

# Campine



# A year in review.

ANNUAL REPORT 2022

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Campine now recycles  
10 million car batteries  
**EACH YEAR**



# Recover. Renew. Repeat.

Campine is creating new material solutions from waste. It's our second nature to care for people and planet and to manufacture products which protect people. Our processes and procedures are immersed in a culture of safety and responsibility.

## About Campine

Campine is the only car battery recycler in the Benelux. Each day, we prevent more than 25,000 lead-acid batteries to end up in landfills. We recycle the lead and recover the acids.

Campine is – outside of China – the largest producer of the most important flame retardant used in plastics and textiles called antimony trioxide. This product, used in many household and building materials yearly saves thousands of lives by delaying or extinguishing flames in fire incidents.









# Message from the chairman and CEO



*Patrick De Groote, chairman of the board*

**That 2022 would be an exciting and promising year for Campine became already clear in the first quarter. The high volumes and strong market demand, which started in 2021, continued. The rising trend of metal prices confirmed this feeling and the positive turn in the negotiations for the acquisition of 2 battery and 1 plastic recycling plants in France fuelled the rising expectations in the course of the first year half.**

However, what no one expected, were the sudden global challenges that dampened economic progress, resulting in renewed volatility. Although the impact of the COVID-19 pandemic initially seemed under control, Russia's sudden attack on Ukraine gradually had its impact from the summer onwards, resulting in a serious energy crisis and skyrocketing inflation.

Campine booked a record result in the first half of the year thanks to continued good volumes with strong margins, good operational efficiency and relatively high metal prices. The expectations for the following months were such that a particularly good result for 2022 could be expected.

In the second semester, there was pressure on the margins in the Specialty Chemicals division, as well as the declining market demand resulting in a downward trend in the antimony price. As far as the Circular Metals division is concerned, the lead price increased during the summer while market demand remained good. Overall, staffing challenges due to illness or occasional supply issues were tackled for both divisions.



The negotiations for the acquisition of 3 recycling plants, in the context of the insolvency procedure of the French Recylex group, were concluded positively. Their integration into the Campine Group started as of Q3. This acquisition is of strategic importance. As a result, Campine doubled its recycling capacity from 90,000 tons of used batteries to approximately 180,000 tons, making us the second largest recycling company for lead-acid batteries in Europe. On top of this, another important step was taken in our circular vision, as our activities were expanded with a polypropylene plastics recycling plant with a capacity of 12,000 tons. This means not only a substantial upstream expansion in the battery recycling value chain, but also a diversification thanks to plastics recovery.

Campine is now a real multi-material recycling group, as we recycle plastics in addition to metals and chemical additives. The 2 acquired battery breaking factories enable us to achieve an increased material recovery rate (MRR) which, according to the latest EU regulations for lead battery reprocessing, should rise to at least 80% by 2030. We now achieve this without having to make large-scale investments. After applying a fair value analysis according to IFRS accounting standards, these acquisitions resulted in a one-time non-cash effect of € 8 million accounting profit (before tax). The integration of these factories in the Campine group is one of the challenges for the coming months. With the current management capacity and the commitment of the local staff, we look forward to this process with confidence.

The implementation of Campine's strategic plan continued in 2022 taking into account the consequences of the COVID-19 pandemic and

the global political and socio-economic events. Campine's resilience in a year marked by uncertainty and major crises was once again confirmed. Great efforts were rewarded with success, both in the core business (production of lead, antimony trioxide and flame retardants) and in new business (metals recovery, recycled plastic). This includes operational efficiency, material and process know-how, purchasing performance and opportunities in certain niche markets. We progress towards our vision of zero-waste in a circular economy by finding new material solutions for post-consumer and industrial waste. Safety remains our overall number one priority.

Campine has made further efforts in the past year to achieve its ESG objectives. With its sustainability policy, Campine distinguishes itself as an industrial pioneer, by basing not only its recycled products but also its entire business operations on ESG principles. In particular regarding the protection of people and the environment throughout the entire value chain. Important work was done to monitor ESG indicators on specific aspects that had already been deployed in 2021, such as personal protection and safety, sustainable business practices, responsible sourcing, material reuse and recovery, clean air and water. The general business trend is that more and more customers are willing to pay a premium for sustainability aspects. We experience this particularly with our unique Re-gen product. This recycled antimony trioxide is the only one available in the world and we can hardly keep up with the demand. Because of the recycling cost, the price of this product is usually slightly higher than the virgin ATO and so we sell it at a premium, which is easily paid by various customers today.

**“Campine distinguishes itself as an industrial pioneer, by basing not only its recycled products but also its entire business operations on ESG principles.”**

*Wim De Vos, CEO*

The outlook for the first months of 2023 shows a relatively stable demand composed out of a slightly declining trend for the Specialty Chemicals division and continued strong demand for Circular Metals. Much will of course depend on the evolution of metal prices in the coming months. A first indication for Q1 2023 indicates a slight increase in the relevant metal prices. Inflation - even fears of recession - and the war situation in Ukraine, the effect of US inflation on interest rates and the potential economic recovery in China after the COVID-19 pandemic will further determine our markets. Operationally, the integration of the newly acquired factories in France is on the list of priorities for Campine. Our current strategic plan will be held against the light of socio-economic and geo-political changes on a global level. Innovation and R&D will continue to receive special attention, especially in the context of customer-made product development and services. Finally, the impact of inflation and changes in certain costs will be handled.

Campine's excellent annual results for 2022 as well as the successful acquisition and integration of the 3 factories in France would not have been possible without efficient team work in both Belgium and France. The commitment of the management and all staff, the contribution of our external advisors and a wide range of other stakeholders as well as the support of the board of directors and of the reference shareholder were decisive in this. Our sincere thanks.

Patrick De Groote  
chairman of the board of directors

Willem De Vos  
CEO



# 2022 Headlines



Record profit with an EBITDA of € 26.6 million.  
(including acquisition valuation effect)



Campine acquires 2 battery recycling sites in  
France from the Recylex group.



Campine diversifies its recycling business  
to plastics. The new “recycled Polymers”  
unit recovers over 10,000 tons of PP out of  
post-consumer waste.



Enhanced attention to safety allows Campine to  
reduce its incidents and accidents severity rate to  
far below the industry’s average.

# The perspective of our independent directors



*Dina Brughmans, independent director*

The board of Campine is composed of 6 directors. Two of them are independent directors.

But what is exactly an independent director?

"An independent director is a director who is not an employee of the company and doesn't hold a personal stake in any of its business (e.g. stock ownership). Instead, these directors serve on boards for many different reasons, often to provide leadership, improve strategy and governance, help with succession planning, and serve as liaisons between shareholders and management.

Independent directors don't have a conflict of interest with the companies where they serve. They bring unique expertise, perspective, and background to the boardroom table. And most importantly, they help maintain an objective viewpoint during decision-making."

How does this translate concretely within Campine? Like in everything@campine, we are very pragmatic and always ensure that all our actions bring added value to the company and its stakeholders.

Our two independent directors bring to the table proven experience and expertise in various domains such as finance, M&A, human resources, operations, sustainability and leadership.

One of them is sitting on the strategy committee where the key strategic orientations of the company are defined and translated into a multiple years business plan that serves as a compass for all key business decisions that the board and the operational management have to take.

The business plan is updated every 3 years but revised each year, taking into consideration major new trends in economic, environmental and social matters. In this process the independent director is expected to feed and challenge the reflections of the strategy committee - and ultimately the Board - with external insights and perspectives.

The second independent director has a seat on the audit committee that plays a critical role in all financial and risks matters. With the support of the external auditor, the audit committee is digging deep into the quarterly financial results and forecasts and addresses key matters such as financing, investments, stock valuation,



just to name a few. The audit committee meetings take place in a very open and transparent atmosphere. All questions are heard and addressed in an exhaustive manner.

Just like the strategy committee, the audit committee is an essential body that prepares critical topics that are subsequently submitted to the board for final debate and decision.

Our two independent directors are also key members of the remuneration committee, where all aspects of compensation, successions, and retention of the Campine management and employees are addressed. People are very central to the considerations of this committee; they deserve and receive the full attention of all our directors.

Finally, it may be worth underlining that both our independent directors are women. They bring a very important diversity dimension to the Campine Board, which is essential to the sound management of the company.



*Ann De Schepper, independent director*

“Independent directors don’t have a conflict of interest with the companies where they serve. They bring unique expertise, perspective, and background to the boardroom table. And most importantly, they help maintain an objective viewpoint during decision-making.”



# Gender diversity

As many other industrial sectors, the metallurgical world in which Campine has its origins, has largely been a “man’s world”. Not only in the board room, but also in the factory, Campine aims to balance this equilibrium, although such is not easy. With ladies amongst others in the maintenance, process engineering and logistics departments steps towards more equal gender employment are set. We asked several of our female employees how it is like to work in this apparent “macho metals world”.

Below you’ll find an open talk with Nore, responsible for quality and constantly active in the factory amongst fellow workers, Els who, heading the logistics department, deals with most if not all truck drivers from around Europe and also Emilie, financial controller in our French Villefranche factory.

## How long have you been with the company?

Emilie already works 16 years for the company. She joined (then still Recylex) after an internship in corporate finance. At that time, due to the Recylex financial difficulties, many functions had disappeared, including controlling. At the end of her internship, she was offered the opportunity to re-establish this function in the company.

Nore has been working at Campine for 5 years now. During this period she held the position of quality analyst. In January 2023 she was given the opportunity to join an internal growth trajectory to become process engineer.

Els started in the logistics department 17 years ago as administrative support. 5 years ago she was given the opportunity to become Chief Logistics. Together with her team, she plans the incoming and outgoing transports and guides drivers and external service providers on a daily basis.



**How do you look toward Campine in terms of corporate sustainability elements? And what do you think about Campine's values?**

"Campine is very committed to sustainability and communicates easily on this subject with its employees. From the very first day, the management presented its commitments and vision to us. Beyond the values themselves, it is important for every employee to know them, to understand them and to adhere to them. Campine's has straight forward values that make sense to us. They advocate respect, efficiency and common sense."

**The metallurgical world is mostly dominated by men, how do you cope with this? Does Campine give enough attention to gender diversity?**

"It's true that the metallurgical world is a rather man's world. However, as there are a lot of women in the administration services, Campine does not feel as a man's world." according to Emilie.

"It goes without saying that in a production support function you are indeed submerged in the men's world within Campine." Nore explains. "But everyone acknowledges that good communication is crucial in a production environment. We never got the feeling that we had to behave differently in our position because we are women."

Els elaborates: "Internally we have never been confronted with difficulties or discrimination linked to the fact that we are women. Colleagues are extremely respectful and positions of responsibility are not necessarily reserved for men. To avoid being walked over as a woman, you sometimes have to be assertive towards external parties which are predominantly men."

"At Campine we don't relate to others differently depending on whether they are men or women. We pay attention to people's behavior and skills rather than to their gender. The only difference is that there are stricter health standards for women, such as biomonitoring levels. This is not always easy but we notice that Campine facilitates female employment through additional efforts. This shows that Campine is concerned with gender diversity and tries to make as little as possible distinction when filling a position."

**How did or do you and your colleagues experience the integration with Campine? Does Campine give enough attention to the cultural differences?**

Emilie states: "The integration was rather easy because we were eager and happy to join the Campine group. And we were very well received by our Belgian colleagues. It's a lot of changes though and it's not easy. We must question ourselves and accept to change our way of working. We sometimes have heated discussions but it's always enriching, and it allows us all to move forward and improve our processes by adopting best practices. Campine is very attentive to cultural differences, and everything is done to ensure that the integration goes as smoothly as possible. We have been working together for over six months now and got to know each other so communication and understanding are getting easier."

I feel very welcome and accepted by Campine. I think that the Group wanted to keep the know-how and skills. You can feel this daily. Indeed, the management listens to us, takes our comments and experience into account."

**How do you look at your future within the company and what would you like to realize in the coming years?**



“Being part of a larger organization with a long-term vision and development plans offers additional opportunities for growth. We are currently reviewing our processes and tools to align with Campine’s way of working. We need to automatize and modernize. This will allow me to spend less time collecting and producing figures and more time analyzing them, so that I can help management in its decision-making which is my real mission as controller. I want to feel good in the company and participate in its development and success.”

*Emilie*

“At the moment I have just entered a growth trajectory to become a process engineer. In the short term, of course, I hope to be able to familiarize myself with this new position. For the more distant future, this position certainly offers me the opportunity to realize further expansion within circular waste streams. Being able to contribute to this sustainable process is a great future prospect for me at Campine.”

*Nore*



“I am very positive about the future here. Campine really looks forward. We expanded in France and we also invested in new equipment in other departments in Belgium. Due to this constant growth, I notice the expansion and renewal of our logistics department. Who knows, perhaps there are possibilities to organise shipments via the canal, along which we are located.”

*Els*





# 6 values that define our company



Safety is our first concern



We decide, act and finish  
what we started



We engage in those things where we  
can make a significant contribution

We keep things simple



We are not afraid to say no



We respect people and planet

A portrait of Leo Cazaerck, Assets & Engineering director, is shown in the top right corner. He is a middle-aged man with short, graying hair, wearing a blue patterned shirt and a dark blue blazer. He is looking slightly to the left with a thoughtful expression. The background is a blurred green, suggesting an outdoor setting.

# Investing in future growth

*Leo Cazaerck, Assets & Engineering director*

**Over the past few years, Campine has consistently secured its future by realising a number of major investments. Obsolete equipment was replaced or refurbished and new “state of the art” installations were built to increase production capacity and improve efficiency. A number of major projects are still planned for the upcoming period.**

## Current investment cycle

Undoubtably Campine is 100% committed to safety. This is confirmed a.o. by the automation project for loading the converters with antimony blocks (2021). Guided by an high-tech camera that accurately detects the position of the 30 kg blocks, a robot picks up the selected blocks and places them on a conveyor belt which then takes care of further transport to the reactors. Ergonomic problems and accidents due to manual handling of blocks have been completely eliminated thanks to this project. In addition, this automation greatly improves the stability of the process and the quality of the end product. Replacing the old ingot line, to cast lead metal ingots, with a new “state of the art” installation (2022) was

essential to guarantee a continuous production of these “lead ingots”. The new line, which is equipped with modern robot technology, has the double capacity of the old line and is housed in a new and spacious building. The platforms around the line and the overhead crane covering the entire surface of the building improve accessibility for both production and maintenance personnel and significantly increase ergonomics and safety. The line is now fully operational, but it remains necessary to solve the remaining startup issues and fine-tune it further in order to increase the operational efficiency. The demolition of the old ingot line frees up space to expand our refining capacity even more.

In 2021, the business unit Metals Recovery installed an innovative recycling line. The process and the antimony trioxide recycling equipment itself were developed in-house by our R&D and engineering teams. This invention was rewarded with a € 1 million subsidy by the Flemish Government as a circular economy investment. Campine is now able to recover large volumes of antimony trioxide from antimony containing metal waste streams in a smart and efficient way.



In order to comply with the most recent legal requirements regarding electrical installations, it was necessary to revamp the entire medium and low voltage distribution for the entire site (2022). Transformers were replaced, new cables were laid, switchboards were renewed and cabins added. The connection with the power supplier was completely refurbished and allows an increase of available power. By using specialised construction techniques such as controlled soil drilling, a smart planning of activities and spreading the implementation over several years, the impact on production activities was second to none. This project was successfully finalised in 2022. The new installations, based on the most modern technology, are very reliable and meet very strict safety standards. The expansion options also make this project future-proof.

## Future

To enable further growth of our Flame Retardant Masterbatches BU and thus meet the increasing demand for flame retardants, our “NeXt” project will be developed. This project includes a new production building and a new extrusion line with a higher capacity. Much attention is paid to safety, ergonomics and the use of energy-efficient engines and heating techniques. By providing space in the building for 2 additional production lines, further expansion can be realised easily in the future.

Thanks to the efforts of our own dedicated engineering team in collaboration with the production departments and the application of the right standards and project methods, Campine continuously succeeds in realising projects within the deadlines and budgets, even when work has to be done in and around existing buildings and installations, adding an extra dimension to the complexity of the projects.

Finally, Campine’s long-term vision and business plan form the basis for determining the right investments and the associated timing. Undeniable proof that Campine has a long and interesting future ahead of it.

“Campine’s long-term vision and business plan form the basis for determining the right investments and the associated timing.”





