, France

PHARMACEUTICALS/NUTRACEUTICALS

Following the acquisition of Unipex, we acquired Nutraceuticals's distributor Natural in France in late December. Natural is a supplier of premium, naturally sourced, herbal and functional ingredient solutions for the nutraceuticals industry in France and Europe. Based in Angers, the company operates a customer-focused distribution model, with a relentless focus on delivering and securing supply for a unique portfolio of nutraceutical ingredients solutions to brands and CDMO customers at the highest service-levels. This marks a strategic step in firmly establishing Barentz within the nutraceuticals business in EMEA. Natural significantly strengthens Barentz's value-added product offering for dietary supplements, enabling further growth in key nutraceuticals markets globally.

ESG

Sustainability: actions are louder than words.

At Barentz, we know we have a responsibility to make the world more sustainable. We want to do our part to make the world more sustainable and are working with like-minded companies to meet the goals of the Paris Agreement, which requires us to keep the rise in global temperatures to below 1.5°C. We have developed an ESG programme to formally champion our sustainability initiatives.

We have invested heavily in data collection and reporting and are now reporting key ESG statistics for all our global operating facilities, according to GRI standards. In 2022, we implemented a globally consistent set of ESG policies for all our employees and partners. We believe that these policies will form a solid foundation that we can use to continuously improve our ESG performance. Of course, as a distributor of life science ingredients, our ESG programme is closely linked to those of our principal partners. Accordingly, we have partnered with EcoVadis to assess the ESG performance of our primary partners and work collaboratively in terms of advancing our ESG goals. We have also conducted a materiality assessment of our operations and determined the scope 3 emissions associated with the products we purchase.

We are proud that other organisations are recognising our ESG investments and commitment. At Barentz, we will continue to place ESG at the core of all we do. That means continuing to challenge our organisation to identify solutions to make our company and the products we offer part of the answer to a more sustainable world.

“We want 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,
CEO North America, Vice President
Head of Global Performance Materials,
Executive Board Sponsor ESG



3 GOOD HEALTH
AND WELL-BEING



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY INNOVATION
AND INFRASTRUCTURE



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS



OUR FIVE KEY-PILLARS



Environment



Labor and
Human Rights



Ethics



Sustainable
Procurements



Community Action
and Partners

FIVE KEY ESG PILLARS



Environment ,

As an organisation that operates in more than 70 countries, one of the most important goals of our ESG programme is to minimise the negative impact and maximise the positive effect 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 started monitoring our Scope 1, 2 and 3 emissions for all our facilities.



Labour & human rights ,

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 can all help ensure compliance and market leadership.



Ethics ,

One of Barentz's core values is "Integrity Always". By emphasising ethical behaviour, we maintain a culture that promotes honesty, trust and respect. To highlight our commitment to operating our business with the highest level of ethical standards, we have joined the Institute of Business Ethics, a UK-based non-profit organisation that helps organisations support ethical business practices. We have an established Code of Conduct and Anti-Bribery and Anti-Corruption policies to uphold these standards internally, ensuring every employee throughout Barentz can be aware of and can commit to acting in accordance with our internal values and principles. Externally, we have a robust evaluation process in place for potential principal suppliers, as well as recurring evaluation procedures for existing suppliers, to ensure we maintain partnerships with companies that uphold the same level of integrity and trust we represent. Our Supplier Code of Conduct, which outlines our responsibilities and our expectations, has been shared with all our current suppliers and is available to view on our website.



Sustainable procurement,

As a distributor of life science ingredients, our ESG programme is intertwined with those 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. 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.



Community action & involvement.

At Barentz, we have a responsibility to improve the communities we live and operate in. Around the world, our team of over 2,500 colleagues have taken action to support their local charities for an array of amazing causes. For 70 years, we have been proud of what we have achieved and will continue to support our team to make a positive impact in our communities.

Global ESG ambassador programme.

To capture our passion for giving back to our communities, we have developed a Global ESG Ambassador programme. Our ESG Ambassadors are employees who have volunteered to lead local sustainability and community involvement activities. This programme is one of many ways we are harnessing our collective passion for ESG to forge a more sustainable world.



PEOPLE AND CULTURE

One team, one goal.