# 2022 Financials

## TURNOVER

€ 317.4m

## NET RESULT

€ 15.8m

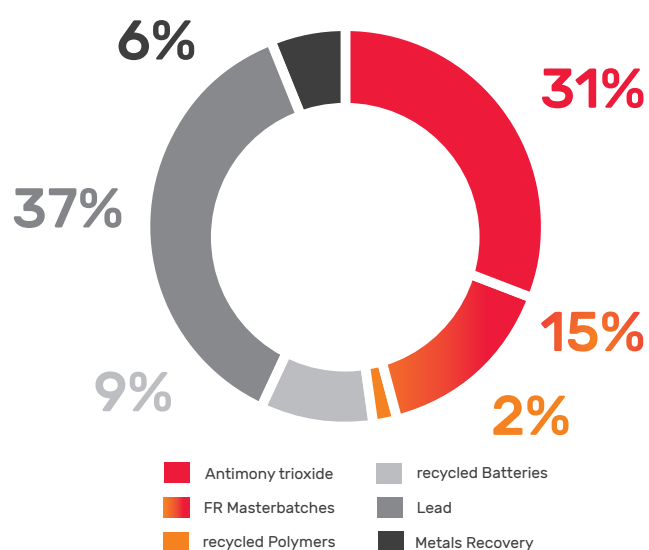
## EBITDA

€ 26.6m

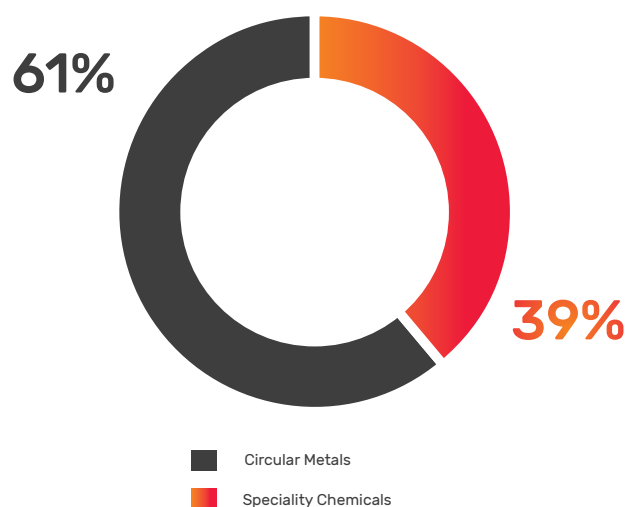
## SOLVABILITY RATIO

€ 47%

TURNOVER PER BU  
(rB AND rP ONLY FOR 6 MONTHS)

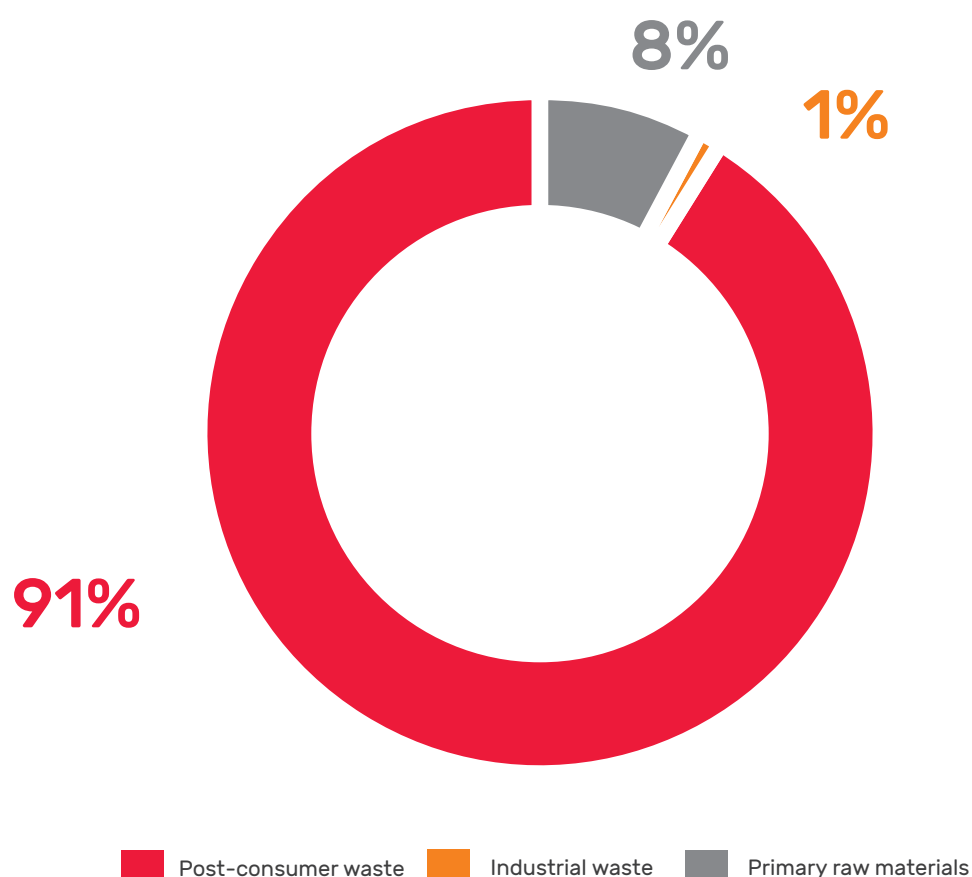


OPERATIONAL EBITDA PER DIVISION



# Circular economy

IN ITS FACTORIES CAMPINE HAS CONVERTED 142 THOUSAND TONS OF MATERIAL OF WHICH 91% IS POST-CONSUMER WASTE.



## RECYCLED MATERIALS

|                           |                                 |                           |                               |                             |   |
|---------------------------|---------------------------------|---------------------------|-------------------------------|-----------------------------|---|
| 82<br>Pb<br>Lead<br>207.2 | 51<br>Sb<br>Antimony<br>121.760 | 50<br>Sn<br>Tin<br>118.71 | 47<br>Ag<br>Silver<br>107.868 | 79<br>Au<br>Gold<br>196.967 | <br>PP |
|---------------------------|---------------------------------|---------------------------|-------------------------------|-----------------------------|---|



The board of directors of Campine nv reports to the shareholders on the company's activities and results over the financial year 2022. The consolidated annual accounts, the statutory annual accounts and this annual report were approved by the board of directors on 10 March 2023 and will be presented to the general meeting of 24 May 2023.

# Annual review 2022

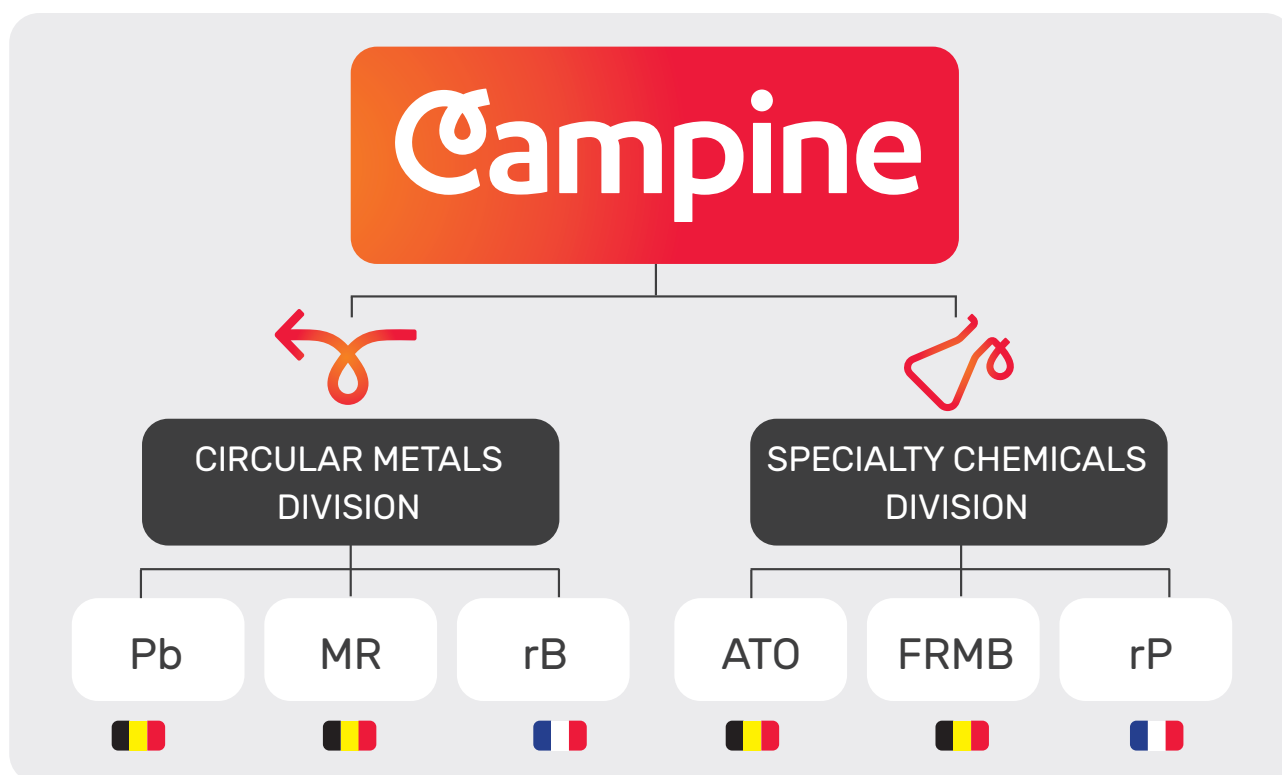
## 1. The leap forward

In 2022 **Campine** acquired an interesting set of assets, including the key-personnel in the bankruptcy proceedings from its French competitor Recylex. By doing so Campine not only becomes Europe's second largest lead-acid battery reprocessing company, but also diversifies into plastics recycling. In combination with a strong operational year, this resulted in historical record profits, with the EBITDA reaching € 26.6 mio.

The acquired assets consist of 2 lead-acid battery breaker plants and a PP plastic recycling factory in France. The effective volume of used batteries which Campine now recycles amounts to 180 thousand tons

or the equivalent of 10 million car batteries per year. This not only expands Campine's feedstock reach as we now collect used batteries in a much broader region, but it also diversifies our sales into plastics recycling.

The battery breaker activities in France are hosted in a new business unit called 'recycled Batteries' and are integrated in our Circular Metals division (formerly Metals Recycling division) as it is an upstream addition to its business. The plastics recycling company C2P becomes Campine 'recycled Polymers' business unit and is hosted in the Specialty Chemicals division, due to its overlap in customers and technology with our Flame Retardant Masterbatches BU (formerly Plastics BU) in Beerse.



The demand in the **Specialty Chemicals** division remained extremely high until the 2022 summer, normalized during autumn and weakened somewhat further at year-end. The rise of antimony metal prices which started mid 2020 came to its peak of about \$ 14,000/ton during the summer and reflected the weakened demand by cooling down towards \$ 11,000 at year-end. The second semester was thus rather difficult, as we had to cope with stock value depreciations due to the lower market prices, which put pressure on the margins.

In the **Circular Metals** division the demand remained strong throughout the year 2022. The temporary (or perhaps definite) closure of several lead smelter competitor production plants, creates a relative shortage of lead metal in Europe. The higher energy prices, inflation and increased regulatory burden are

being absorbed by the complete supply chain: Campine worked and is working with its suppliers and customers to reach a balanced 'new normal'. In comparison with other metallurgical companies, the impact of energy costs at Campine is limited.

Lead LME prices decreased in the 1st semester after the onset of the Russia - Ukraine war, but recovered toward year-end. Campine's lead output levelled at around 60,000 tons, somewhat limited due to the ramp-up of newly installed equipment.

Both French ex-Recylex battery recycling plants were transferred to Campine on July 7th and remained in normal operation. The integration into the Campine group really started after the summer shutdown and ran smoothly according to plan. These operations are now in full production.

## 2. Group results

| in mio eur | Consolidated |       | Consolidated 2022 thereof |                          |                                  |
|------------|--------------|-------|---------------------------|--------------------------|----------------------------------|
|            | 2021         | 2022  | BELGIUM                   | Acquired business FRANCE | one-time IFRS acquisition effect |
| Revenue    | 226.3        | 317.4 | 287.8                     | 29.6                     |                                  |
| EBITDA     | 22.6         | 26.6  | 17.2                      | 1.8                      | 7.6                              |
| Net Result | 13.5         | 15.8  | 8.4                       | 0.9                      | 6.5                              |

Campine realised a total consolidated revenue of € 317.4 mio (including 6 months of revenue of the acquired French plants) which is 40% higher than the € 226.3 mio in 2021. Excluding the acquisition 'the like for like' revenue comparison would be € 287.8 mio in 2022 compared to € 226.3 a year earlier (still +27%). The higher revenue is mainly related to the higher volumes and prices as the volumes remained almost equal.

The EBITDA increased from € 22.6 mio in 2021 to € 26.6 mio, which is 18% higher. This 2022 EBITDA includes € 17.2 mio from the Belgian operations, the acquired French operations contributed € 1.8 mio and a one-time positive non-cash effect of € 7.6 mio (before tax) as a result of the acquisition assimilation under IFRS 3 accounting rules.

The net result (EAT) for 2022 amounted to € 15.8 mio (including € 6.5 mio from the acquisition assimilation) which represents a 17% increase compared to € 13.5 mio in 2020.

The acquisition was completely financed with own cash. Our financial ratios continued to remain very solid during 2022 despite the acquisition and increased need for working capital (high material prices). The solvency rate remains strong at 47% (equity/balance sheet total). Our financial resources allow us to continue financing future expansions and renewals.



Volume  
18,500 ton

EBITDA  
€ 6.4 mio



### 3. Specialty Chemicals division

This division (business segment) is composed of the business units Antimony trioxide (ATO), Flame Retardant Masterbatches (FRMB) and recycled Polymers (rP).

#### 1. VOLUMES

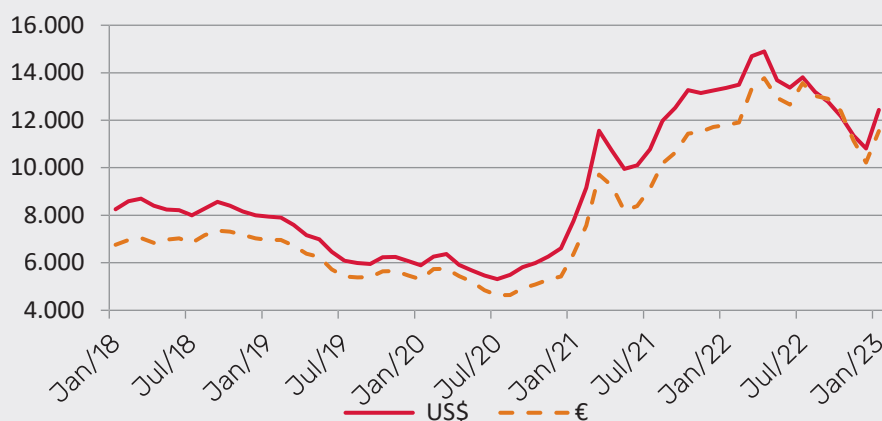
The sales volume in the Specialty Chemicals division grew with 18.5% to about 18,500 tons (including 3,400 tons of recycled polypropylene from the acquired business).

#### 2. REVENUE AND EBITDA

Revenue is strongly linked to the evolution of antimony metal prices, hence our sales revenue increased drastically in 2022. The average antimony Metal Bulletin price in 2022 was \$ 13,160/ton which is 18% higher than in 2021, when the average price amounted

only to \$ 11,187/ton. The 2022 revenue ended at € 153.5 mio (including € 6.2 mio from the acquired rP business) which is 44% higher than the 106.4 mio a year earlier. After a record first year half, results suffered in the second semester due to declining demand and lowering material prices. The EBITDA ended at € 6.4 mio, a decline with 47% from the € 12.2 mio a year earlier. In 2021 Campine's Specialty Chemicals business indeed benefitted from the continuous augmenting material prices throughout the year, whilst in 2022 - although prices were on a high level - such positive effect was absent. The inflation of wage and general costs was included in the sales prices and mostly accepted by the market.

Antimony free market 99.6% in \$/ton en €/ton



## 4. Circular Metals division

This division (business segment) is composed of the business units Lead (Pb), Metals Recovery (MR) and recycled Batteries (rB).

### 1. VOLUMES

We concluded the year with a sales volume of approx. 91,800 tons, which is an increase of 38% compared to the 63,850 tons in 2021. The acquired French business added sales of 26,300 tons battery fractions and accounts for the majority of the growth. The lead refinery in Beerse had slightly lower output due to the installation and startup of new equipment.

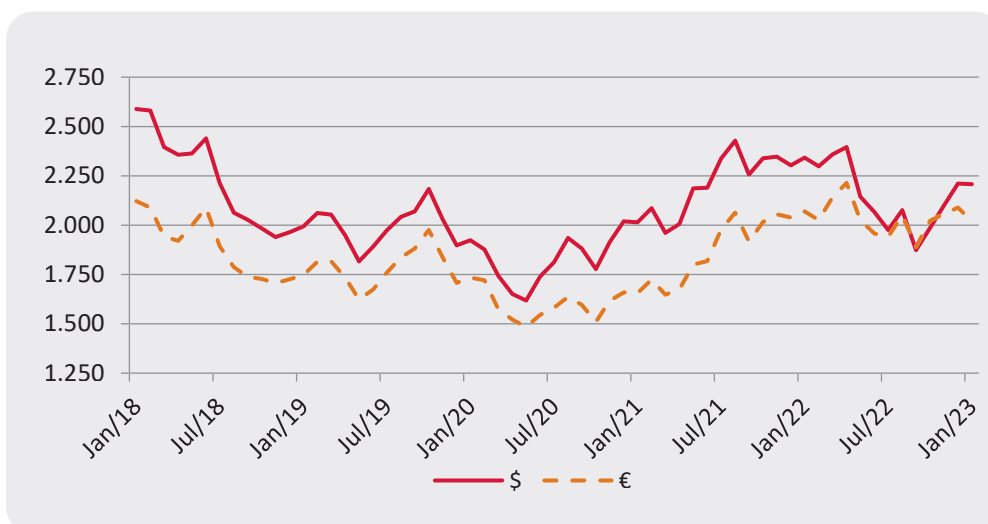
### 2. REVENUE AND EBITDA

The higher LME lead prices contributed positively to the higher revenue and operational result. Our margins are typically under pressure when the LME

has a downward trend but recover during upward movements. This is also the case for the sales of the battery fractions from the acquired business. As sales prices are linked to the LME, it is more difficult to pass on increased costs and inflation to the market. However, Campine was successful in negotiating new contracts with its suppliers and customers to absorb most of the higher expenses. The average LME price in 2022 was about € 2,040/ton, which is about 9% higher than in 2021 (€ 1,870/ton).

The revenue increased by 38% to € 196.8 mio (including € 29.6 mio from the acquired operations) compared to 142.2 mio in 2021 whereas the EBITDA grew to € 12.5 mio (including € 1.2 mio from the acquisition) which is +20% compared to 2021 with € 10.5 mio.

Lead LME cash/ton in \$ and in €



Volume  
91,800 ton

EBITDA  
€ 12.5 mio

## 5. Perspectives for 2023

The demand in the **Specialty Chemicals** division is gaining some ground in Q1 2023 compared to the weak sales at the end of 2022, although we expect the first semester sales volume still to be below previous years. We have however been able to maintain our margins and as antimony metal prices are increasing again (due to tight ore concentrates supply in Asia), we expect positive stock value impacts. In general, demand for flame retardant products and recycled PP continues to grow.

In our **Circular Metals** division lead LME prices lingered on average around or above € 2,000/ton and we expect prices to remain at this level. New purchase and sales contracts at improved conditions should have a positive impact in the course of the year and allow to absorb the higher labour and energy costs. Demand for lead remains good and we expect the replacement investments carried out in 2022 to allow higher output and efficiencies.

In **2023** Campine will focus on the further integration of the acquired operations and implement some synergies. The combination of the acquired business is leading to new opportunities and broadens Campine's selling proposition. We already hope to see a positive impact of this during 2023, in which we will also consolidate the full year revenues and returns of the new French assets.

## 6. Diversity policy

Our workforce is one of the key-factors to our success. Each employee is unique thanks to his/her personal and specific knowledge, life experience, talents and other characteristics. In case of vacancies everyone is assessed equally regardless of gender, believe or origin.

Based on our diversity policy we have built up a strong workforce with complementary teams. There are men and women of different nationalities, age, thoughts and belief ...

Campine also complies with the corporate governance legislation regarding gender diversity in the board of directors.

## 7. Corporate matters

### SIGNIFICANT EVENTS AFTER THE CLOSE OF THE YEAR

On March 8th, 2023 the European General Court of the EU decided in favour of Campine in the case of Campine against the EC for interest refund. Campine claimed back € 300 K of interest based on the 2019 judgement of Campine's limited involvement in the battery case. No other significant events occurred after the close of the year.

### USE OF FINANCIAL INSTRUMENTS BY THE COMPANY, TO THE EXTENT THAT THESE ARE SIGNIFICANT IN EVALUATING ITS ASSETS, LIABILITIES, FINANCIAL SITUATION AND EARNINGS

No deviating valuation rules have been used compared to the standard IFRS rules. For a detailed description of the valuation rules we refer to our "Consolidated financial statements 2022 – 5.2.6 Financial instruments".

### CIRCUMSTANCES WHICH COULD SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE COMPANY

There were no changes in circumstances which could substantially influence the development of the company.

### RESEARCH AND DEVELOPMENT

Research and development is a constant theme in the improvement of the mastering of our production processes and the applicability of our products in specific markets. In each business unit, research projects were started up in collaboration with customers to develop new innovative products.

### DIVIDEND

The board proposes that the company pays a gross dividend of € 2.50 per share, amounting to a total of € 3.750 mio based on the 2022 result. This dividend reflects the policy to distribute 1/3 of the net result, this time taking into account the operational results and excluding the one-time non-cash effect from the acquisition. A dividend of € 4.2 mio was paid on the basis of the 2021 result.

### STATUTORY AUDITOR

For the audit and non-audit services, a total of € 233,500 in fees excluding VAT and customary expenses has been approved by Campine NV and subsidiaries to the statutory auditor and his network.



The non-audit services in this amounted to € 56,000, of which € 11,000 were performed and invoiced by the statutory auditor's network.

#### **DISCHARGE TO DIRECTORS AND STATUTORY AUDITOR**

The board of directors proposes granting discharge to all directors and the statutory auditor in respect of the exercise of their mandates in 2022.

#### **STATUTORY APPOINTMENTS**

See composition board of directors.

## **8. Fairness statement**

The board of directors declares that to the best of their knowledge:

- the financial statements, prepared in accordance with the IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and the results of the company, including its consolidated subsidiaries;
- the annual report gives a true and fair view of the development and results of the company, including its consolidated subsidiaries, together with a description of principal risks and uncertainties that they face.
- the tagging of the annual financial report, executed in accordance with the ESEF-format according to the regulatory technical standards set by the European Delegated Regulation, gives a true and fair view of the financial statements of the company.



# Corporate governance statement

Campine's corporate governance charter is established in accordance with the principles of the Belgian Corporate Governance Code 2020. This code can be found on the website of the Commission Corporate Governance ([www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be)). Our charter describes amongst others the current procedures and rules regarding corporate governance, the functioning of the board of directors and its committees (audit committee, nomination & remuneration committee and strategy committee). Our charter was adjusted in compliance with the new Code 2020. It is updated in case of changes to the Belgian Corporate Governance Code or to Campine's corporate governance model. The current version was approved by the board of directors on 10 March 2023. Our charter can be found on the website ([www.campine.com](http://www.campine.com)) at 'Investors/Shareholder information'.

This corporate governance statement mentions the actual implementation of our corporate governance charter in 2022. It is established in accordance with the 'comply or explain'-principles. The recommendations 3.4 and 4.3 of the Corporate Governance Code are only partially followed. The explanation for these deviations can be found further in this Statement. The recommendations 7.6 and 7.9 of the Corporate Governance Code are not followed. The explanation for this can be found further in the remuneration report.

## 1. Corporate capital and shareholding

### 1.1. CORPORATE CAPITAL

The corporate capital is set at 4,000,000 € represented by 1,500,000 shares without nominal value. The capital is fully paid up. One share represents one vote. There are no statutory nor legal restrictions regarding the transfer of shares, no special voting rights nor shareholders' agreements.

### 1.2. SHAREHOLDING STRUCTURE ON BALANCE SHEET DATE

| Name   | Number of shares | % of the voting rights |
|--|------------------|------------------------|
| F.W. Hempel Metallurgical GmbH<br>Weissensteinstraße 70,<br>46149 Oberhausen,<br>Germany | 1,077,900        | 71.86%                 |

The ultimate parent of the group is the F.W. Hempel Familienstiftung. The ultimate controlling person is Mr Friedrich-Wilhelm Hempel.

The remaining shares (28.14%) are, as far as the company knows, held by the public. The company has until now not received any notices from other shareholders, who are compelled to disclose their shareholdings pursuant to Belgian law governing the notification of major shareholdings.

#### Public takeover bid

Proceedings in case of a public takeover bid are mentioned in articles 7 (Authorised capital) and 12 (Acquisition of own shares) of the articles of association.

#### Rules regarding the exercise of the voting rights

Rules regarding the exercise of the voting rights are mentioned in article 10 (Exercise of the rights attached to the shares) of the articles of association. No shareholder has any special rights. There are no statutory restrictions regarding the exercise of voting rights.

## 2. The board of Directors

### 2.1 COMPOSITION

Rules for the appointment and replacement of the directors are mentioned in articles 13 (Composition of the board of directors) and 14 (Premature vacancy)

of the articles of association. On 12/31/2022 the Company's board was composed of six members, being one executive director and five non-executive directors, of whom are two independent directors.

#### DELOX BV, chairman of the board

- Non-executive director represented by its permanent representative Mr Patrick De Groote (appointed on 05/28/2019 for a period of 4 years) and hereafter referred to as "DELOX". A proposal to renew the mandate of DELOX BV, represented by its permanent representative Mr Patrick De Groote for a period of 4 years will be submitted to the general meeting.
- Director of various companies.

#### Friedrich-Wilhelm Hempel

- Non-executive director (appointed on 05/26/2021 for a period of 4 years).
- Shareholder and director of various private companies in Europe.

#### Hans-Rudolf Orgs

- Non-executive director (appointed on 05/25/2022 for a period of 4 years).
- Managing director of the holding company F.W. Hempel & Co Erze & Metalle.



#### FLG BELGIUM SRL

- Non-executive and independent director represented by its permanent representative Ms Dina Brughmans (appointed on 05/26/2021 for a period of 4 years) and hereafter referred to as "FLG BELGIUM".
- HR and Change Management senior Advisor.

#### YASS BV

- Non-executive and independent director represented by its permanent representative Ms

Ann De Schepper (appointed on 05/27/2020 for a period of 3 years) and hereafter referred to as "YASS". A proposal to renew the mandate of YASS BV, represented by its permanent representative Ms Ann De Schepper for a period of 4 years will be submitted to the general meeting.

- CEO, Agilitas Group.

#### ZENDICS BV

- Managing director represented by its permanent representative Mr Willem De Vos (appointed on 05/28/2019 for a period of 4 years) and hereafter referred to as "ZENDICS". A proposal to renew the mandate of ZENDICS BV, represented by its permanent representative Mr Willem De Vos for a period of 4 years will be submitted to the general meeting.
- Director and advisor to boards of various companies.

None of the directors has an additional mandate in a Belgian company listed on the stock exchange.;

Campine applies the independence criteria as mentioned in our corporate governance charter. The independent directors declare that they comply with art. 7:87 §1 of the Belgian Code on Companies and Associations.

The Corporate Governance Code 2020 (art 3.4) requires that the board should comprise at least three independent directors. In view of the limited size of the board – which consists of 6 directors in total – there were 2 independent directors on 12/31/22. This number represents one third of the total number of directors. The board is of the opinion that this ratio is sufficient. With a 6-person board of directors we have efficient decision-making whilst all directors can largely contribute to the discussions with their experience and knowledge.

Diversity policy: There are currently two female directors, which represents one third of the total number of directors. In composing the board, we ensure that the directors have a complementary set of competences and talents. All genders are considered equal in case of vacancies. Thanks to our diversity policy, our board of directors is a compact yet diverse group of men and women of different nationalities, age, thoughts and belief ...



At the start of the nomination process, the nomination & remuneration committee draws up a profile – based on an evaluation of skills, experience and knowledge – which the candidates must meet.

Ms Karin Leysen acts as company secretary. She assists the board in most compliance matters and makes sure the board adheres to its obligations under the law, the Articles of Association and the internal rules and regulations.

## 2.2 FUNCTIONING

The board meets on average four times a year. This frequency enables the board to keep regular and continuous track of the consolidated and unconsolidated results, the general state of business and developments at both Campine and its subsidiaries, investment programmes of Campine, acquisitions and divestments by the Group, development of the management, etc. The board shall be called by the chairman or the managing director whenever the company's corporate interest so requires. Upon request of at least two directors additional meetings are convened.

The board of directors met 5 times in 2022:

|              | 02/25/2022 | 03/11/2022 | 05/25/2022 | 08/26/2022 | 12/15/2022 |
|--------------|------------|------------|------------|------------|------------|
| DELOX        | ✓          | ✓          | ✓          | ✓          | ✓          |
| ZENDICS      | ✓          | ✓          | ✓          | ✓          | ✓          |
| F.-W. HEMPEL | ✓          | ✓          | ✓          | -          | ✓          |
| H.-R. ORGS   | -          | ✓          | ✓          | ✓          | ✓          |
| YASS         | ✓          | ✓          | ✓          | ✓          | ✓          |
| FLG BELGIUM  | ✓          | ✓          | ✓          | ✓          | ✓          |

The following subjects were discussed:

- Strategy.
- Results of Campine and its subsidiaries Campine Recycling, Campine France and Campine recycled Polymers (formerly C2P)
- Evaluation of last and current year's budget.
- Determination of next year's budget.
- Composition and evaluation of the board of directors.

- Approval of new investments.
- Evaluation of running and completed investments.
- Determination of the annual accounts for approval by the general meeting.
- Composition of the annual report to the general meeting.
- Composition remuneration report to the general meeting.
- Approval of the invitation of the general meeting.
- Approval of press releases to be published.
- Proposal of the nominations to the general meeting.
- Evaluation and determination of the risk position of lead and antimony, credit risk.
- Evaluation of the general risks and exposures to risks.
- Credit loans and bank balances.
- Status of the different business units.
- Status: personnel and organisation.
- Status: safety, health and environment.

## 2.3 EVALUATION

Campine has historically opted for a 'one-tier' governance structure with a board of directors. In view of the acquisition in France early July 2022, this structure was evaluated and confirmed by the board in December 2022. At least every five years, the board will assess this structure. If this structure is considered as not appropriate anymore, it will propose a new governance structure to the general meeting.

Every 3 years the functioning of the board, its committees, the chairman and the individual directors are evaluated in the framework of good corporate governance practices. Formal evaluation interviews covering the functioning in the period 1/1/2019 to 31/12/2021 have been held with the directors and with selected individuals of the executive management team and the company secretary, covering the following headlines:

- Composition and quality of the board.
- Understanding the business and risks.
- Processes and procedures.
- Specialized committees: audit, nomination/remuneration and strategy.
- ESG (Environmental - Social responsibility - Governance).
- Interaction and communication with executive management team and company secretary.
- Recommended actions for the next evaluation period.

In summary there is a unanimous feeling of good functioning of the board with freedom of speech and in line with corporate governance rules. Recent developments concerning ESG matters are either covered or under preparation. Recommendations for points of attention in the coming years relate to persistent safety policy, ESG reporting, cyber-security, focus on long term strategy, retention plan for senior management and information/learning sessions for directors on governance developments in the market.

### Evaluation of the interaction with the executive management team

The various members of the executive management team are regularly invited to the meetings of the board of directors and the committees during which they present specific aspects regarding their responsibilities. They also have the opportunity to consult with the non-executive directors. Everyone considers this active interaction between the executive management team and the board of directors positive.

## 3. Board committees

### 3.1 THE NOMINATION & REMUNERATION COMMITTEE

The nomination & remuneration committee (acting as a remuneration committee within the meaning of article 7:100 of the Belgian Code on Companies and Associations) assists the board in all matters related to the appointment and remuneration of the directors and the executive management team.

The nomination & remuneration committee advises the board regarding adjustments to the remuneration policy, prepares the remuneration report and clarifies it during the general meeting.

The managing director participates in the committee with an advisory vote, each time the nomination & remuneration committee is dealing with the remuneration of the members of the executive management team and when the committee invites him.

On 12/31/2022 the nomination & remuneration committee consisted of the chairman of the board (DELOX), the independent director FLG BELGIUM and the independent director YASS.

All members have the necessary expertise in the field of remuneration as a result of their yearlong experience in the business environment and in business associations.

The nomination & remuneration committee met twice times in 2022:

|             | 02/24/2022 | 12/15/2022 |
|-------------|------------|------------|
| DELOX       | ✓          | ✓          |
| YASS        | ✓          | ✓          |
| FLG BELGIUM | ✓          | ✓          |

The following subjects were discussed:

- Composition of the board of directors.
- Nomination board members.
- Preparation of the remuneration report for the board.
- Director's remuneration: tantième and director's remuneration.
- Composition, evaluation and remuneration of the executive management team.
- Evaluation and functioning of the board committees and directors.

### 3.2 THE AUDIT COMMITTEE

The audit committee has, at least, the following tasks:

- Monitoring the financial reporting process.
- Monitoring the effectiveness of the company's internal control and risk management systems.
- Monitoring the internal audit and its effectiveness.
- Monitoring the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the statutory auditor.
- Reviewing and monitoring the independence of the statutory auditor, in particular regarding the provision of additional services to the company.
- Risk management of the company.

Furthermore, the audit committee monitors the functioning of the executive management team. The audit committee reports all matters in respect of which it considers that action or improvement is needed to the board.

On 12/31/2022 the audit committee consisted of Mr H.-R. Orgs and the independent director FLG Belgium.

The Group complies with the requirements of the law and confirms that the independent directors comply with the law as to independence and competence criteria in the field of accounting and audit thanks to their extensive experience in a production environment and broad knowledge of finance and metal trading.

Pursuant to the Corporate Governance Code 2020 (article 4.3) each committee should have at least three members. In 2022, the audit committee only consisted of two directors – of which one independent director – due to the limited size of the company and the board of directors. The CEO and the CFO are invited to join each audit committee meeting.

In 2022, the audit committee met 5 times in the presence of the statutory auditor.

|             | 02/22/2022 | 05/19/2022 | 08/23/2022 | 11/23/2022 | 12/07/2022 |
|-------------|------------|------------|------------|------------|------------|
| H.-R. ORGS  | ✓          | ✓          | ✓          | ✓          | ✓          |
| FLG BELGIUM | ✓          | ✓          | ✓          | ✓          | ✓          |

The following subjects were discussed:

- Evaluation of the results of the current year.
- Preparation of the credit risk for the board.
- Preparation of the risk position of lead and antimony for the board.
- Risk analysis 'market risks'.
- Examination of the year and half-year figures and evaluation of the accounting estimates and judgements as a result of the closure of the financial year.
- Further transformation of the annual results as to ESEF-regulations.
- Internal control.
- Examination legal cases.
- Preparation of next year's budget for the board.
- Evaluation of the current budget.
- Press releases to be published: year results, half-year results ...

### 3.3 THE STRATEGY COMMITTEE

The strategy committee assists the board in all matters related to the general management of the company and its subsidiaries.

On 12/31/2022 the strategy committee consisted of the director DELOX, the independent director YASS and the managing director ZENDICS.

In 2022, the strategy committee met once: on 2 December 2022. All members (DELOX, ZENDICS and YASS) were present.

The following subjects were discussed:

- Update of the business plan.
- The long term strategy and developments per division
- The development of new markets and products.

The committee's regulations can be found in annex of our corporate governance charter.

## 4. Executive management team

### 4.1 COMPOSITION

|                          |  |
|--------------------------|--|
| <b>Willem De Vos</b>     | as permanent representative of ZENDICS BV managing director / Chief Operating Decision Maker |
| <b>Leo Cazaerck</b>      | Assets & Engineering director  |
| <b>Nicolas De Backer</b> | Managing director France and Group Supply Chain director                                     |
| <b>Hilde Goovaerts</b>   | Sustainability director  |
| <b>Jan Keuppens</b>      | Chief Financial officer  |
| <b>Hans Vercammen</b>    | division director Specialty Chemicals  |
| <b>David Wijmans</b>     | division director Circular Metals  |



## 4.2 FUNCTIONING

The managing director's responsibilities include developing and monitoring of the business plans for each business unit, as approved by the board, the implementation of the decisions of the board and the setting up of the necessary investment programmes, which are then presented to the board for approval. Furthermore, the managing director ensures that valid legislation is respected and that the company works in compliance with all valid safety, health and environmental regulations.

The managing director is assisted by the executive management team. The executive management team reports to the managing director and enables the managing director to properly perform his duties of daily management.

## 5. Internal control and risk management system

Campine organises the management of internal control and corporate risks by defining its control environment (general framework), identifying and classifying the main risks to which it is exposed, analysing its level of control of these risks and organising 'control of control'. It also pays particular attention to the reliability of the financial reporting and communication process.

### 5.1 CONTROL ENVIRONMENT

- **Company organisation:** The company is organised into a number of departments as set out in an organisation chart. Each person has a job description. There is a power of attorney procedure. The company's representation in different areas like human resources, purchase, sales, is integrated in the 'internal powers' document. In cases where the 'potential' risks as a result of commitments taken, can fluctuate due to price volatility of the product (energy, raw materials, foreign currency, ...) specific procedures apply. Management control is the responsibility of the controllers. The Chief Financial officer is in charge of organising the risk management.
- **Organisation of internal control:** The audit committee has a specific duty in terms of internal control and corporate risk management. The audit committee annually carries out an analysis of risks and associated action plans for which an external

party examines a specific process/part in detail. Detailed information regarding the activities of the audit committee can be found under item 3.2 above mentioned and in our corporate governance charter.

- **Ethics:** In 2006 the board of directors has drawn up our corporate governance charter and code of conduct (annex of our charter). The current version can be consulted on the website of Campine ([www.campine.com](http://www.campine.com)). The board checked whether the code of conduct is complied with and is of the opinion that all persons concerned respect the code of conduct.

### 5.2 RISK ANALYSIS AND CONTROL ACTIVITIES

All processes, from administration to effective production, are managed in a documented management system that is based on the different risk analyses systems. The risks regarding safety, health, environment & quality are inventoried, evaluated, managed and controlled in a dynamic way based on 'continuous improvement'. The audit committee reviews the risk analysis twice a year. The main risks are described in the note 'market risks' in the annual report.