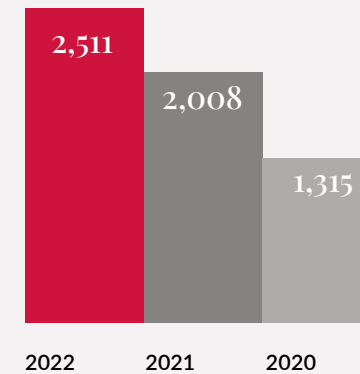
Thinking globally, acting locally; unifying Barentz with respect of local expertise and cultural habits.

At Barentz, we have seen accelerated growth in the last two to three years, from around 900 to over 2,500 employees today, with activities in over 90 companies in 70+ countries within 5 continents. One of the focus points in our human resources approach is to safeguard the alignment in our processes and platforms, and maximise cooperation and internal partnership. While we want to unify and streamline our processes, we still value what has made all these businesses so unique and brought them where they are today: their people, knowledge and entrepreneurship.

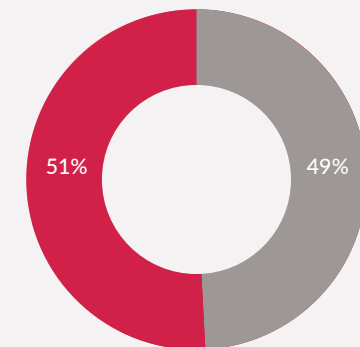
Unifying the processes, cherishing the local expertise and networks.

Knowledge of our customers and their market is deeply rooted in the Barentz DNA. This often means that not only you are the technical expert in your market, but you also know the typical local habits and dos and don'ts. We are cultivating this behaviour, protecting our local companies from undue corporate guidelines and rules. We think globally, but will always act locally. We select our teams on their eagerness to learn, on their drive to support their customers, on their knowledge of their business, and on their professional expertise. Besides that, we also select them on their capability to cooperate and to embody the Barentz brand. That spirit allows us to offer a more personal touch and inspires us to stay competitive in developing better solutions for our partners.

HR KEY-FIGURES 2022



FTE by year



17%

Percentage of female employees in senior-management positions

● FEMALE
● MALE

HR diversity metrics

2022

**Knowledge as cornerstone.**

We have introduced and developed the Barentz Academy, a sophisticated learning and development platform supported by Cornerstone on Demand (CSOD), which embeds our philosophy on Performance Management, Succession Planning and Learning. The Barentz Academy contains everything you need to know about what Barentz stands for and will be available to every Barentz employee in all our 70+ countries by the end of 2023. This continuous pursuit for knowledge is what Barentz was founded on seven decades ago and remains the key ingredient for shaping our future success.

“We respect and value local expertise and cultures, as this is what makes us so unique.”

Frans Kools,
Group Human
Resources Director



“Every visit within our global network for the rollout of our Learning and Development Platform Cornerstone feels like a family event. It is awesome and it feels like an extra, secret ingredient.”

Dewi Kuipers,
Group Learning and Development Manager
HR Business Partner Europe



Equal employment opportunities.

With our accelerated growth, Barentz is creating a lot of opportunities to hire the right talent for the growth we envision. We are continuing the intended route to add more inclusivity and diversity to our management. One example of this is the 50% rise of female employees in senior management positions, from 11% to 17%. Barentz understands more than anyone else how important it is to have an inclusive and diverse team. Inclusion and diversity result in a more critical mass, and with that, innovation to Barentz which allows us to look at a situation or challenge from different perspectives. That's why Barentz always creates better solutions.

Post COVID-19.

Like every company in 2022, Barentz continued to face the impact of COVID-19, creating new standards on how work can be done. During the pandemic, our employees showed us that they were capable of working from home efficiently. This flexibility allows us to attract new talent and retain our current people. So, COVID-19 changed how we hire at Barentz, because we have proven our capability to work hybridly and not necessarily be in the office five days a week.

Creating impact.

At Barentz, individual actions come together to create more impact. We don't work in silos. We work together as one team, creating alliances across the organisation. We strive to continually improve our team effectiveness and the way every employee can make their own impact on the team. There's a whole world of possibilities to discover. This also means opportunities for all the companies we have acquired and their teams. The Barentz network of 90+ companies creates career perspectives for new and existing colleagues to further develop themselves.

“The merger with Barentz broadened our professional scope and provided us with exciting opportunities, working with new team members in new markets.”