Major risks and uncertainties inherent to the sector. The management aims to tackle these in a constructive way and pays particular attention to:

- Fluctuations of the prices of raw materials and metal; Prices fluctuate as a result of changing supply and/or demand of raw materials and end products, but also because of pure speculation.
- Fluctuations in availability and cost of the energy.
- Changes in regulations (Flemish, Belgian, European and global) in the field of environment and safety/health including legislation related to sale (REACH) and storage (SEVESO) of chemical products.
- Market risks include interest risk, (see note 5.26.1), foreign exchange risk (see note 5.26.2 and valuation rule 5.2.5), price risk (see note 5.26.3) and credit risk (see note 5.13.1);
- Global pandemic or disease outbreak could affect market demand and supply and metal prices (eg COVID-19). Major area of focus and concern are:
  - Health & well-being and availability of personnel.
  - Interruptions of production and disruptions in the supply chain.
- So far the current conflict between Russia and Ukraine has had no impact on Campine's activities.

There are no direct purchases or sales to Ukraine and Russia. Russia is an important producer (and exporter) of antimony ore (mainly to China), but there is also little change in the antimony metal market. The macroeconomic impact of this crisis in the field of energy prices and inflation obviously has consequences for the global economy. Campine passes on these higher energy costs and inflation in its prices. Campine expects little or no further impact on its business in the short term, but is closely monitoring this situation.

### 5.3 FINANCIAL INFORMATION AND COMMUNICATION

The process of establishing financial information is organised as follows:

A planning chart sets out the tasks with deadlines to be completed for the monthly, half-yearly and annual closures of the company and its subsidiaries. Campine has a checklist of actions to be followed up by the financial department. The accounts team produces the accounting figures under the supervision of the Chief Financial officer. The controllers check the validity of these figures and produce the reporting. The figures are checked using the following techniques:

- Coherence tests by comparison with historical or budget figures.
- Sample checks of transactions according to their materiality.

### 5.4 SUPERVISION AND ASSESSMENT OF INTERNAL CONTROL

The quality of internal control is assessed over the fiscal year:

- By the audit committee. Over the fiscal year, the audit committee reviewed the half-yearly closure and the specific accounting methods. It also reviewed the disputes and main risks facing the company.
- By the auditor in the context of their review of the half-yearly and annual accounts. When appropriate, the auditor makes recommendations concerning the keeping of the financial statements.
- By the board of directors in the context of the day-to-day management. Furthermore, the board of directors supervises the performance of the duties of the audit committee in that connection, notably through that committee's reporting.

### 5.5 DEALING CODE REGARDING TRANSACTIONS OF THE COMPANY'S SHARES

The dealing code – part of our code of conduct – stipulates the rules regarding transactions of shares of the company. In compliance with the Regulation (EU 596/2014 of the European parliament and of the council of 16 April 2014 on market abuse (market abuse regulation), it sets limitations for 'key-persons' regarding transactions in specific periods ('closed periods' and 'prohibited periods') and imposes a disclosure obligation to the FSMA and our compliance officer in case of transactions outside these periods.

The board of directors has appointed Mr Willem De Vos as compliance officer.

### 5.6 TRANSACTIONS COVERED BY THE LEGAL PROVISION ON CONFLICTS OF INTEREST

All related party transactions are conducted on a business base and in accordance with all legal requirements and our corporate governance charter. During the financial year no conflict of interest (Articles 7:96 and 7:97 of the Belgian Code on Companies and Associations) occurred.



# Remuneration report

## 1. Remuneration policy

The remuneration policy mentions the basic principles of the remuneration of the board of directors, the managing director, the executive management team and all other employees of the company. The remuneration policy is approved by the general meeting at least every 4 years and at any material change.

The principle of our remuneration policy aims to pay the directors and our employees in line with the market conditions with a basic remuneration. In addition, each employee is incentivised with a variable salary, depending on personal and group objectives (both short and long term) to be achieved and their performance in relation to our values.

Campine also implemented a job classification and evaluation system in which each employee is classified according to his/her job and experience. The evolution of the fixed remuneration of each employee is based on this system.

Both the directors' fees as the base remuneration and variable compensation of the executive management are regularly benchmarked with the market, the evolution of such compensations at companies of similar size and complexity and within the sectors in which Campine operates.

The variable remuneration ensures that the results of the company are in line with the objectives and strategy of the company. Some of the objectives take into account the long-term development of the company.

In addition to their basic remuneration, the non-executive directors can also benefit from a *tantième* when the company achieves a basic profitability.

Appreciation of employees and their performance is crucial in motivating our employees. In addition to ensuring the most pleasant working environment

possible, we offer opportunities for personal and professional development, we organise team buildings at all levels, social activities after working hours, etc.

### INTRODUCTION LONG TERM INCENTIVE PLAN

The board proposes to introduce a Long Term Incentive plan (LTI plan) for the management. Such plan should improve the retention of senior management and key-personnel and allow for extra compensation if the company continues its profitable growth. The LTI plan will have a 5 year span and will be based on financial and sustainability KPI's.

### NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive directors and the chairman is set in the articles of association of the company – which are approved by the extraordinary meeting of shareholders held in 2019.

This remuneration consists of:

- The director's remuneration which is paid in the related financial year for the performance of their mandate as to article 23. The directors who fulfil their mandate for the entire financial year, receive a compensation which amounts for the financial year 2019 to twenty thousand euro (€ 20.000) gross, gross irrespective of any profits made or losses sustained by the company. The aforementioned amount is automatically increased by two hundred and fifty euro (€ 250) on the first day of each new financial year. The chairman of the board of directors who fulfils his mandate for the entire financial year, receives a compensation which amounts for the financial year 2019 to forty thousand euro (€ 40.000) gross irrespective of any profits made or losses sustained by the company. The aforementioned amount is automatically increased by five hundred euro (€ 500) on the first day of each new financial year. Directors who did not fulfil their mandate for the entire financial year will be paid on a pro rata basis of full months performed.



- The additional compensation which is paid in the related financial year for participating in the meetings of the different board committees, as set in article 23: The members of the audit committee, strategy committee and nomination and remuneration committee receive for the financial year 2019 each a compensation which amounts to one thousand two hundred and fifty euro (€ 1,250) per attended meeting unless the meeting of a committee is held immediately prior to or after a board meeting or unless the meeting is held per telephone conference. The aforementioned amount is automatically increased by twenty five euro (€ 25) on the first day of each new financial year. Directors who are invited to a meeting of a committee of which they are not members receive in 2019 a compensation of one thousand two hundred and fifty euros (€ 1,250) per meeting in which they participate, unless the meeting of the committee takes place immediately after or before a meeting of the board of directors or if the meeting is held by telephone. The aforementioned amount of € 1,250 will automatically be increased by € 25 on the first day of each financial year.
- The tantième which is paid the year following the related financial year as set in article 39 of the articles of association: If the company's net profit amounts to one and a half million euro (€ 1,500,000) or more after deduction of taxes and part of the legal reserve capital, a tantième of fifteen thousand euro (€ 15,000) will be granted to each director with the exception of the managing director as he is already compensated in his capacity of managing director. Only the directors that have served on the board of directors for at least six months during the financial year to which this tantième relates are entitled to the tantième and not pro rata the term of their mandate in the relevant financial year. Directors having served less than six months on the board during the relevant financial year will not be entitled to any tantième unless the annual shareholders' meeting decides otherwise. The managing director may receive a tantième as stipulated in this article in the event the annual shareholders' meeting decides so upon proposition of the board of directors and such by separate vote. The tantième granted to the chairman of the board of directors will amount to the double of the tantième granted to the directors in accordance with this paragraph.

If in a specific case, the board of directors requests the assistance of a director, the latter is entitled to a remuneration for actual working hours and expenses made.

Non-executive directors did not receive any shares, share options or other rights to acquire shares of the company or group nor any benefits in kind nor do they participate in a pension plan.

Pursuant to the Corporate Governance Code 2020 (article 7.6) the non-executive directors should receive part of their remuneration in the form of shares in the company. Campine's board of director decided to not do so for the time being. The possibilities to trade shares are somewhat limited in time given the potential risks of inside information and market abuse at a rather small-scale company like Campine.

#### **MANAGING DIRECTOR AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM**

The obligation mentioned in articles 7:91 and 7:121 of the Belgian Code on Companies and Associations does not apply to executive directors, the persons who, alone or together, are charged with the day-to-day management and other leaders of the company mentioned in article 3:6 of the Belgian Code on Companies and Associations.

Pursuant to article 7.9 of the Corporate Governance Code 2020, the board of directors should set a minimum threshold of shares to be held by the executives. Campine's board of directors decided to not set this for the time being; the possibilities to trade shares are somewhat limited in time given the potential risks of inside information and market abuse at a rather small-scale company like Campine.

#### **MANAGING DIRECTOR**

The board of directors decides upon the remuneration of the managing director within the remuneration policy approved by the general meeting. The board oversees that the performance of the above is related to the continuity and long-term results of the company and that their remuneration is in relation to their performance and in the interest of all stakeholders.

The managing director does not receive any compensation for his duty as mere director. As to article 23 of the articles of association, the managing director may be granted a compensation if the annual

shareholders' meeting agrees to this by separate vote upon proposition of the board of directors.

The managing director's remuneration for the execution of his function consisting of both a fixed and a variable compensation is based on market references.

The variable part consists of:

- A non-financial component (limited to 10% of the gross annual remuneration).
- A financial result-related component (limited to € 100 K).

The objectives linked to the variable part of the remuneration are set by the board of directors after recommendation of the nomination & remuneration committee. The objectives are set up annually and apply for the entire financial year and some possibly over multiple financial years. The choice of objectives can change every year depending on economic circumstances, regulations, organisation, strategy and other factors.

The nomination & remuneration committee assesses the performance of the managing director including the realisation of the criteria to obtain the variable remuneration and submits this assessment to the board of directors for approval.

During a board meeting – where the managing director is not present – the chairman of the nomination & remuneration committee informs the members about this assessment which is consequently discussed.

The managing director does not participate in a group and health insurance nor in any pension plan.

Other benefits are a monthly lump sum – which is indexed annually – for the reimbursement of all renting costs and daily travel costs. Furthermore all costs incurred for the execution of the function are reimbursed.

The contractual terms of hiring and termination arrangements of the managing director do not provide any specific compensation commitments, other than a term of notice of 12 months.

The company has no right to reclaim the variable remuneration when the variable remuneration was granted to the managing director based on incorrect financial data.

## OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM

The nomination & remuneration committee – in consultation with the managing director – advises on the nomination, remuneration and removal of the members of the executive management team within the remuneration policy approved by the general meeting. The board oversees that the performance of the above is related to the continuity and long-term results of the company and that their remuneration is in relation to their performance and in the interest of all stakeholders.

The remuneration of the members of the executive management team, consisting of both fixed and variable compensation, is based on a market study.

The variable salary of the management team members consists of 3 parts, each part with a maximum equivalent of 1 month of salary:

- Linked to the financial performance of the company.
- Linked to personal objectives, functioning as to the company's values and performance throughout the year.
- Linked to a set KPI's in their area of responsibility.

The objectives comprise both financial and non-financial targets. The objectives are set up annually and apply for the entire financial year and some possibly over multiple financial years. The choice of objective areas can change every year depending on economic circumstances, regulations, organisation, strategy and other factors.

The objectives linked to the variable part of the remuneration are set by the managing director. The performance of the executive management team is assessed by the managing director – in consultation with the nomination & remuneration committee.

The members of the executive management team participate in a pension plan based on fixed contributions with the exception of the members who execute their function through services of a management company.

The members of the executive management team participate – as do all employees of the company – in a group and health insurance. Other benefits are representation allowance, company car, internet connection, company phone in compliance with local

market practices contributions with the exception of the members who execute their function through services of a management company.

The contractual terms of hiring and termination arrangements of the members of the executive management team provide in the standard notice periods as foreseen by the law, with possible deviation to max 12 months in case of early termination.

The company has no right to reclaim the variable remuneration in favour of the company when the variable remuneration was granted to the executive management team based on incorrect financial data.

At remaining circumstances, this remuneration policy is also applicable for the next two financial years. Every adjustment to the remuneration policy will be submitted for approval to the general meeting.

#### **PROCEDURE DEVIATIONS FROM APPROVED REMUNERATION POLICY**

A deviation from the approved remuneration policy regarding the managing director and Other members of the management team is only possible in exceptional situations and if the following procedure is followed.

Campine's remuneration policy does not specify the components that can be deviated from. On the one hand because a list would have an exhaustive effect and on the other hand because the company cannot foresee all exceptional situations (just think of the sudden COVID-19 situation).

Any deviation is submitted for approval by the nomination and remuneration committee to the board of directors, stating:

- The current, existing remuneration.
- The part of the policy that has been deviated from.
- The amount and magnitude of the deviation.
- An explanation of the nature of the exceptional circumstances and why the deviation was necessary to serve or ensure the long-term interest and sustainability of the company.

The board of directors examines the proposal and decides upon it. If the board of directors approves, the deviation will be implemented. The deviation is stated in the remuneration report to the general meeting



## 2. Remuneration report 2022

The remuneration report displays the implementation of the remuneration policy in 2022.

### NON-EXECUTIVE DIRECTORS

The non-executive directors receive the following gross compensation over the financial year 2022:

|                           | Fixed remuneration          |                              | Tantième (3)         | Total                              | Ratio          |                |
|---------------------------|-----------------------------|------------------------------|----------------------|------------------------------------|----------------|----------------|
|                           | Director's remuneration (1) | Participation committees (2) |                      |                                    | fixed          | /tantième      |
| DELOX chairman<br>year -1 | 41,500 €<br>41,000 €        | 2,650 €<br>0 €               | 30,000 €<br>30,000 € | <b>74,150 €</b><br><b>71,000 €</b> | 59.5%<br>57.7% | 40.5%<br>42.3% |
| F,-W, Hempel<br>year -1   | 20,750 €<br>20,500 €        | 0 €<br>0 €                   | 15,000 €<br>15,000 € | <b>35,750 €</b><br><b>35,500 €</b> | 58.0%<br>57.7% | 42.0%<br>42.3% |
| H,-R, Orgs<br>year -1     | 20,750 €<br>20,500 €        | 6,625 €<br>5,200 €           | 15,000 €<br>15,000 € | <b>42,375 €</b><br><b>40,700 €</b> | 64.6%<br>63.1% | 35.4%<br>36.9% |
| FLG BELGIUM<br>year -1    | 20,750 €<br>20,500 €        | 6,625 €<br>5,200 €           | 15,000 €<br>15,000 € | <b>42,375 €</b><br><b>40,700 €</b> | 64.6%<br>63.1% | 35.4%<br>36.9% |
| YASS<br>year -1           | 20,750 €<br>20,500 €        | 1,325 €<br>0 €               | 15,000 €<br>15,000 € | <b>37,075 €</b><br><b>35,500 €</b> | 59.5%<br>57.7% | 40.5%<br>42.3% |

- (1) Director's remuneration (calculation see 1. remuneration policy) basis = 2019: € 20,000 + automatic increase of € 250 per financial year. This means: 2020 + € 250 / 2021 + € 250 / 2022 + € 250 = € 20,750 over 2022. The chairman receives the double.
- (2) Participation committees (calculation see 1. remuneration policy) basis = 2019: € 1,250 + automatic increase of € 25 per financial year. This means: 2020 + € 25 / 2021 + € 25 / 2022 + € 25 = € 1,325 over 2022.
- (3) Criterion tantième: (see remuneration policy) If the net profit is € 1.5 million, the non-executive directors who have exercised their mandate for more than 6 months during the financial year receive a tantième of € 15 K. The chairman receives the double.

### MANAGING DIRECTOR AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM

|   | Fixed remuneration         | Other benefits       | One year               | Multiple years                      | Pension cost         | Total                                    | Ratio          |                |
|---|----------------------------|----------------------|------------------------|-------------------------------------|----------------------|--|----------------|----------------|
|   |                            |                      |                        |                                     |                      |  | fixed          | /variable      |
| ZENDICS CEO<br><i>payable in 2025</i><br>year -1                          | 326,154 €<br>308,546 €     | 16,500 €<br>15,609 € | 130,006 €<br>127,769 € | 50,000 €<br>100,000 €<br>50,000 €   | 0 €<br>0 €           | <b>522,660 €</b><br><b>501,924 €</b>     | 65.6%<br>64.6% | 34.4%<br>35.4% |
| Other members<br>executive man. team<br><i>payable in 2025</i><br>year -1 | 1,180,598 €<br>1,102,582 € | 36,843 €<br>37,003 € | 217,566 €<br>209,634 € | 100,000 €<br>100,000 €<br>150,000 € | 38,040 €<br>38,000 € | <b>1,573,047 €</b><br><b>1,537,219 €</b> | 79.8%<br>76.6% | 20.2%<br>23.4% |

The fixed and variable components include the total cost for the employer, all employer contributions included for members with employee status and the total invoiced remuneration fee for members utilising a management company. The one year variable remuneration is the remuneration earned for the performance in 2022 but which will only be paid out in 2023.

In 2021, the board of directors decided to grant an additional multi-year bonus – payable over several years – to the management to express its appreciation for the positive evolution of recent years and to assure a continuous retention of the team for the future.

During the financial year closed on 12/31/22, the managing director nor the members of the executive management team (Leo Cazaerck, Nicolas De Backer, Hilde Goovaerts, Jan Keuppens, Hans Vercammen, David Wijmans) received any shares, share options or other rights to acquire shares of the company or group.

## EVOLUTION FIGURES

The evolution of the remunerations and results of the company are presented in % as relative ratios are more clearly than absolute figures.

### Evolution of the remunerations and results of the company

|   | 2018  | 2019 (1) | 2020  | 2021   | 2022          |
|---|-------|----------|-------|--------|---------------|
| Net result of the financial year '000 eur | 5,830 | 8,015    | 2,784 | 13,511 | <b>15,805</b> |
| Δ Net result vs previous financial year   | -17%  | 37%      | -65%  | 385%   | <b>17%</b>    |

(1) In 2019, the reduction of the European Commission fine was booked (€ 3.88 mio).

### Evolution total remuneration board members, managing director and other members of the executive management team

|   | 2018      | 2019 (1)  | 2020      | 2021      | 2022             |
|---|-----------|-----------|-----------|-----------|------------------|
| Total remuneration in eur                       | 1,400,305 | 1,907,180 | 1,920,316 | 2,262,543 | <b>2,327,432</b> |
| Δ Total remuneration vs previous financial year | 26%       | 36%       | 1%        | 18%       | <b>3%</b>        |

(1) 2019: increase executive management team from 5 to 7 persons and increase board remunerations (both fixed as tantième).