Valerie Lepoultel,
Regional Director Personal Care
North West Europe since 2023 and previously
Director of the Personal Care Division at Unipex

Valerie Gailot,
Director Nutra Business Line EMEA since 2023
and previously Director of Food at Unipex



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). 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.

Diversity.

The total number of female employees in senior management positions in Barentz has grown with 50% from 11% in 2021 to over 17% in 2022. This reflects the intended route Barentz is following to add more inclusivity and diversity to its management.

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 five members. Four members are appointed by the General Meeting, one of whom is appointed as chair of the Supervisory Board, and one is appointed by the Stichting Barentz Beheer. The Supervisory Board has two committees: the audit committee and the remuneration committee, both composed of three Supervisory Board members and governed by the relevant terms of reference.

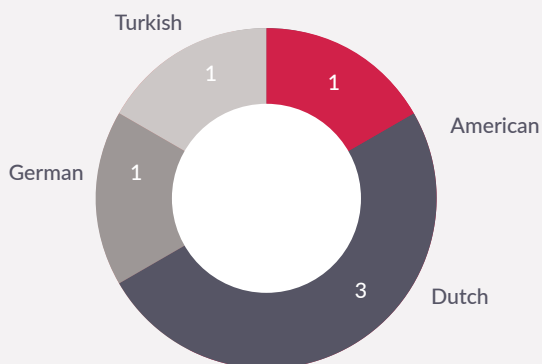
Barentz Board.

The Barentz Board is responsible for Barentz’s general and operational management. 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 six 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. Beginning 2023, Terry Hill left the Barentz Board and was appointed Supervisory Board Member, Mike McKenna was appointed CEO North America and Gökhan Oran was appointed CEO EMEA on 1 April 2023. Eleven Barentz Board meetings were held, the majority of which were in person at Barentz’ headquarter. All board members were present at all such meetings. Recurring items on the board agenda include financial results, business updates, ESG, M&A, HR and legal matters.

General Meeting.

The General Meeting was held on 15 May 2022, during which the 2021 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 MANAGEMENT BOARD

**Hidde van der Wal**

CEO, CHAIR OF THE EXECUTIVE 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, EXECUTIVE BOARD MEMBER

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 South 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**

EXECUTIVE VICE PRESIDENT, HEAD OF PHARMACEUTICALS AND PERSONAL CARE, EXECUTIVE BOARD MEMBER

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.

**Kees Schepers**

EXECUTIVE VICE PRESIDENT, NUTRACEUTICALS, SOUTH AMERICA AND ASIA PACIFIC, EXECUTIVE BOARD MEMBER

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.

COMPOSITION OF MANAGEMENT BOARD

**Gökhan Oran**

EXECUTIVE VICE PRESIDENT, HEAD OF
HUMAN NUTRITION | CEO EMEA,
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**

EXECUTIVE VICE PRESIDENT, HEAD OF
PERFORMANCE MATERIALS | CEO 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 program.

COMPOSITION OF THE SUPERVISORY BOARD

Our Supervisory Board is composed of:

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

See page 79 for more information

Risk and opportunity management.

Management of risks and opportunities.

As global life science ingredients distributor with a presence in more than 70 countries, Barentz operates in a dynamic business environment. Our risk management and internal control process supports us in pursuing our strategy and operations effectively. Proactively managing our strategic, operational, financial and compliance risks is key in our management decision-making process throughout the organisation. Our risk management process has been designed to identify and prioritise our main risks and related opportunities that could have a strategic impact and to subsequently develop appropriate risk responses.

We recognise risks and uncertainties as part of our business; our global presence and wide diversification in terms of activities, investments in IT infrastructure, our product portfolio, geographic presence, customers and suppliers mitigate the group's key risks and uncertainties. Our risk management approach aims to balance maximising business opportunities on the one hand and managing the risks involved on the other.

Risk governance.

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 Barentz Board addresses risk management and internal control in all its Board meetings.

Although the Barentz Board is overall responsible for risk management, we ensure that risk is managed continuously in all layers of the organisation, by embedding risk management in the governance structure of the organisation, through both a bottom-up (local management) and top-down (executive management) approach. As a group, we continue to invest in further strengthening the risk management and internal control environment and related Governance, Risk and Compliance systems.



Risk management framework.

Our Enterprise Risk Management framework (ERM) consists of activities performed at various levels in the organisation, focused on our key strategic risks. It is a systematic process to timely identify and analyse risks by assessing their likelihood and impact and to then develop an adequate risk response.



Our risk management process consists of two approaches:

- Management self-assessment: a bottom-up approach to ensure that risks are managed at local level, and
- Group ERM process: a risk management assessment by the Barentz Board and Regional management to identify key strategic risks at a global level.

In 2022, we further expanded our risk management and internal control governance, from both a group and regional perspective. In our continuous pursuit to optimise our operational processes and further increase control we identified key risk areas and implemented controls to further reduce the underlying risks. We organised 4 risk management sessions to validate and prioritise our key strategic risks. We held meetings with regional management and executive management to ensure alignment with strategic objectives and the related risks.

Internal Control Framework.

In 2022, we worked towards a global control approach to further standardise and harmonise our internal control procedures related to both financial and non-financial reporting. The focus here was more on automated controls to increase effectiveness and efficiency in operations supporting the sustainable growth of the organisation. The Internal Control Framework is primarily based on COSO 2013 and also includes operational controls to ensure company and process-wide insight into the effectiveness of operations. Moreover, we will further define controls on the segregation of duties and conflict resolution to reduce the risk of fraud and financial impact.

Business Conduct and Integrity.

One of Barentz' core values is "Integrity Always". By emphasising ethical behaviour, we maintain a culture that promotes honesty, trust and respect. Our Business Code of Conduct and Supplier Code of Conduct have been reviewed and communicated throughout the organisation to ensure we work in the most ethical way, building strong relationships with principals and customers. Our policy enables us to remain compliant with all applicable business principles, laws and regulations. In 2022, we invested in a global learning platform, which will further drive our company-wide values and principles throughout the organisation.

Fraud Prevention, Anti-Bribery and Anti-Corruption.

We have established group policies and learning programmes on our Anti-Money Laundering, Whistleblower, Anti-Bribery and Anti-Corruption policies, which ensure every employee throughout the organisation is aware of our internal values and principles and commits to acting in accordance with them. Our operations have been evaluated for risk of corruption and we provide additional training for higher risk areas. As well the Board started to discuss any fraud incidents and high-risk areas as reported from our risk and control frameworks.

IT Continuity and Cybersecurity.

Availability of business-critical systems is essential to Barentz. In 2022, Barentz further developed and executed its IT strategy, including enhancing control in the area of business continuity. The key elements of our strategy are: further consolidation of core systems such as ERP and CRM, maturing and standardisation of technology, a strong SaaS strategy for new implementations, a cloud migration programme and a strong focus on IT security. We scaled up our efforts to further improve cyber and information security management, as well bolster the company's security posture. We centralised our response to IT risks and incidents, and ensured that IT security forms an integral part of our critical IT projects. To further mature IT governance and control, global policies have been issued and are monitored periodically as part of the Internal Control self-assessment programme.

Risk appetite.

Risk appetite is the level of residual risk after our risk-mitigating activities and GRC systems in achieving our strategic objectives. The risk appetite is determined by the Barentz Board in alignment with the Supervisory Board. In line with the COSO framework, Barentz considers the following risk categories:

Very Low Low Moderate High Very High

STRATEGIC RISK

We aim to deliver on our strategic ambitions to further increase our performance and achieve sustainability objectives. We are willing to accept moderate risk, while keeping our core values and business principles in mind.

OPERATIONAL RISK

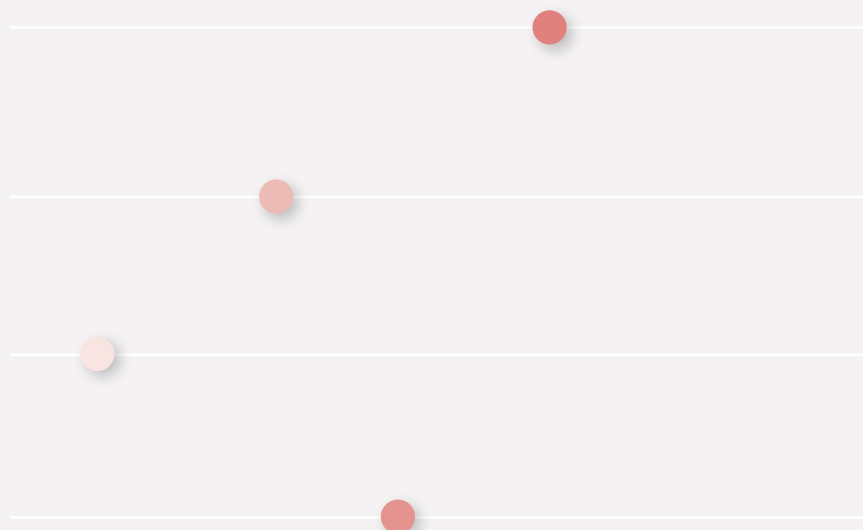
We take minimal risk when it concerns operational performance. Our aim is to minimise the risk in unforeseen operational failures that could jeopardise the business operations of Barentz and its Principals.