### Evolution criterion on which the tantième is based (see 1. Remuneration policy)

|                           | 2018        | 2019        | 2020        | 2021        | 2022                  |
|---------------------------|-------------|-------------|-------------|-------------|-----------------------|
| Net profit of the company | > 1.5 mio € | > 1.5 mio € | > 1.5 mio € | > 1.5 mio € | <b>&gt; 1.5 mio €</b> |

### Evolution criteria representing the long term objectives of the company on which the variable remuneration of the executive management team is based

|                     |     |   |
|---------------------|-----|---|
| Profit before taxes | 50% | Annual targets per BU also for consolidated level   |
| Others              | 50% | Non-financial or other indicators showing the LT strategy a.o. safety, environment, research and development... |

The board of directors determines the long-term objectives of the company. In order to achieve these financial and non-financial objectives, an implementation plan, being the business plan, is required. The global business plan is worked out in detail per division and even per department and contains various projects and actions to achieve the ultimate goals. Short-term targets per department are added or adjusted annually. The evolution towards the targets is monitored via KPIs (Key Performance Indicators) in different areas such as safety, health, environment, absenteeism, retention, (new) customers, (new) products, production processes, etc.

These KPIs are set per department known to all employees. They can be adjusted in function of changing (economic) circumstances, regulations, etc. This allows employees to identify themselves more quickly with annual goals. This way each employee is continuously involved in the implementation of the global long-term development of the company within his/her field and responsibilities. The annual variable remuneration of each employee is based on the progress and achievement of these targets.

The KPIs and actual objectives are not disclosed in detail as the publication of this confidential information about the company's strategy would significantly weaken our competitive position.

#### Average remuneration employees on FTE basis

|  | 2018   | 2019   | 2020   | 2021   | 2022   |
|--|--------|--------|--------|--------|--------|
| Average number of employees on FTE basis                   | 179    | 188    | 185    | 191    | 231    |
| Average remuneration on FTE basis in eur                   | 76.056 | 74.787 | 72.941 | 80.712 | 78,268 |
| Δ avg remuneration on FTE basis vs previous financial year | -4%    | -2%    | -2%    | 11%    | -3%    |

Ratio lowest/highest remuneration in 2022: 12,51% (2021: 12.48%).

Calculation salary costs: total gross annual salary incl. employer contributions and supplementary pension contribution paid by the employer incl. all other employee benefits (group & hospitalisation insurance, meal vouchers, year-end bonus, holiday pay, ...).

#### SHAREHOLDERS' VOTE

The shareholders' vote on the remuneration report during the general meeting. At the next vote, Campine will explain to the shareholders how the votes on the previous remuneration report were taken into account.

### 3. Dividend policy

Campine's dividend policy is to pay out yearly dividends to its shareholders. The level of the dividend depends on certain financial parameters such as net profit level, availability of cash, future cash needs, etc. The targeted level of dividends should be about one third of the net profit, distributed over all shares.

The board of directors requests the general meeting of shareholders to approve the annual report of the board including the corporate governance statement and the remuneration report.



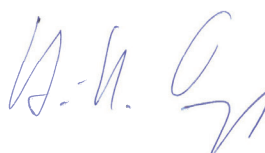
**DELOX BVBA,**  
represented by its permanent  
representative Mr Patrick De Groote



**ZENDICS BVBA,**  
represented by its permanent  
representative Mr Willem De Vos



Mr Friedrich-Wilhelm Hempel



Mr Hans-Rudolf Orgs



**YASS BV,**  
represented by its permanent  
representative Mrs Ann De Schepper



**FLG BELGIUM SPRL,**  
represented by its permanent  
representative Mrs Dina Brughmans



# Consolidated financial statements 2022

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## 1. Consolidated income statement for the year ended 12/31/2022

| '000 eur                                      | Notes    | 12/31/2022       | 12/31/2021 |
|---|----------|------------------|------------|
| Revenue from contracts with customers         | 5.4      | <b>317,430</b>   | 226,317    |
| Other operating income                        | 5.5      | <b>3,343</b>     | 1,407      |
| Net gain on bargain purchase                  | 5.4      | <b>6,478</b>     | -          |
| Raw materials & consumables used              |          | <b>-262,257</b>  | -174,510   |
| Employee benefits expense                     | 5.24     | <b>-18,080</b>   | -15,416    |
| Depreciation and amortisation expense         | 5.9/5.10 | <b>-5,761</b>    | -4,335     |
| Changes in restoration provision              | 5.21     | <b>-330</b>      | -50        |
| Other operating expenses                      | 5.5      | <b>-20,526</b>   | -14,316    |
| <b>Operating result (EBIT)</b>                |          | <b>20,297</b>    | 19,097     |
| Investment revenues                           |          | <b>2</b>         | -          |
| Hedging results                               | 5.14     | <b>-612</b>      | -786       |
| - Closed Hedges                               |          | <b>-44</b>       | -628       |
| - Change in open position                     |          | <b>-568</b>      | -158       |
| Finance costs                                 | 5.6      | <b>-747</b>      | -346       |
| <b>Net financial result</b>                   |          | <b>-1,357</b>    | -1,132     |
| <b>Result before tax (EBT)</b>                |          | <b>18,940</b>    | 17,965     |
| Income tax expense                            | 5.7      | <b>-3,135</b>    | -4,454     |
| <b>Result for the year (EAT)</b>              |          | <b>15,805</b>    | 13,511     |
| Attributable to: equity holders of the parent |          | <b>15,805</b>    | 13,511     |
| <b>RESULT PER SHARE</b>                       | 5.8      |                  |            |
| Number of shares                              |          | <b>1,500,000</b> | 1,500,000  |
| Result for the year (basic & diluted) in eur  |          | <b>10.54</b>     | 9.01       |

### CONSOLIDATED OVERVIEW OF THE COMPREHENSIVE INCOME

| '000 eur   | Notes | 12/31/2022    | 12/31/2021 |
|--|-------|---------------|------------|
| Result for the year  |       | <b>15,805</b> | 13,511     |
| Other comprehensive income:  |       |               |            |
| Comprehensive income not to be reclassified to the profit or loss statement in the future (actuarial results of retirement benefit obligations) net of tax | 5.25  | <b>62</b>     | 16         |
| <b>Total comprehensive income for the year</b>   |       | <b>15,867</b> | 13,527     |
| Attributable to: equity holders of the parent  |       | <b>15,867</b> | 13,527     |

**EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)**

Adding the financial target EBITDA, which is a non-IFRS term, allows to focus more on the importance of cash and should not influence negatively a decision on investments for future growth.

Calculation EBITDA:

| '000 eur                                 | 12/31/2022    | 12/31/2021 |
|--|---------------|------------|
| Result before tax (EBT)                  | <b>18,940</b> | 17,965     |
| Finance costs / Investment revenues      | <b>745</b>    | 346        |
| Depreciation and amortisation expense    | <b>5,761</b>  | 4,335      |
| Deferred tax on gain on bargain purchase | <b>1,112</b>  | -          |
| <b>EBITDA</b>                            | <b>26,558</b> | 22,646     |



## 2. Consolidated balance sheet on 12/31/2022

| '000 eur  | Notes | 12/31/2022     | 12/31/2021 |
|---|-------|----------------|------------|
| <b>ASSETS</b>                                       |       |                |            |
| <b>Non-current assets</b>                           |       |                |            |
| Property, plant and equipment                       | 5.9   | <b>32,974</b>  | 22,770     |
| Right-of-use assets                                 | 5.14  | <b>392</b>     | 373        |
| Intangible assets                                   | 5.10  | <b>568</b>     | 103        |
| Deferred tax assets                                 | 5.17  | <b>166</b>     | 104        |
|   |       | <b>34,100</b>  | 23,350     |
| <b>Current assets</b>                               |       |                |            |
| Inventories   | 5.12  | <b>52,036</b>  | 45,403     |
| Trade receivables                                   | 5.13  | <b>35,619</b>  | 21,754     |
| Other receivables                                   | 5.13  | <b>2,873</b>   | 1,915      |
| Cash paid in escrow                                 |       | <b>57</b>      | -          |
| Cash and cash equivalents                           |       | <b>2,908</b>   | 153        |
|   |       | <b>93,493</b>  | 69,225     |
| <b>TOTAL ASSETS</b>                                 |       | <b>127,593</b> | 92,575     |
| <b>EQUITY AND LIABILITIES</b>                       |       |                |            |
| <b>Capital and reserves</b>                         |       |                |            |
| Share capital                                       | 5.15  | <b>4,000</b>   | 4,000      |
| Legal reserves                                      |       | <b>400</b>     | 400        |
| Retained results                                    |       | <b>55,150</b>  | 43,573     |
| Equity attributable to equity holders of the parent |       | <b>59,550</b>  | 47,973     |
| <b>Total equity</b>                                 |       | <b>59,550</b>  | 47,973     |
| <b>Non-current liabilities</b>                      |       |                |            |
| Retirement benefit obligation                       | 5.25  | <b>1,496</b>   | 1,192      |
| Deferred tax liabilities                            | 5.17  | <b>741</b>     | 219        |
| Provisions  | 5.21  | <b>6,235</b>   | 1,185      |
| Bank loans  | 5.16  | <b>5,250</b>   | 1,500      |
| Obligations under leases                            | 5.14  | <b>184</b>     | 206        |
|   |       | <b>13,906</b>  | 4,302      |
| <b>Current liabilities</b>                          |       |                |            |
| Retirement benefit obligation                       | 5.25  | <b>14</b>      | 31         |
| Trade payables                                      | 5.18  | <b>23,143</b>  | 24,251     |
| Other payables                                      | 5.18  | <b>5,091</b>   | 4,090      |
| Capital grants                                      | 5.18  | <b>1,249</b>   | 656        |
| Provisions for production waste                     | 5.21  | <b>655</b>     | 471        |
| Derivatives   | 5.14  | <b>632</b>     | 65         |
| Current tax liabilities                             |       | <b>1,200</b>   | 121        |
| Obligations under leases                            | 5.14  | <b>208</b>     | 167        |
| Bank loans  | 5.16  | <b>3,000</b>   | 2,625      |
| Bank overdrafts                                     | 5.16  | <b>7,994</b>   | 177        |
| Advances on factoring                               | 5.16  | <b>10,951</b>  | 7,646      |
|   |       | <b>54,137</b>  | 40,300     |
| <b>Total liabilities</b>                            |       | <b>68,043</b>  | 44,602     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |       | <b>127,593</b> | 92,575     |

### 3. Consolidated statement of changes in equity for the year ended 12/31/2022

| '000 eur                           | Share capital | Legal reserves | Retained earnings | Total         |
|------------------------------------|---------------|----------------|-------------------|---------------|
| Balance on 31 December 2020        | 4,000         | 965            | 30,546            | 35,511        |
| Reclassification                   | -             | -565           | 565               | 0             |
| Total result of the year           | -             | -              | 13,527            | 13,527        |
| Dividends and tantième             | -             | -              | -1,065            | -1,065        |
| Balance on 31 December 2021        | 4,000         | 400            | 43,573            | 47,973        |
| Total result of the year           | -             | -              | 15,867            | 15,867        |
| Dividends and tantième (note 5.8)  | -             | -              | -4,290            | -4,290        |
| <b>Balance on 31 December 2022</b> | <b>4,000</b>  | <b>400</b>     | <b>55,150</b>     | <b>59,550</b> |

## 4. Consolidated cash flow statement for the year ended 12/31/2022

| '000 eur   | Notes    | 12/31/2022     | 12/31/2021 |
|--|----------|----------------|------------|
| <b>OPERATING ACTIVITIES</b>                              |          |                |            |
| Result for the year (EAT)                                |          | <b>15,805</b>  | 13,511     |
| Adjustments for:   |          |                |            |
| Gain on bargain purchase                                 | 5.4      | <b>-6,478</b>  | -          |
| Other gains and losses (hedging results)                 | 5.14     | <b>612</b>     | 786        |
| Finance costs / Investment revenues                      | 5.6      | <b>745</b>     | 346        |
| (Deferred) tax expenses                                  | 5.7      | <b>3,135</b>   | 4,454      |
| Depreciations and write-downs                            | 5.9/5.10 | <b>5,761</b>   | 4,335      |
| Change in provisions (incl. retirement benefit)          |          | <b>-29</b>     | 67         |
| Change in inventory value reduction                      | 5.12     | <b>866</b>     | 333        |
| Change in trade receivables value reduction              | 5.13     | <b>33</b>      | -          |
| Operating cash flows before movements in working capital |          | <b>20,450</b>  | 23,832     |
| Change in inventories                                    | 5.12     | <b>-1,680</b>  | -19,391    |
| Change in receivables                                    | 5.13     | <b>-11,965</b> | -5,298     |
| Change in trade and other payables                       | 5.18     | <b>-1,514</b>  | 12,918     |
| Cash generated from operations                           |          | <b>5,291</b>   | 12,061     |
| Hedging results  |          | <b>-44</b>     | -628       |
| Interest paid/-received                                  | 5.6      | <b>-745</b>    | -346       |
| Income taxes paid  |          | <b>-2,698</b>  | -4,453     |
| <b>Net cash (used in) / from operating activities</b>    |          | <b>1,804</b>   | 6,634      |
| <b>INVESTING ACTIVITIES</b>                              |          |                |            |
| Purchases of property, plant and equipment               | 5.9      | <b>-6,730</b>  | -8,364     |
| Purchases of intangible assets                           | 5.10     | <b>-591</b>    | -13        |
| Investment grants - not included in the result           |          | -              | 656        |
| Investment grants - deferred tax obligations             |          | -              | 219        |
| Net cash flow on acquisition                             | 5.4      | <b>-2,539</b>  | -          |
| <b>Net cash (used in) / from investing activities</b>    |          | <b>-9,860</b>  | -7,502     |
| <b>FINANCING ACTIVITIES</b>                              |          |                |            |
| Dividends paid and tantième paid                         | 5.8      | <b>-4,290</b>  | -1,065     |
| Repayments of borrowings                                 | 5.16     | <b>-3,375</b>  | -3,000     |
| Repayments of obligations under leases                   | 5.14     | <b>-89</b>     | -187       |
| Proceeds from borrowings                                 | 5.16     | <b>7,500</b>   | -          |
| Change in cash restricted in its use                     |          | <b>-57</b>     | -          |
| Change in bank overdrafts                                | 5.16     | <b>7,817</b>   | 92         |
| Change in advances on factoring                          | 5.16     | <b>3,305</b>   | 4,991      |
| <b>Net cash (used in) / from financing activities</b>    |          | <b>10,811</b>  | 831        |
| <b>Net change in cash and cash equivalents</b>           |          | <b>2,755</b>   | -37        |
| Cash and cash equivalents at the beginning of the year   |          | <b>153</b>     | 190        |
| <b>Cash and cash equivalents at the end of the year</b>  |          | <b>2,908</b>   | 153        |







## 5. Notes to the consolidated financial statement for the year ended 12/31/2022

### 5.1. GENERAL INFORMATION

Campine nv ('the company') is a limited liability company incorporated in Belgium. The addresses of its registered office and principal place of business are disclosed in the Corporate Data. The principal activities of the company and its subsidiaries ('the group') are described in this annual report (see note 5.11).

Campine has been listed on the Stock Exchange since 18 October 1936, originally under the name "Compagnie Chimique et Metallurgique de la Campine". The share price can now be found under Euronext stock exchange code 'CAMB' and the name 'Campine nv'.

### 5.2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared based on the International Financial Reporting Standards as adopted by the EU ("IFRS").

This year, the group has applied all new and revised standards and interpretations that are relevant to its business and that are effective for the annual reporting period commencing on January 1, 2022.

The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Following standards and interpretations became applicable for 2022:

- Amendments to IAS 16 *Property, plant and equipment* – Proceeds before intended use, effective 1 January 2022
- Amendments to IAS 37 *Provisions, contingent liabilities and contingent assets* – onerous contracts—cost of fulfilling a contract, effective 1 January 2022
- Amendments to IFRS 3 *Business combinations* – References to the conceptual framework, effective 1 January 2022
- Annual Improvements Cycle – 2018-2020, effective 1 January 2022

These changes had no significant impact on Campine's consolidated financial statements.

#### Standards and interpretations issued but not yet effective on 1 January 2022:

- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current (the 2020 amendments and 2022 amendments), effective 1 January 2024<sup>1</sup>
- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- Amendments to IAS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023
- Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback, effective 1 January 2024
- Amendments to IFRS 17 *Insurance contracts*: Initial Application of IFRS 17 and IFRS 9 – Comparative Information, effective 1 January 2023
- IFRS 17 *Insurance Contracts*, effective 1 January 2023

With regard to the standards effective from 1 January 2023, the group is currently analyzing the impact of these amendments on Campine's consolidated financial statements. With regard to the standards that will become effective from January 1, 2024, the group will start this analysis during the second half of 2023.

<sup>1</sup> Not yet endorsed by the EU as per 10 November 2022

### 5.2.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of subsidiaries acquired or disposed of during the year are included in the financial information from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. re-classified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the noncontrolling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of

measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

### 5.2.2. Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 ("Business combinations") are recognised at their fair values at the acquisition date, except for noncurrent assets (or disposal groups) that are classified as held for sale, which are recognised and measured at fair value less costs to sell.

Acquisition-related costs are recognised in profit or loss as incurred. Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS.

Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.



If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

### Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess (negative consolidation difference) is recognised immediately in profit or loss. The interest of minority shareholders in the acquire is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

### 5.2.3. Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers:

- Identify the contract.
- Identify the performance obligations.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when or as the group satisfies a performance obligation.

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Nature of sales transactions: The group is active in the metal business and thus contracts with customers generally concern the sale of these metal products, which qualify as separate performance obligations. Ancillary services, such as transport, are not material. As a result, revenue recognition generally occurs at a point in time, when control of the products is transferred to the customer, generally on delivery of the goods and considering the underlying incoterm.

The group is not involved in transactions and/or contracts including volume rebates, trade discounts, (ancillary) services, customer assistance services or bundled sales contracts of a material nature.

Campine works with direct sales people for most of its sales in Europe and with distributors and agents in the rest of the world. The direct sales/purchasing employees are on Campine's payroll or work on a self-employed basis with a service contract. The distributors and agents are remunerated through commission, which is then also part of the purchase costs.

### 5.2.4. Leases

#### Definition of 'lease'

A contract is or contains a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for a consideration.

To determine whether a lease confers the right to control use of a determined asset for a determined period of time, the entity must appreciate whether, throughout the period of use, it has the right to:

- Obtain substantially all of the economic benefits from the use of the asset.
- Direct the use of the asset.

To determine the duration of the leases, any options for renewal or termination have been considered as required by IFRS 16 taking into account the probability of exercising the option and only if it is under the control of the lessee.