COMPLIANCE

We are risk-averse with respect to compliance risks, as our key objective is to be always compliant. Integrity Always is a core value and business principle of Barentz. We do not accept any type of fraud or breach of local laws and regulations.

FINANCIAL

Our finance strategy is focused on a strong financial position and balanced net working capital position. We are committed to improving our financial rating year on year and strive to further optimise controls over financial reporting.



Category

Strategic.

Risk	Risk description	Risk mitigation
Loss of business due to loss of principal or customer	Barentz depends on principals to develop and supply the ingredients that it further markets, sells and distributes to customers. The termination of a major principal or customer could have a material adverse effect on the organisation. Supply shortages or non-competitive product development with principals can have a significant impact on the results.	<ul style="list-style-type: none"> • Diversification in terms of regional, divisional and product portfolio mitigates the impact. • As part of our business values, we drive organisation growth by developing strong partnerships based upon knowledge and trust. We are knowledge-driven specialists, formulators who build on long-lasting partnerships with principals to provide sustainable growth. • Barentz's knowledge and partnership approach to principals and customers historically shows that we have been able to offset effects that may arise when this risk materialises.
Macroeconomic environment	Change in economic or geopolitical context with a negative impact on sales and profitability due to increased credit tensions, inflation or less economic activity (recession), high inflation and geopolitical disruption due to war in Russia & Ukraine, further escalation of trade war US and China.	<ul style="list-style-type: none"> • Broad diversification in terms of regional, divisional and product portfolio mitigates the impact. • Granular planning cycle and prudent budgeting plans, including contingency plans. • Regional and local management in the governance structure to enable timely information and risk assessment.
Mergers & Acquisitions	Inability to identify the right candidates, too high pace of acquisitions that could cause delays in the integration of companies and in achieving synergies.	<ul style="list-style-type: none"> • Focus diligently on identifying the right candidates, clear detailed analysis including evaluation of a cultural and organisational fit, granular due diligence process including risk and internal control, detailed integration planning, governance and approval process. • Periodic post-acquisition review, analysis against the investment case. • Acquisitions are driven centrally by an experienced management team, supported by top external consultants and detailed supervision by the Supervisory Board.

Category

Operational.

Risk	Risk description	Risk mitigation
Cybersecurity and IT continuity	Inadequate IT management systems could lead to issues with availability of critical operations, data, loss of critical and sensitive business information, and data confidentiality, potentially resulting in reputational damage.	<ul style="list-style-type: none"> • Having laid the foundation for improvements in 2022, Barentz continuous to invest significantly in the IT infrastructure by forming a professional and dedicated IT management team at Group level, creation and building of a global security function with local teams in each geography and continues to further develop the IT strategy. • Strengthen the cybersecurity culture (mandatory end user training, awareness creation, global communication). • Phasing out legacy systems to improve the overall IT application and security configuration. Further enhance security protocols for critical systems. • Improvement in data management by rolling out our global master data governance programs, golden records as data source to further enhance insights for Barentz in a faster and accurate way. • Defining a global standard on IT General Controls, Cyber Security controls, Information and Cybersecurity Policies.
Human resources	We rely to a significant extend on our strongest and most valued asset, which is our employees. The knowledge and skills of our commercial, managerial and supporting staff is critical for our success. Reliance on a single source of competence for key positions and a failure to attract, develop and retain high-potential employees could have an adverse effect on our growth strategy.	<ul style="list-style-type: none"> • Further develop our stringent talent acquisition strategy. Invest in a safe and knowledge-nourishing work environment, where employees can learn to improve professional and personal skills. Roll out global learning and employee performance evaluation management system, as well enabling exchange programmes. • Perform talent review and run development programmes, and build a strong community to provide opportunities to grow or transfer within the organisation.
Health, safety, environmental incidents	Barentz businesses involved in the distribution of life science and performance material ingredients, pharma, formulated solutions activities, customised sourcing activities and related value-adding services could inherently result in an exposure to health, safety and environmental incidents.	<ul style="list-style-type: none"> • Safety is one of our key pillars in the Corporate Sustainability strategy. We have established a behaviour-based safety programme and a Health Safety & Environmental policy, which is applicable to all our operations company-wide. • Barentz outsources logistical transportation and warehouse Operations to reputable third-party logistical companies. These companies are assessed regularly on HSE aspects.

Category

Operational.

Risk	Risk description	Risk mitigation
Climate Change	Climate change can inherently affect the ecosystems of a country, region or the globe. Extreme weather or natural events may disrupt operations with our principals, our logistics partners, our customers and our people in the various countries. Some of these events might have a limited impact on the operations of Barentz.	<ul style="list-style-type: none"> The Barentz' ESG strategy is an essential part of our group strategy as we consider reducing carbon footprint as one of our key business principles to contribute to a sustainable ecosystem. As a distributor of life science ingredients our ESG program is aligned to those programs of our principals, customers, and investors. Planned scope 1 and 2 emission reduction is part of the targets in the ESG program as well improvements in the areas of social and governance. We invested heavily in data collection and reporting and implemented globally ESG policies for our employees and partners. Annually execute risk assessment to understand Barentz' business resilience to the impacts of climate change.

Financial.

Interest rate risk	Barentz is exposed to an interest rate risk with respect to its financial assets and liabilities, in a situation with strong increase of interest rates.	<ul style="list-style-type: none"> The interest rate risk on USD and EUR Term loans is covered through interest rate cap agreements put in place in early 2022, maturing in Q1 2024. Barentz continuously evaluates new hedging agreements for the years to come.
Working capital & liquidity risk	Risk that Barentz will encounter difficulties in meeting its obligations associated with its financial liabilities due to increased working capital or other investment needs.	<ul style="list-style-type: none"> Barentz manages its working capital performance through increased and more granular reporting and specific DIO, DPO and DSO analysis. Conducted an extensive NWC analysis in North America and EMEA and implemented improvement plans for the regions.
Credit Risk	Exposure to credit risk due customers' inability to pay Barentz and its subsidiaries, including country risk and default risk of particular industries.	<ul style="list-style-type: none"> Barentz operates under regional and country-specific credit policies, under which each new customer is analysed individually. The review includes external ratings and other external sources. Barentz has global and local agreements in place with credit risk insurance companies such as Atradius and the majority of receivables are covered under these agreements. Open balances are reviewed monthly with proper control procedures in place to limit the exposure on individual accounts when exceeding thresholds.

Category

Financial.

Risk

Exchange rate fluctuations

Risk description

Barentz may run a currency risk on sales, purchases and borrowings in a currency other than the functional currency of the company.

Risk mitigation

- Borrowings in USD, GBP and EUR are denominated in the relevant currency to generally match the underlying cash flows and provide a natural hedge.
- Group Treasury ensures that net exposure in respect of other assets and liabilities is kept to an acceptable level.

Compliance.

Non compliance connector with laws and regulations

Being present in various countries across the globe exposes Barentz to local and international legal and compliance risks.

- One of the core values of Barentz is Integrity Always, as reflected in our Code of Conduct and Integrity policies. We ensure adherence to these policies through global training programmes.
- Our compliance programme raises awareness and drives adherence to local regulations, which are periodically evaluated in local statutory board meetings.
- Our internal control framework is tailored to ensure that compliance and tax controls are assessed periodically.

Anti-corruption and bribery

Non-compliance with anti-bribery and corruption law could harm the company and its associates, and lead to reputational damage.

- Specific anti-bribery and corruption policies are put in place and rolled out globally. Setting up training programmes, helplines and workshops for local management can prevent non-compliance.
- Continuous focus on awareness, training and compliance programmes, including regulatory controls in the Internal Control Framework to periodically monitor adherence to regulations in all circumstances.

Supervisory Board Report



LETTER FROM THE SUPERVISORY BOARD

Year of unprecedented growth.

2022 was an exceptional year for Barentz. As the distribution industry benefited from strong growth, Barentz realized organic growth of 20% for our distribution business, an industry leading performance. Combined with seven acquisitions covering all regions, the company surpassed the €2.5 billion mark for revenues, growing 47% overall. Additionally, the company has continued its successful trajectory of margin enhancements making 2022 a record year also from the margin perspective. These results confirm the strategic direction of the company, to grow its global footprint and specialty focus as the leading global life science and Performance Materials distributor.