At the start of the lease, the lessee recognises a right-of-use asset and a lease liability. For leases with a maximum duration of 12 months or leases of assets with low value, Campine applies the practical exemption in IFRS 16. Hence, these leases are not presented on the balance sheet.

#### Right-of-use assets

The group recognises right-of-use assets on the commencement date of the contract, i.e. the date on which the asset becomes available for use. These assets are valued at the initial cost of the lease liability minus depreciation and any impairment, adjusted to take into account any revaluations of the lease liability. The initial cost of the right-of-use assets includes the present value of the lease liability, the initial costs incurred by the lessee, rent payments made on the start date or before that date, minus any incentives obtained by the lessee. These assets are depreciated over the estimated lifetime of the underlying asset or over the duration of the contract if this period is shorter, unless the group is sufficiently certain of obtaining ownership of the asset at the end of the contract.

Right-of-use assets are presented separately from other assets as a different line under non-current assets.

#### Lease liabilities

The lease liability is valued at the present value of the rent payments that have not yet been paid. The present value of the rent payments must be calculated using the interest rate implicit in the lease if it is possible to determine that rate. If not, the lessee must use its incremental borrowing rate.

The incremental borrowing rate is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Over the duration of the contract, the lessee values the lease obligation as follows:

- By increasing the carrying amount to reflect the interest on the lease liabilities.
- By reducing the carrying amount to reflect the rent payments made.
- By revaluing the carrying amount to reflect the new value of the lease obligation or modifications to the lease.

Lease liabilities are presented in a separate line on the balance sheet. Payments for the capital reimbursement and the interests are presented under financing activities in the statement of cash flows.

### 5.2.5. Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Currently, the group consists of Campine NV, Campine Recycling NV, Campine France SAS and Campine recycled Polymers SAS. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in EUR, which is the functional currency of the company, and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency remain at historical rate. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period (within other operating income/expenses).

### 5.2.6. Financial instruments

#### Classification and measurement of financial assets and financial liabilities

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade receivables, cash and cash equivalents and bank loans are classified and measured at amortised cost under IFRS 9. Lease liabilities are measured in accordance with IFRS 16.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principle and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Classification and measurement of financial liabilities of the group has not been modified by the requirements of IFRS 9. All financial liabilities of the group are subsequently measured at amortised cost using the effective interest rate method.

#### Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Specifically, IFRS 9 requires the group to recognise a loss allowance for expected credit losses on trade receivables and cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.



IFRS 9 provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables without a significant financing component (short-term trade receivables). The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All bank balances are assessed for expected credit losses at each reporting date as well.

### Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group)

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower.
- A breach of contract, such as a default or past due event.
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's

financial difficulty, having granted to the borrower a concessions(s) that the lender(s) would not otherwise consider.

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation. or
- The disappearance of an active market for that financial asset because of financial difficulties.

### Write-off policy

The group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to commodity price risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Depending on the market situation, in combination with the established purchase and sales contracts, both purchase and sales hedging contracts are used. The remaining volumes are partially offset against long-term financial hedging.

### 5.2.7. Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they are directly attributable to qualifying assets, in which case they are capitalised.

### 5.2.8. Government grants

Capital grants are presented on a separate line "capital grants" in the consolidated balance sheet. Government grants are recognised in profit or loss (in other operating income) over the periods necessary to match them with the related costs. Government grants

related to later periods are presented in the financial statements as deferred income in a separate section of current liabilities. Since 2022, these are now separately shown.

If the government grant relates directly to an investment, it is deducted from the investment costs or taken to the income statement as other debts over the depreciation period of the asset to which it relates.

#### 5.2.9. Retirement benefit costs and termination benefits

For defined benefit retirement benefit plans, the cost of providing benefits – as well as the defined contribution plans – is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The group presents the first 2 components of benefit costs in profit and loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs. The 3rd component is recognised directly to other comprehensive income.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the group's benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### 5.2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

### 5.2.11. Property, plant and equipment

Property, plant & equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 5.2.12. Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the group's development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes).
- It is probable that the asset created will generate future economic benefits and.
- The development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

### 5.2.13. Patents, trademarks and software purchased

Patents, trademarks and software purchased are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

### 5.2.14. Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 5.2.15. Inventories

Cost of the raw materials includes both the purchasing price (using the principle of First in First out ("FIFO")), and the direct purchasing costs, like import duties, transportation and completion costs.

Cost of work in progress and finished products comprises all direct and indirect costs necessary that have been incurred in bringing the inventories to their present location condition on balance sheet date. Direct costs include, among others, the cost of the used raw materials and the direct labour costs.

Indirect costs include a systematical impute of fixed and variable indirect production costs proceeded from the conversion of raw materials in end products. The impute of fixed indirect production costs is based on the normal capacity of the production facilities.

For the determination of the cost, the standard cost price method is used. The standard cost price takes into account the normal use of raw and auxiliary materials, labour, efficiency and capacity. The standard cost price is frequently being evaluated and, if necessary, revised in consideration with the present conditions. The standard cost price of the raw and auxiliary materials, as also the appreciation of it in work in progress and in raw materials, will be revised every month on the basis of the new determined FIFO value of these raw and auxiliary materials.

The inventories are valued at the lower of cost, determined as described above, or net realisable value. The market value represents the estimated selling price in normal circumstances less estimated cost of completion and costs to be incurred to realise sales (marketing, selling and distribution). The estimated selling price is based on the LME quotation (London Metal Exchange) for lead. For the antimony price we refer to the current prices in combination with the already contracted purchase and sales contracts.

Value reductions are made for the old and slow moving inventories.

### 5.2.16. Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount

and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Based on a regular age analysis of the assets, it is determined case per case if a liability for doubtful debtors is needed.

### Factoring

The group entered into a factoring agreement with a credit institution, whereby the credit institution pays advances to the group on trade receivables. As the credit risk of these receivables remains with the group, not all risks and rewards of the transferred receivables are transferred. As a consequence, the receivables remain on the balance sheet of the group and the advances received are recorded in the balance sheet under the short term advances on factoring.

### 5.2.17. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Cash and cash equivalents are included at fair value.

### 5.2.18. Bank borrowings

Interest-bearing bank loans and overdrafts are measured at fair value. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see above).

### 5.2.19. Trade payables

Trade payables are measured at cost.

### 5.2.20. Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

### 5.2.21 Other

Except for general macro-economic effects (i.e. fluctuations of salaries & discount rate), the company did not account for specific items related to the Russian invasion and other macro-economic effects.



### 5.3. JUDGEMENT AND USE OF ESTIMATES

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, to assess the positive and negative consequences of unforeseen situations and events at the balance sheet date, and to form a judgement as to the revenues and expenses of the fiscal year.

The basis of the judgement and use of estimates is consistent to our annual report 2021.

Significant estimates made by the group in preparation of the financial statements relate mainly to:

- Valuation of the recoverable amount of stocks (see note 5.12.). The inventories are valued at cost, determined as described above, or at market value, if the latter is lower.
- Valuation of sanitation provisions (see note 5.21.). The group has set up a provision for soil sanitation and other environmental items.
- Pension and related liabilities (see note 5.26.). The estimated liability arising from defined contribution and defined benefit retirement plans of the group, is based on actuarial assumptions. The pre-tax discount rate and estimated salary expectations are actuarial assumptions which can significantly affect the liability.

- Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In making its judgement, the board takes into account long-term business strategy. A major uncertainty in the determination of the future taxable result concerns the volatility and unpredictability of raw material prices.
- Others: litigation and lawsuits. The Campine group is subject to proceedings, lawsuits and other claims related to products and other matters. We are required to assess the likelihood of any adverse judgements or outcomes to these matters as well as potential ranges of probable and reasonably possible losses. This requires significant management judgement.

Due to the uncertainties inherent in all valuation processes, the group revises its estimates on the basis of regularly updated information. Future results may differ from these estimates. As well as the use of estimates, group management also uses judgement in defining the accounting treatment for certain operations and transactions not addressed under the IFRS standards and interpretations currently in force.

### 5.4. OPERATIONAL SEGMENTS

#### 5.4.1. Acquisition of the French entities (gain on bargain purchase)

##### Acquisitions in 2022

On 7 July 2022 the Campine group entered into a business combination, and acquired certain assets, including the key-personnel from the French Company Recylex SA. This was done as part of a bankruptcy proceeding and after approval from the French competent Court which examined the various bids made. The acquisition also included 100% of the shares and voting rights of the company C2P SAS.

The business combination consists of 2 lead-acid battery breaker plants and a PP plastic recycling factory in France, as well as the related inventory and work force. The acquisition was needed to increase the Group's acid battery reprocessing capabilities.

The battery breaker activities in France are hosted in a new business unit called 'recycled Batteries' (legal entity name is Campine France SA) and are integrated in our Circular Metals division (formerly Metals Recycling division) as it is an upstream addition to its business. The plastics recycling company C2P SAS becomes Campine 'recycled Polymers' business unit and is hosted in the Specialty Chemicals division, due to its overlap in customers and technology with our Flame Retardant Masterbatches BU (formerly Plastics BU) in Beerse.

##### Assets acquired and liabilities assumed

The Group performed a purchase price allocation exercise whereby the identifiable assets and liabilities were measured at their acquisition date fair values.

| in '000 eur                         | Booked value | Fair value | Bargain price | Tax (25%) (deferred) |
|-------------------------------------|--------------|------------|---------------|----------------------|
| Fixed Assets (Recylex SA & C2P SAS) | 1,565        | 9,019      | 7,454         | 1,863                |
| Participation C2P SAS               | 250          | 3,390      | 3,140         | 0                    |
| Inventory Recylex SA                | 2,485        | 4,659      | 2,174         | 544                  |
| Provisions                          | 0            | -4,720     | -4,720        | -1,180               |
| Other liabilities                   | 0            | -458       | -458          | -115                 |
| Gain on bargain purchase            |              |            | 7,590         | -1,112               |
| <b>Net gain on bargain purchase</b> |              |            | <b>6,478</b>  |                      |

In order to show the impact of the acquisition we have provided a consolidated balance sheet of both entities which will be integrated in the group balance sheet.

| '000 eur  | Notes  | 7/7/2022       |
|---|--------|----------------|
| <b>ASSETS</b>                                       |        |                |
| <b>Assets</b>                                       |        |                |
| Property, plant and equipment                       | 5.9    | <b>9.019</b>   |
| Right-of-use assets                                 |        | <b>87</b>      |
| Inventories   | 5.12   | <b>5.819</b>   |
| Trade receivables                                   | 5.13.1 | <b>2.810</b>   |
| Other receivables                                   |        | <b>80</b>      |
| Cash and cash equivalents                           |        | <b>1.656</b>   |
| <b>TOTAL ASSETS</b>                                 |        | <b>19.471</b>  |
| <b>Liabilities</b>                                  |        |                |
| Obligation for personnel (incl. retirement benefit) |        | <b>-646</b>    |
| Obligations under leases                            |        | <b>-87</b>     |
| Provisions  |        | <b>-4.720</b>  |
| Capital grants                                      | 5.18.3 | <b>-736</b>    |
| Trade payables                                      | 5.18.1 | <b>-5.110</b>  |
| Other payables                                      |        | <b>-332</b>    |
| <b>Total liabilities</b>                            |        | <b>-11.631</b> |
| <b>Capital and reserves</b>                         |        |                |
| Share capital                                       |        | <b>-250</b>    |
| <b>Total Capital and Reserves</b>                   |        | <b>-250</b>    |
| <b>Gain on bargain purchase</b>                     |        | <b>7.590</b>   |
| Deferred tax liabilities                            | 5.7    | <b>-1.112</b>  |
| <b>Net gain on bargain purchase</b>                 |        | <b>6.478</b>   |

The tangible fixed assets, including the land and buildings, measured at their acquisition date fair value, resulting in a value as stated in the table above. In this respect, management considered costs of remediation required and imposed by the respective environmental and other authorities.

The necessary provisions have also been made for soil remediation based on estimates made by specialized external experts. These were also included in the provisions mentioned above. Inventories acquired consisted of lead batteries and plastics measured at their estimated acquisition date fair values based on a combination of market reference prices and other supporting external documents such as invoices. Accounts receivable acquired gross amount to € 2,810K. Given the short maturity dates, the carrying value of the accounts receivable is deemed representative of their acquisition date fair value. The accounts receivable are all trade accounts receivable and it is expected that the full contractual amounts can be collected. Accounts payable and employee related obligations were assumed at their carrying values deemed to be representative of their fair values at acquisition date.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The business combination resulted in a negative goodwill amount of € 6,478K (net of tax) primarily because of the fact that the selling party was under financial distress and the acquisition was contingent upon approval by the French Commercial Court in Paris, who approved Campine's bid on 6 July 2022 and declared Campine as owner of the aforementioned business as from the morning of 7 July 2022.

#### Analysis of consideration paid

In 2022 transaction costs of € 450K were expensed and are included in other operating expenses.

#### Analysis of cash flows on acquisition

|  |        |
|--|--------|
| Transaction cost of the acquisition (included in cash flow from operating activities)    | -3,945 |
| Net cash acquired with the subsidiary (included in cash flows from investing activities) | 1,406  |
| Net cash flow on acquisition   | -2,539 |

From the date of the acquisition, the French entities contributed € 29.6 mio of revenue and € 1.1 mio to profit before tax. We believe that providing information of the contribution to revenues and net result as if the acquisition would have happened at the beginning of the reporting period, is impracticable because of lack of access to the records of part of the activities and lack of comparability as Recylex was under financial distress during the first semester of 2022 ending up in a declared bankruptcy in April 2022.

There is no contingent consideration payable nor are there any indemnification assets.

In order to show the impact of the acquisition as at 31 December 2022, we have provided in several notes the impact of the French entities on the group balance sheet and income statement.

#### 5.4.2. Geographical segments

The group's registered office is located in Belgium, Nijverheidsstraat 2, 2340 Beerse. The group's manufacturing operations are located in Nijverheidsstraat 2, 2340 Beerse, Belgium; 300 avenue de l'Epie, 69400 Arnas France and 20 rue des Prés, 59161 Escaudoeuvres, France.

The following table provides an analysis of the group's sales by geographical market.

| '000 eur                 | 12/31/2022 |       | 12/31/2021 |       |
|--------------------------|------------|-------|------------|-------|
|                          | 000 eur    | %     | '000 eur   | %     |
| Belgium                  | 8,945      | 2.8%  | 6,924      | 3.1%  |
| Germany                  | 114,162    | 36.0% | 82,908     | 36.6% |
| Switzerland              | 33,044     | 10.4% | 19,448     | 8.6%  |
| France                   | 18,520     | 5.8%  | 18,566     | 8.2%  |
| Italy                    | 18,158     | 5.7%  | 10,832     | 4.8%  |
| Romania                  | 10,686     | 3.4%  | 9,340      | 4.1%  |
| The Netherlands          | 10,210     | 3.2%  | 7,574      | 3.3%  |
| Turkey                   | 6,497      | 2.0%  | 2,871      | 1.3%  |
| Poland                   | 6,275      | 2.0%  | 4,289      | 1.9%  |
| United Kingdom           | 3,075      | 1.0%  | 1,988      | 0.9%  |
| Other European countries | 15,066     | 4.7%  | 12,669     | 5.6%  |
| North America            | 44,470     | 14.0% | 27,930     | 12.3% |
| Asia                     | 26,843     | 8.5%  | 19,810     | 8.8%  |
| Others                   | 1,479      | 0.5%  | 1,168      | 0.5%  |
|                          | 317,430    | 100%  | 226,317    | 100%  |

91% of the turnover of Circular Metals was realised in Europe whereas 63% of the turnover of Specialty Chemicals was achieved in Europe.

### 5.4.3. Business segments/divisions

Our reportable segments reflect the significant components of our operations. We evaluate our business operations in two segments, called divisions: "Specialty Chemicals" and "Circular Metals". Discrete financial information on these two segments is provided to the CODM (turnover is presented per BU, volumes are presented per division.)

The battery breaker activities in France are hosted in a new business unit called 'recycled Batteries' and are integrated in our Circular Metals division (formerly Metals Recycling division) as it is an upstream addition to its business. The plastics recycling company C2P becomes Campine 'recycled Polymers' business unit and is hosted in the Specialty Chemicals division, due to its overlap in customers and technology with our Flame Retardant Masterbatches BU (formerly Plastics BU) in Beerse.

The main activities are:

- **Specialty Chemicals** hosts all businesses which serve end-markets with chemical products and derivatives. The manufacturing of antimony trioxide used as flame-retardant, polymerization catalyst and pigment reagent and the production of different types of polymer and plastic masterbatches. The Specialty Chemicals division comprises the business units (BU's) BU Antimony trioxide, BU FR Masterbatches and BU recycled Polymers.

| Turnover in '000 eur       | BU Antimony trioxide | BU FR Masterbatches | BU recycled Polymers | Total Specialty Chemicals |
|----------------------------|----------------------|---------------------|----------------------|---------------------------|
| <b>On 31 December 2022</b> | <b>99,547</b>        | <b>47,769</b>       | <b>6,218</b>         | <b>153,534</b>            |
| On 31 December 2021        | 72,411               | 33,941              | -                    | 106,352                   |
| Δ                          | 37.5%                | 40.7%               | -                    | 44.4%                     |

The total (external and cross-business unit) turnover of the Specialty Chemicals division represents a volume of 18,483 ton (12/31/2021: 15,598 ton) (+18%). The split between external sales and cross-business unit sales can be found in the table on the next page.

- **Circular Metals** hosts the businesses in which metals are being recovered from industrial and postconsumer waste streams. The main activity is the manufacturing of lead alloys. To this business is added the growing activity of the recycling of other metals such as antimony and tin. This division comprises the business units (BU's) BU Lead, BU Metals Recovery and BU recycled Batteries.

| Turnover in '000 eur       | BU Metals Recovery | BU Lead        | BU recycled Batteries | Total Circular Metals |
|----------------------------|--------------------|----------------|-----------------------|-----------------------|
| <b>On 31 December 2022</b> | <b>18,111</b>      | <b>149,140</b> | <b>29,559</b>         | <b>196,810</b>        |
| On 31 December 2021        | 14,945             | 127,226        | -                     | 142,171               |
| Δ                          | 21.2%              | 17.2%          | -                     | 38.4%                 |

The total (external and cross-business unit) turnover of the Circular Metals division represents a volume of 91,813 ton (12/31/2021: 63,873 ton) (+44%). The split between external sales and cross-business unit sales can be found in the table on the next page.

There is one customer in BU Lead who represents more than 10% of the group's turnover (15%).



|   | Specialty Chemicals | Circular Metals | Unallocated    | Total          |
|---|---------------------|-----------------|----------------|----------------|
| '000 eur  | 12/31/2022          | 12/31/2022      | 12/31/2022     | 12/31/2022     |
| <b>REVENUE</b>  |                     |                 |                |                |
| External sales  | 153,534             | 163,896         | -              | 317,430        |
| Cross-business unit sales in the same segment             | -                   | 32,914          | -32,914        | 0              |
| <b>Total revenue</b>                                      | <b>153,534</b>      | <b>196,810</b>  | <b>-32,914</b> | <b>317,430</b> |
| <b>RESULT</b>   |                     |                 |                |                |
| Segment operating result                                  | 4,388               | 9,431           | -              | 13,819         |
| Gain on bargain purchase                                  |                     |                 | 6,478          | 6,478          |
| Operating result (EBIT)                                   |                     |                 |                | 21,409         |
| Investment revenues                                       | -                   | -               | 2              | 2              |
| Hedging results   | -                   | -612            | -              | -612           |
| Finance costs   | -                   | -               | -747           | -747           |
| Result before tax   |                     |                 |                | 20,052         |
| Income tax expense  |                     |                 |                | -3,135         |
| <b>Result for the period</b>                              |                     |                 |                | <b>15,805</b>  |
|   | Specialty Chemicals | Circular Metals | Unallocated    | Total          |
| '000 eur  | 12/31/2022          | 12/31/2022      | 12/31/2022     | 12/31/2022     |
| <b>OTHER INFORMATION</b>                                  |                     |                 |                |                |
| Capital additions   | 4,072               | 14,815          | 4,359          | 23,246         |
| Depreciation and amortisation (incl. right-of-use assets) | 4,542               | 9,813           | 2,092          | 16,447         |
|   | -1,506              | -3,294          | -959           | -5,759         |
| <b>BALANCE SHEET</b>                                      |                     |                 |                |                |
| <b>Assets</b>   |                     |                 |                |                |
| Fixed assets (incl. right-of-use assets)                  | 7,108               | 21,334          | 5,492          | 33,934         |
| Deferred tax  | -                   | -               | 166            | 166            |
| Cash paid in escrow                                       | -                   | -               | 57             | 57             |
| Inventories   | 25,625              | 24,250          | 2,161          | 52,036         |
| Trade receivables   | 19,382              | 17,850          | -1,613         | 35,619         |
| Other receivables   | -                   | -               | 2,873          | 2,873          |
| Cash and cash equivalent                                  | -                   | -               | 2,908          | 2,908          |
| <b>Total assets</b>                                       | <b>52,115</b>       | <b>63,434</b>   | <b>12,044</b>  | <b>127,593</b> |
| <b>Long term liabilities</b>                              |                     |                 |                |                |
| Retirement benefit obligation                             | -                   | -               | 1,496          | 1,496          |
| Deferred tax liabilities                                  | -                   | -               | 741            | 741            |
| Bank loans  | -                   | -               | 5,250          | 5,250          |
| Obligations under leases                                  | -                   | -               | 184            | 184            |
| Provisions  | 170                 | 6,065           | -              | 6,235          |
| <b>Short term liabilities</b>                             |                     |                 |                |                |
| Retirement benefit obligation                             | -                   | -               | 14             | 14             |
| Trade payables  | 6,052               | 16,105          | 986            | 23,143         |
| Other payables  | -                   | -               | 5,746          | 5,746          |
| Capital grants  | -                   | -               | 1,249          | 1,249          |
| Derivatives   | -                   | 632             | -              | 632            |
| Current tax liabilities                                   | -                   | -               | 1,200          | 1,200          |
| Obligations under leases                                  | -                   | -               | 208            | 208            |
| Bank overdrafts and loans*                                | -                   | -               | 21,945         | 21,945         |
| <b>Total liabilities</b>                                  | <b>6,222</b>        | <b>22,802</b>   | <b>39,019</b>  | <b>68,043</b>  |

\* Advances on bank overdrafts and loans are always withdrawn in function of the necessary working capital. They are considered to relate to the whole of the group's four legal entities and are therefore not allocated at segment level.

|   | Specialty Chemicals | Metals Recycling | Unallocated    | Total          |
|---|---------------------|------------------|----------------|----------------|
| '000 eur                                      | 12/31/2021          | 12/31/2021       | 12/31/2021     | 12/31/2021     |
| <b>REVENUE</b>                                |                     |                  |                |                |
| External sales                                | 106,352             | 119,965          | -              | 226,317        |
| Cross-business unit sales in the same segment | -                   | 22,206           | -22,206        | 0              |
| <b>Total revenue</b>                          | <b>106,352</b>      | <b>142,171</b>   | <b>-22,206</b> | <b>226,317</b> |
| <b>RESULT</b>                                 |                     |                  |                |                |
| Segment operating result                      | 10,583              | 8,514            | -              | 19,097         |
| Unallocated expenses                          |                     |                  |                |                |
| Operating result (EBIT)                       |                     |                  |                | 19,097         |
| Investment revenues                           | -                   | -                | -              | -              |
| Hedging results                               | -                   | -786             | -              | -786           |
| Finance costs                                 | -                   | -                | -346           | -346           |
| Result before tax                             |                     |                  |                | 17,965         |
| Income tax expense                            |                     |                  |                | -4,454         |
| <b>Result for the period</b>                  |                     |                  |                | <b>13,511</b>  |

|   | Specialty Chemicals | Circular Metals | Unallocated   | Total         |
|---|---------------------|-----------------|---------------|---------------|
| '000 eur  | 12/31/2021          | 12/31/2021      | 12/31/2021    | 12/31/2021    |
| <b>OTHER INFORMATION</b>                                  |                     |                 |               |               |
| Capital additions   | 1,038               | 5,621           | 1,718         | 8,377         |
| Depreciation and amortisation (incl. right-of-use assets) | -1,225              | -2,277          | -833          | -4,335        |
| <b>BALANCE SHEET</b>                                      |                     |                 |               |               |
| <b>Assets</b>   |                     |                 |               |               |
| Fixed assets (incl. right-of-use assets)                  | 4,072               | 14,815          | 4,359         | 23,246        |
| Deferred tax  | -                   | -               | 104           | 104           |
| Inventories   | 25,807              | 17,221          | 2,375         | 45,403        |
| Trade receivables   | 14,376              | 7,340           | 38            | 21,754        |
| Other receivables   |                     |                 | 1,915         | 1,915         |
| Cash and cash equivalent                                  | -                   | -               | 153           | 153           |
| <b>Total assets</b>                                       | <b>44,255</b>       | <b>39,376</b>   | <b>8,944</b>  | <b>92,575</b> |
| <b>Long term liabilities</b>                              |                     |                 |               |               |
| Retirement benefit obligation                             | -                   | -               | 1,192         | 1,192         |
| Deferred tax liabilities                                  | -                   | -               | 219           | 219           |
| Bank loans  | -                   | -               | 1,500         | 1,500         |
| Obligations under leases                                  | -                   | -               | 206           | 206           |
| Provisions  | 190                 | 995             | -             | 1,185         |
| <b>Short term liabilities</b>                             |                     |                 |               |               |
| Retirement benefit obligation                             | -                   | -               | 31            | 31            |
| Trade payables  | 5,800               | 14,610          | 3,841         | 24,251        |
| Other payables  | -                   | -               | 4,561         | 4,561         |
| Capital grants  | -                   | -               | 656           | 656           |
| Derivatives   | -                   | 65              | -             | 65            |
| Current tax liabilities                                   | -                   | -               | 121           | 121           |
| Obligations under leases                                  | -                   | -               | 167           | 167           |
| Bank overdrafts and loans*                                | -                   | -               | 10,448        | 10,448        |
| <b>Total liabilities</b>                                  | <b>5,980</b>        | <b>15,670</b>   | <b>22,942</b> | <b>44,602</b> |

\* Advances on bank overdrafts and loans are always withdrawn in function of the necessary working capital. They are considered to relate to the whole of the group's four legal entities and are therefore not allocated at segment level.

**5.5. OTHER OPERATING EXPENSE AND INCOME**

| '000 eur                              | 12/31/2022    | 12/31/2021 |
|---------------------------------------|---------------|------------|
| <b>OTHER OPERATING EXPENSE</b>        |               |            |
| Office expenses & IT                  | <b>1,325</b>  | 937        |
| Fees                                  | <b>1,169</b>  | 678        |
| Insurances                            | <b>695</b>    | 541        |
| Interim personnel                     | <b>2,718</b>  | 1,868      |
| Expenses related to personnel         | <b>205</b>    | 121        |
| Carry-off of waste                    | <b>4,209</b>  | 4,066      |
| Travel expenses                       | <b>300</b>    | 126        |
| Transportation costs                  | <b>6,692</b>  | 2,998      |
| Other purchase and sales expenses     | <b>733</b>    | 721        |
| Negative operating hedge result       | <b>430</b>    | 687        |
| Research & development                | <b>186</b>    | 422        |
| Renting                               | <b>530</b>    | 141        |
| Subscriptions                         | <b>365</b>    | 472        |
| Advertising - publicity               | <b>114</b>    | 68         |
| Other taxes (unrelated to result)     | <b>165</b>    | 125        |
| Financial costs (other than interest) | <b>303</b>    | 125        |
| Others                                | <b>387</b>    | 220        |
|                                       | <b>20,526</b> | 14,316     |

| '000 eur                                 | 12/31/2022   | 12/31/2021 |
|--|--------------|------------|
| <b>OTHER OPERATING INCOME</b>            |              |            |
| Positive operating hedge result          | <b>1,192</b> | 806        |
| Finance income (other than interest)     | <b>1,325</b> | -          |
| Renting                                  | <b>53</b>    | -          |
| Claims                                   | <b>244</b>   | 12         |
| Subsidies                                | <b>229</b>   | 228        |
| Produced assets - own construction       | <b>180</b>   | 294        |
| Recuperation of costs from third parties | <b>10</b>    | 32         |
| Others                                   | <b>110</b>   | 35         |
|  | <b>3,343</b> | 1,407      |

**5.6. FINANCE COSTS**

| '000 eur   | 12/31/2022 | 12/31/2021 |
|--|------------|------------|
| Interest on bank overdrafts, loans and factoring | 742        | 335        |
| Interest cost on leasing                         | 5          | 11         |
| <b>Total borrowing costs</b>                     | <b>747</b> | <b>346</b> |

**5.7. INCOME TAX EXPENSE**

| '000 eur                               | 12/31/2022   | 12/31/2021   |
|--|--------------|--------------|
| Current tax                            | 3,806        | 4,478        |
| Deferred tax                           | -671         | -24          |
| <b>Income tax expense for the year</b> | <b>3,135</b> | <b>4,454</b> |

Domestic and French income tax are calculated at 25% (2021: 25%) of the estimated assessable result for the year. The impact on the income tax due to the acquisition of the French entities amounts to € 1,112K.

| '000 eur   | 12/31/2022   | 12/31/2021   |
|--|--------------|--------------|
| Result before tax  | 18,940       | 17,965       |
| Tax at the domestic income tax rate of 25% (2021: 25%)                                   | 4,735        | 4,491        |
| Tax effect of expenses that are not deductible in determining taxable result             | 49           | 48           |
| Tax effect of Notional Interest Deduction (NID)  | 0            | 0            |
| Tax settlement previous years  | 1            | -90          |
| Tax effect of utilisation of tax losses previously not recognised and timing differences | -1,650       | -39          |
| Tax penalty (insufficient prepayments)   | 0            | 44           |
| Effect of different tax rates of subsidiaries operating in other jurisdictions           | 0            | 0            |
| <b>Tax expense and effective tax rate for the period</b>                                 | <b>3,135</b> | <b>4,454</b> |



## 5.8. DIVIDENDS AND TANTIÈME

The board proposes to pay a dividend amounting to € 3.75 mio based on the 2022 results. This dividend reflects the policy to distribute 1/3 of the net result, this time taking into account the operational results and excluding the one-time non-cash effect from the acquisition. A total dividend of € 4.2 mio was paid based on the 2021 result.

The board proposes to pay the non-executive directors a tantième for the financial year closed on 12/31/2022 as follows:

|          | F.W. Hempel | FLG BELGIUM | YASS     | DELOX<br>chairman | H.-R. Orgs | Total    |
|----------|-------------|-------------|----------|-------------------|------------|----------|
| Tantième | € 15,000    | € 15,000    | € 15,000 | € 30,000          | € 15,000   | € 90,000 |

For the financial year closed on 12/31/2021 a total tantième of € 90K was paid.

### 5.8.1. Result per share

As no potential shares – which could lead to dilution – were issued and no activities were ceased, the diluted result per share equals the basic result per share. The calculation of the basic and diluted result per share attributable to the ordinary equity holders of the parent is based on the following data:

| '000 eur  | 12/31/2022       | 12/31/2021 |
|---|------------------|------------|
| <b>RESULT</b>   |                  |            |
| Result for purposes of basic and diluted results per share (result for the year attributable to equity holders of the parent) | <b>15.805</b>    | 13.511     |
| <b>NUMBER OF SHARES</b>   |                  |            |
| Weighted average number of ordinary shares for the purposes of basic and diluted results per share                            | <b>1.500.000</b> | 1.500.000  |

## 5.9. PROPERTY, PLANT AND EQUIPMENT

| '000 eur                         | Land and buildings | Properties under construction | Fixtures and equipment | Total          |
|----------------------------------|--------------------|-------------------------------|------------------------|----------------|
| <b>COST OR VALUATION</b>         |                    |                               |                        |                |
| On 31 December 2020              | 15,777             | 1,919                         | 75,223                 | 92,919         |
| Additions                        | 769                | 386                           | 7,209                  | 8,364          |
| Transfers                        | 405                | -1,919                        | 1,514                  | 0              |
| On 31 December 2021              | 16,951             | 386                           | 83,946                 | 101,283        |
| Additions                        | 6,522              | 246                           | 8,981                  | 15,749         |
| Transfers                        |                    | -386                          | 386                    | 0              |
| <b>On 31 December 2022</b>       | <b>23,473</b>      | <b>246</b>                    | <b>93,313</b>          | <b>117,032</b> |
| <b>ACCUMULATED DEPRECIATION</b>  |                    |                               |                        |                |
| On 31 December 2020              | 13,045             | -                             | 61,361                 | 74,406         |
| Depreciation charge for the year | 293                | -                             | 3,815                  | 4,108          |
| On 31 December 2021              | 13,338             | -                             | 65,176                 | 78,514         |
| Depreciation charge for the year | 467                | -                             | 5,077                  | 5,544          |
| <b>On 31 December 2022</b>       | <b>13,805</b>      | <b>0</b>                      | <b>70,253</b>          | <b>84,058</b>  |
| <b>CARRYING AMOUNT</b>           |                    |                               |                        |                |
| <b>On 31 December 2022</b>       | <b>9,668</b>       | <b>246</b>                    | <b>23,060</b>          | <b>32,974</b>  |
| On 31 December 2021              | 3,613              | 386                           | 18,770                 | 22,769         |

New investments amount to € 15,749K of which € 9,019K is attributable to the French acquisitions: € 5,945K for land and buildings and € 3,074K for furnishings and equipment.

We always depreciate until residual value 0. The following depreciation rates are used for property, plant and equipment:

|  |                                    |
|--|------------------------------------|
| Industrial, administrative, commercial buildings | 5%                                 |
| Furniture  | 20%                                |
| Vehicles   | 25%                                |
| Installations, machinery and equipment           | 5% –33% depending on the life time |

The group has not pledged land and buildings to secure banking facilities granted to the group.

## 5.10. INTANGIBLE ASSETS

| '000 eur                        | Patents, trademarks and software purchased |
|---------------------------------|--|
| <b>COST</b>                     |  |
| On 31 December 2020             | 1,927                                      |
| Additions                       | 13   |
| On 31 December 2021             | 1,940                                      |
| Additions                       | 591  |
| <b>On 31 December 2022</b>      | <b>2,531</b>                               |
| <b>ACCUMULATED DEPRECIATION</b> |  |
| On 31 December 2020             | 1,797                                      |
| Charge for the year             | 40   |
| On 31 December 2021             | 1,837                                      |
| Charge for the year             | 126  |
| <b>On 31 December 2022</b>      | <b>1,963</b>                               |
| <b>CARRYING AMOUNT</b>          |  |
| <b>On 31 December 2022</b>      | <b>568</b>                                 |
| On 31 December 2021             | 103  |

Of the € 591K additions, € 285K relates to the renewal of the IT infrastructure in Beerse. The set-up of a new IT structure in the French entities amounted to € 225K.

The intangible assets included in the table have finite useful lives. Intangible assets are, depending on the category, depreciated over 3 to 8 years.

## 5.11. SUBSIDIARIES

Details of the group's subsidiaries on 12/31/2022 are as follows:

| Name of subsidiary  | Place of incorporation (or registration) and operation | Proportion of ownership interest | Proportion of voting power held | Principal activity |
|---|--|----------------------------------|---------------------------------|--------------------|
| Campine Recycling nv<br>VAT: BE0474.955.451                               | Belgium  | 99,99%                           | 100%                            | Lead recycling     |
| Campine France sas TVA: FR83 911 549 699<br>(since 07/07/2022)            | France   | 100,00%                          | 100%                            | Lead recycling     |
| Campine recycled Polymers<br>TVA: FR 59 342 238 649<br>(since 07/07/2022) | France   | 100,00%                          | 100%                            | Plastic recycling  |

There are no restrictions on the access to and use of the assets of the subsidiaries nor on the proceedings to settle commitments of the group.

## 5.12. INVENTORIES

| '000 eur         | 12/31/2022    | 12/31/2021    |
|------------------|---------------|---------------|
| Raw materials    | 15,060        | 12,738        |
| Work-in-progress | 12,314        | 9,603         |
| Finished goods   | 24,662        | 23,062        |
|                  | <b>52,036</b> | <b>45,403</b> |

The inventory per year-end includes an amount written-off of € 1,502K (2021: € 636K) because of the lower of cost and market value. The market value is the estimated selling price under normal circumstances less the estimated conversion cost and the estimated costs of realizing the sale (marketing, sales and distribution). The estimated sales price is determined using the LME (London Metal Exchange) quotations for lead. For the antimony price we refer to the current prices in combination with the already contracted purchase and sales contracts.

The inventories are part of the pledge on trade fund granted to the banks (see note 5.22).

The increase is mainly due to the share of the inventory located in our French entities which reaches € 6,247K on 12/31/2022 (€ 5,819K on 07/07/2022 point of acquisition).

## 5.13. FINANCIAL ASSETS

The board of directors confirms that the carrying amount of trade and other receivables approximates their fair value as those balances are short-term.