Global leader with high added value.

Barentz is a global leader in many of its markets. Based on a resilient business model, Barentz has transformed from a regional to a global player. Supported by a solid (technological) foundation we offer a solid infrastructure led by people, connecting first-class principals and customers across all global areas. The focus on knowledge, leading expertise and specialty ingredients strengthens the financial profile of the company and makes it more resilient to weather economic downturns and other disruptions.

Strengthening our global footprint.

By a series of acquisitions Barentz has substantially strengthened its global footprint. The most important acquisition was the takeover of Unipex, a leading distributor in France, Benelux and Africa of life science ingredients and specialty chemicals. The acquisition of this French platform is aligned with Barentz' growth strategy to become the leading global life science and Performance Materials distributor. This acquisition strengthens Barentz' presence in France and North Africa and immediately complements Barentz' strong European network. We also acquired Natural Ingredients, a supplier of premium, naturally sourced, herbal, and functional ingredient solutions for the nutraceuticals industry in France and Europe.

We strengthened our South American base with the acquisitions of Grasse Aromas e Ingredientes, with a strong position in the Brazilian food, beverage, and consumer health markets, and and DIVSA, Central America's leading value-adding distributor of life science ingredients and specialty chemicals. Another South American acquisition was Volp in Brazil, bolstering our solutions in its personal care segment.

In the USA we have acquired Viachem, a specialty distributor of life science ingredients and specialty chemicals with a distinct digital capability in sales & marketing. Barentz also extended its base in Eastern Europe with the acquisition of ACE Trade in the Czech Republic, a distributor of specialty ingredients for the personal care, homecare and industrial markets.

Further strengthening our leadership.

In 2022, we further strengthened the leadership positions in our company. Terry Hill, former CEO North America, has joined the company's Supervisory Board. Mike McKenna who previously served as President & COO North America, has succeeded Terry as CEO North & Central America. Gokhan Oran, Vice president Human Nutrition, was appointed as CEO EMEA. Marc Duchene, former VP Sales Human Nutrition in EMEA, has been appointed as the new CEO for the APAC region.

Further strengthening the foundations for further growth.

We have devoted a great deal of attention and energy to the further improvement of our organisation, and processes to solidify the foundation for further growth. These efforts encompass a wide range of areas such as IT, Finance, Legal, ESG, Treasury, HR, Marcom, Business Planning, Tax and several more. IT and HR are two examples of areas where we are strengthened. We see IT as a strategic enabler for growth. Therefore in 2022, we invested strongly in a further upgrade of our IT backbone and are ready to launch a new global CRM, Customer Relationship Management system and our global master data infrastructure. These capabilities will facilitate our growth. IT also enables a swift system integration of acquired companies. In our HR policy, we respect and focus on local differences and local entrepreneurship on the one hand and centralised values and (digital) talent development tools on the other hand. At the same time, we promote best practices. We also have launched a special programme: the Barentz Academy. Our entrepreneurial spirit is the guiding principle in all our activities. Together we act as One Barentz.

Progress in ESG.

We recognise the need for sustainability and have a strong focus on ESG. In 2022, we increased our sustainability focus and have placed a strong ESG team in place. We published our first ESG Report and expanded our global ESG training programmes. With EcoVadis gold ratings in North America and Italy and a silver rating for our worldwide operations as a result. Barentz has launched an impactful campaign that underlines our commitment to ESG, and we are aiming for an EcoVadis platinum rating in the near future.

Positive outlook: heading for further growth.

We are heading for further growth, both organically and through strategic add-on acquisitions. Looking at 2023 and beyond, we see changing geopolitical and volatile environments. We continue to focus on strengthening our foundation to position us for further growth in all our key markets. Overall, we look to the future with confidence based on our resilient multi-industry and diversified regional presence.

Hoofddorp, 15 May 2023

Jürgen Steinemann,
Chairman of the Supervisory Board



COMPOSITION SUPERVISORY BOARD

**Jürgen Steinemann**

CHAIRMAN OF THE SUPERVISORY BOARD,
MEMBER OF THE REMUNERATION COMMITTEE

Juergen Steinemann (German national) holds a degree in economics/business studies from the European Business School in Wiesbaden, London, and Paris. He serves since 2016 as the Managing Director of JBS Holding. His company holds participations in the Food and Agri industry. He has a long-standing business experience in the Food and Agri industry including the wholesale, food, food ingredient, agri commodity, food technology and logistics industry as well as the pharma industry. Mr Steinemann currently holds various supervisory positions, e.g., the chairman position of METRO AG, and Plukon b.v., as well as a board position at LONZA. In his last operational role, he served as Barry Callebaut's Chief Executive Officer in Zurich from 2009 to 2015. From October 2015 until the end of 2019, he was a member of its Board of Directors.

**Ben Osnabrug**

CHAIRMAN OF THE REMUNERATION COMMITTEE,
MEMBER OF THE AUDIT COMMITTEE

Ben Osnabrug (Dutch national) is a Partner at Cinven, an international private equity fund. He joined Cinven in 2007 and leads the Benelux regional team and is also part of the Business Services sector team. During his time at Cinven Ben has worked on a number of transactions including Barentz, Envirotainer, group. ONE, Tinsa, Avolon, Guardian, Coor Service Management and Ziggo. After graduating Ben started his career at Citigroup in 2004. Ben has a Masters in Economics and a Masters in Law from the University of Maastricht in the Netherlands.

**Terry Hill**

SUPERVISORY BOARD MEMBER

For more than three decades, Terry Hill (US national) has worked in the distribution business. His early career began in medical distribution, but quickly switched to chemical distribution, in which Terry spent 30 years with Univar Solutions. Serving in various global leadership roles, including President of the U.S., Chief Commercial Officer, and Executive Vice President, Terry was responsible for Europe, South America, Asia Pacific, and ChemPoint. In 2019, Terry joined Maroon Group, acquired by Barentz in 2020, as CEO of North America. He held this position until his appointment to the Supervisory Board in March of 2023. Terry also currently serves on the Board of Blue Pallet, and formally on the Board of Directors of the National Association of Chemical Distributors, as well as Board Member of the Chemical Educational Foundation. Terry Hill holds a Bachelor of Science degree in Microbiology & Chemistry from Texas Tech University.

**John Davison**CHAIRMAN OF THE AUDIT COMMITTEE,
MEMBER OF THE REMUNERATION COMMITTEE

John Davison (British national) earned an MA degree in Natural Sciences and Social & Political Sciences from Cambridge University and then an MBA from Harvard Business School where he was the Paul Revere Prize Winner. Mr Davison has worked for McKinsey as a strategy consultant after which he moved in to Private Equity working for Carlyle, Bridgepoint and laterally founded Pillarstone. Since 2020 he has worked as a Senior Advisor to Cinven and a Supervisory Board Member of Barentz. Mr Davison competed in the Sydney Olympics in 2000.

COMPOSITION SUPERVISORY BOARD

**Harrie Brunklaus**

MEMBER OF THE AUDIT COMMITTEE

Harrie Brunklaus (Dutch national) is currently active as an advisor in M&A transactions, as private investor and in supervisory board roles. He earned a Master Degree in Electronic Engineering at Delft University and a MBA at Rotterdam University. He held for over 35 years various leadership positions at Philips Electronics, always in the B-to-B environment, positions in product management, sales, industrial management, regional management and various general management positions. He was based in Japan, Brasil, Germany and back in the Netherlands always worked in an international context. As senior executive at Philips Electronics he was responsible for a number of complex carve-out divestments and involved in acquisitions and subsequent business integration. He served on the Supervisory Board of a number of Philips Joint Venture Companies.

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 five members, as prescribed by the articles of association. Four members are appointed by the General Meeting, one of whom is appointed as chair of the Supervisory Board. The fifth 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. Roderick Verstegen supports the Supervisory Board as Corporate Secretary.

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 three Supervisory Board members and governed by the relevant terms of reference. In 2022, 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 chairman of the Supervisory Board and the CEO, and the Corporate Secretary takes care of the logistics, compliance with corporate governance and minutes of the meetings.

In 2022, six Supervisory Board meetings were held, all at Barentz' headquarter. All Supervisory Board members were present at all meetings. Financial result, ESG, HR, buy-and-build strategy, and legal and compliance are recurring items on the Supervisory Board's agenda.

Barentz.

Always a better solution.

Concept & design
CF Report

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Barentz
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