### 5.13.1. Trade receivables

| '000 eur                                  | 12/31/2022    | 12/31/2021    |
|---|---------------|---------------|
| Amounts receivable from the sale of goods | 35,619        | 21,754        |
|   | <b>35,619</b> | <b>21,754</b> |

An allowance has been recorded for estimated irrecoverable amounts from the sale of goods of € 1,044K (2021: € 1,011K). This allowance has been determined on a case-by-case basis. Balances are written off when sufficiently certain that the receivable is definitely lost. The amount of the receivables of our French entities represents € 9,673K (€ 2,810K on 07/07/2022 point of acquisition).

The total amount from sales of goods amounting to € 35,619K includes € 17,022K subject to commercial factoring by a credit institute. Based on these receivables the credit institute can deposit advances on the account of Campine (€ 9,625K on 12/31/2022, see note 5.16. Bank borrowings) and afterwards collects the receivables itself. The credit risk stays at Campine and is covered by a credit insurance.

There are no significant overdue amounts, older than 30 days, which are not provided for and/or are not fully covered by a credit insurance. Management has evaluated the expected loss provision on trade receivables but concluded that there was no need for a (material) additional provision on top of the specific bad debt provisions already recorded.



### 5.13.2. Other receivables

| '000 eur          | 12/31/2022 | 12/31/2021 |
|-------------------|------------|------------|
| Other receivables | 2,873      | 1,915      |
|                   | 2,873      | 1,915      |

Other receivables principally comprise amounts reclaimed V.A.T.

### 5.13.3. Bank balances and cash

Bank balances and cash comprise cash held by the group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

### 5.13.4. Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are after allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Concentrations of credit risk with respect to trade receivables are limited due to the group's customer base being large and unrelated. Due to this, the board of directors believes that there is no further credit risk provision required in excess of the allowance for bad and doubtful debts.

Roll-forward of the allowances for doubtful debtors:

| '000 eur                           | 12/31/2022 | 12/31/2021 |
|------------------------------------|------------|------------|
| Opening allowance doubtful debtors | 1,011      | 1,011      |
| Additions                          | 33         | -          |
| Reversals                          | -          | -          |
| Closing allowance doubtful debtors | 1,044      | 1,011      |

Included in the group's trade receivable balance are debtors with a carrying amount of € 2,453K (2021: € 2,430K) which are past due at the reporting date but for which the group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group has taken out a credit insurance for these amounts. The average age of these receivables is 13 days past due (2021: 20 days).

## 5.14. OTHER FINANCIAL ASSETS AND LIABILITIES

### 5.14.1. Derivatives

For a detailed description we refer to accounting policy 5.2.6 Financial instruments mentioned in this report.

The table below summarises the net change in fair value – realised and unrealised – of the positions on the LME lead / tin futures market where it sells forward lead and tin via future contracts.

| '000 eur            | Fair value of current instruments | Underlying lead volumes (in ton) |
|---------------------|-----------------------------------|----------------------------------|
| On 31 December 2021 | -65                               | 2,650                            |
| On 31 December 2022 | -632                              | 5,150                            |

The change in fair value in income statement amounts to € -612K (2021: € -786K).

The fair value of the derivatives are included in the balance sheet as current liabilities – derivatives for € 632K.

The classification of the fair value of the hedge instruments is level 1 (unadjusted quoted prices in an active market for identical assets or liabilities) in the “fair value hierarchy” of IFRS 13.

#### 5.14.2 Lease obligations

Roll forward of right-of-use assets:

| '000 eur                         | Company cars |
|----------------------------------|--------------|
| On 31 December 2020              | 402          |
| Additions                        | 158          |
| Depreciation charge for the year | -187         |
| Disposals                        | -            |
| On 31 December 2021              | 373          |
| Additions                        | 108          |
| Depreciation charge for the year | -89          |
| Disposals                        | -            |
| <b>On 31 December 2022</b>       | <b>392</b>   |

Leased assets relate to company cars. The repayments of operating lease liabilities during 2022 amount to € 94K. The depreciation charges reached € -89K and the financial charges amounted to € 5K.

The group also applies the practical expedients for operating leases of which the contract has a limited duration or operating leases where the underlying assets have a low value.

There were no restrictions or purchase options related to the agreements which are not index related. Lease arrangements are negotiated for an average term of four years.

#### 5.15. SHARE CAPITAL

| '000 eur  | 12/31/2022   | 12/31/2021 |
|---|--------------|------------|
| Authorised  |              |            |
| 1,500,000 ordinary shares of par value of 2.67 eur each | <b>4,000</b> | 4,000      |
| <b>Issued and fully paid</b>                            | <b>4,000</b> | 4,000      |

The company has one class of ordinary shares which carry no right to fixed income.

**5.16. BANK BORROWINGS (LEASE OBLIGATIONS EXCLUDED)**

| '000 eur                            | 12/31/2022    | 12/31/2021 |
|-------------------------------------|---------------|------------|
| Bank loans – investment credit      | <b>8,250</b>  | 4,125      |
| Bank overdrafts                     | <b>7,994</b>  | 177        |
| Advances on factoring               | <b>10,951</b> | 7,646      |
|                                     | <b>27,195</b> | 11,948     |
| <b>Repayable borrowings</b>         |               |            |
| Bank loans after more than one year | <b>5,250</b>  | 1,500      |
| Bank loans within one year          | <b>3,000</b>  | 2,625      |
| Bank overdrafts                     | <b>7,994</b>  | 177        |
| Advances on factoring               | <b>10,951</b> | 7,646      |
|                                     | <b>27,195</b> | 11,948     |
| <b>Average interest rates paid</b>  |               |            |
| Bank loans – investment credit      | <b>1.99%</b>  | 1.50%      |
| Bank overdrafts                     | <b>2.86%</b>  | 1.58%      |
| Advances on factoring               | <b>1.73%</b>  | 1.32%      |

In the first semester 2022 Campine contracted new investment credits for an amount of € 7,500K, repayable over a period of 5 years. On 12/31/2022, € 6,750K was open on this new investment credit.

Bank loans are arranged at fixed interest rates. Other borrowings (bank overdrafts and advances on factoring: € 18,945K on 12/31/2022 (€ 5,110K on 07/07/2022 point of acquisition) (on 12/31/2021: € 7,823K) are arranged at floating rates, thus exposing the group to an interest rate risk (see note 5.26.1.). On 12/31/2022, the group had available € 22,455K (12/31/2021: € 17,359K) of undrawn committed borrowing facilities.

In the credit agreements with our banks a number of covenants are agreed upon based on equity, solvency and stock rotation. On 12/31/2022 Campine complied with all covenants:

- The equity (corrected for intangible fixed assets and deferred taxes) amounted to € 59,557K on 12/31/2022 compared to the required minimum of € 22,000K.
- The solvency ratio on 12/31/2022 (47%) is in compliance with the required ratio of 30%.
- With a stock rotation (regarding the stock in Belgium) of 64 days Campine complied to the stock rotation ratio (< 90 days) on 12/31/2022.

Roll forward financial liabilities and reconciliation with cash flow:

| '000 eur                       | 12/31/2022    | Financing cash-flow | 12/31/2021 |
|--------------------------------|---------------|---------------------|------------|
| Bank overdrafts                | <b>7,994</b>  | 7,817               | 177        |
| Advances on factoring          | <b>10,951</b> | 3,305               | 7,646      |
| Bank loans – investment credit | <b>8,250</b>  | 4,125               | 4,125      |
|                                | <b>27,195</b> | 15,247              | 11,948     |

## 5.17. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the group, and the movements thereon, during the current and prior reporting periods.

| '000 eur                                      | Timing differences on fixed assets | Positive fair value derivatives | Retirement benefit obligations | Fiscal losses | Others     | Capital Grants | Total      |
|---|------------------------------------|---------------------------------|--------------------------------|---------------|------------|----------------|------------|
| On 31 December 2020                           | 3                                  | 23                              | -112                           | -             | -          | -              | -86        |
| Charge/(credit) to result for the year        | -2                                 | -23                             | -11                            | -             | 12         | 219            | 195        |
| Charge/(credit) to other comprehensive income | -                                  | -                               | 6                              | -             | -          | -              | 6          |
| On 31 December 2021                           | 1                                  | -                               | -117                           | -             | 12         | 219            | 115        |
| Charge/(credit) to result for the year        | 552                                | -                               | 26                             | -             | -108       | -31            | 439        |
| Charge/(credit) to other comprehensive income | -                                  | -                               | 21                             | -             | -          | -              | 21         |
| <b>On 31 December 2022</b>                    | <b>553</b>                         | <b>0</b>                        | <b>-70</b>                     | <b>-</b>      | <b>-96</b> | <b>188</b>     | <b>575</b> |

The balance of € 575K (12/31/2021: € 115K) consists of a deferred tax asset ad € 166K (12/31/2021: € 104K) and a deferred tax liability of € 741K (12/31/2021: € 219K). The changes are mainly due to the acquisition of the French entities.

In the opening balance sheet, we assumed € 1,112K of deferred tax liability of which € 672K was utilised subsequent to the acquisition. The other part of the deferred tax liabilities (€ 188K) relates to the investment grant of € 1 million that Campine received in 2021.

## 5.18. TRADE AND OTHER PAYABLES

### 5.18.1 Trade payables

Trade creditors and accruals principally comprise amounts outstanding for trade purchases. The carrying amount of trade payables approximates their fair value as those balances are short-term.

There are no trade payables older than 60 days (with the exception of disputes), hence an age analysis is irrelevant.

| '000 eur                     | 12/31/2022    | 12/31/2021 |
|------------------------------|---------------|------------|
| Trade creditors and accruals | <b>23,143</b> | 24,251     |
|                              | <b>23,143</b> | 24,251     |

The trade payables of the French entities amount to € 6,925K on 12/31/2022 (€ 5,110K on 07/07/2022 point of acquisition).

### 5.18.2 Other payables

| '000 eur                    | 12/31/2022   | 12/31/2021 |
|-----------------------------|--------------|------------|
| Other payables and accruals | <b>5,091</b> | 5,217      |
|                             | <b>5,091</b> | 5,217      |

Other payables and accruals principally comprise amounts outstanding for ongoing costs.



### 5.18.3 Capital grants

| '000 eur       | 12/31/2022 | 12/31/2021 |
|----------------|------------|------------|
| Capital grants | 1,249      | 656        |
|                | 1,249      | 656        |

Capital grants comprise amounts which are spread in the proceeds. The changes are due to the acquisition of the French entities.

### 5.19. LIQUIDITY RISK

The following table details the group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

| '000 eur                  | 12/31/2022 |           |           | 12/31/2021 |           |           |
|---------------------------|------------|-----------|-----------|------------|-----------|-----------|
|                           | < 1 year   | 1-5 years | > 5 years | < 1 year   | 1-5 years | > 5 years |
| Trade liabilities         | 23,143     | -         | -         | 24,251     | -         | -         |
| Other liabilities         | 6,955      | -         | -         | 5,217      | -         | -         |
| Bank overdrafts and loans | 10,994     | 5,250     | -         | 2,802      | 1,500     | -         |
| Advances on factoring     | 10,951     | -         | -         | 7,646      | -         | -         |
| Lease obligations         | 208        | 184       | -         | 167        | 206       | -         |

Other liabilities consist of other payables, capital grants and provisions for production waste.

### 5.20. FINANCIAL INSTRUMENTS

The major financial instruments of the group are financial and trade receivables and payables, investments, cash and cash equivalents as well as derivatives.

The financial instruments as on 12/31/2022 are presented below:

| '000 eur  | Categories | Book value    | Fair value    | Level |
|---|------------|---------------|---------------|-------|
| <b>I. Fixed assets</b>  |            |               |               |       |
| <b>II. Current Assets</b>   |            |               |               |       |
| Trade receivables   | A          | 35,619        | 35,619        | 2     |
| Other receivables   | A          | 2,873         | 2,873         | 3     |
| Cash paid in escrow   | A          | 57            | 57            | 2     |
| Cash and cash equivalents   | B          | 2,908         | 2,908         | 1     |
| <b>Total financial instruments on the assets side of the balance sheet</b>      |            | <b>41,457</b> | <b>41,457</b> |       |
| <b>I. Non-current liabilities</b>   |            |               |               |       |
| Interest-bearing liabilities  | A          | 5,250         | 5,284         | 2     |
| Obligations under leases  | A          | 184           | 184           | 2     |
| <b>II. Current liabilities</b>  |            |               |               |       |
| Interest-bearing liabilities  | A          | 21,945        | 21,945        | 2     |
| Current trade debts   | A          | 23,143        | 23,143        | 2     |
| Current other debts   | A          | 5,019         | 5,019         | 3     |
| Obligations under leases  | A          | 208           | 208           | 2     |
| Derivatives   | C          | 632           | 632           | 1     |
| <b>Total financial instruments on the liabilities side of the balance sheet</b> |            | <b>56,381</b> | <b>56,415</b> |       |

The financial instruments as on 12/31/2021 are presented below:

| '000 eur  | Categories | Book value    | Fair value    | Level |
|---|------------|---------------|---------------|-------|
| <b>I. Fixed assets</b>  |            |               |               |       |
| <b>II. Current Assets</b>   |            |               |               |       |
| Trade receivables   | A          | 21,754        | 21,754        | 2     |
| Other receivables   | A          | 1,915         | 1,915         | 3     |
| Cash and cash equivalents   | B          | 153           | 153           | 1     |
| <b>Total financial instruments on the assets side of the balance sheet</b>      |            | <b>23,822</b> | <b>23,822</b> |       |
| <b>I. Non-current liabilities</b>   |            |               |               |       |
| Interest-bearing liabilities  | A          | 1,500         | 1,500         | 2     |
| Obligations under leases  | A          | 206           | 206           | 2     |
| <b>II. Current liabilities</b>  |            |               |               |       |
| Interest-bearing liabilities  | A          | 10,448        | 10,448        | 2     |
| Current trade debts   | A          | 24,251        | 24,251        | 2     |
| Current other debts   | A          | 4,561         | 4,561         | 3     |
| Capital grants  | A          | 656           | 656           | 3     |
| Obligations under leases  | A          | 167           | 167           | 2     |
| <b>Total financial instruments on the liabilities side of the balance sheet</b> |            | <b>41,854</b> | <b>41,854</b> |       |

The categories correspond with the following financial instruments:

- A. Financial assets or liabilities held until maturity, at the amortised cost.
- B. Investments held until maturity, at the amortised cost.
- C. Assets or liabilities, held at the fair value through the profit and loss account.

The aggregate financial instruments of the group correspond with levels 1 and 2 in the fair values hierarchy.

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities.
- Level 2: the fair value based on other information, which can, directly or indirectly, be determined for the relevant assets or liabilities.
- Level : valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The valuation techniques regarding the fair value of the level 2 financial instruments are the following:

- The fair value of the other level 2 financial assets and liabilities is almost equal to their book value:
  - either because they have a short-term maturity (like trade receivables and debts),
  - or because they have a variable interest rate.
- For fixed-income payables the fair value was determined using interest rates that apply to active markets.

## 5.21. PROVISIONS AND CLAIMS

| '000 eur                   | Soil sanitation cost | Other      | Total        |
|----------------------------|----------------------|------------|--------------|
| On 31 December 2021        | 995                  | 190        | 1,185        |
| Additional provision       | 5,070                | -20        | 5,050        |
| <b>On 31 December 2022</b> | <b>6,065</b>         | <b>170</b> | <b>6,235</b> |

| '000 eur                | 12/31/2022   | 12/31/2021 |
|-------------------------|--------------|------------|
| Analysed as:            |              |            |
| Current liabilities     | -            | -          |
| Non-current liabilities | <b>6,235</b> | 1,185      |
|                         | <b>6,235</b> | 1,185      |

The provisions amounted to € 6,235K on 12/31/2022. These mainly relate to the soil sanitation obligation (€ 6,065K) on and around the site of the group and other environmental items. The increase is mainly due to the French acquisition which also brought with it, a probable need for soil contamination remediation, and an increase of the existing liabilities for the Beerse site as a result of inflation. Finally, a newly decided investment project for Belgium in 2022, requires upfront soil remediation costs, which explain the remainder of the increase.

The provisions were determined in compliance with the requirements of OVAM – by an independent study bureau.

Campine is subject to proceedings, lawsuits and other claims related to products and other matters. We are required to assess the likelihood of any adverse judgements or outcomes to these matters as well as potential ranges of probable and reasonably possible losses. A determination of the amount of liability to be recorded, if any, for these contingencies is made after careful analysis of each individual issue.

There are currently no claims for which the probability of a cash outflow is considered possible or probable.

## 5.22. CONTINGENT LIABILITIES

The pledge on trade fund was granted to the banks for a maximum amount of € 41,250K (12/31/2021: € 25,740K) but limited to the maximum amount of financing which amounted to € 24,567K on 12/31/2022 (12/31/2021: 11,795K).

## 5.23. SHARE-BASED PAYMENTS

During the financial year closed on 12/31/2022 none of the members of the executive management team received any shares, share options or other rights to acquire shares of the company or group.

**5.24. EMPLOYEE BENEFITS EXPENSE**

| '000 eur                                 | 12/31/2022    | 12/31/2021 |
|--|---------------|------------|
| <b>Long term</b>                         |               |            |
| Pension cost (incl. early retirement)    | 560           | 496        |
| <b>Short term</b>                        |               |            |
| Salaries                                 | 12,964        | 11,189     |
| Contribution social security             | 3,881         | 3,048      |
| Structural reduction social contribution | -1,041        | -910       |
| Other employee benefits expense          | 1,716         | 1,593      |
|  | <b>18,080</b> | 15,416     |
| Average number of FTE's                  | 228           | 188        |

The total impact of the French entities was € 1,654K which was related to the second semester 2022.

**5.25. POST RETIREMENT BENEFITS**

Following amounts with regard to the (early) retirement are booked on the balance sheet:

| '000 eur                   | 12/31/2022   | 12/31/2021 |
|----------------------------|--------------|------------|
| Defined benefit plan       | 1,096        | 1,168      |
| Early retirement provision | 414          | 55         |
|                            | <b>1,510</b> | 1,223      |



### 5.25.1. Pension benefit plan

The group operates a funded pension benefit plan for qualifying employees of Campine and its subsidiary in Belgium. The pension benefit plan foresees an amount based on the salary and seniority payable as of the age of 65. For the financed plans, plan assets consist of mixed portfolios of shares, bonds or insurance contracts. The plan assets do not contain direct investments in Campine shares or in fixed assets or other assets used by the group.

The current plans for which active contributions are paid consist only of “defined contribution” plans. Just for white-collar workers with a higher seniority there are still ongoing “defined benefit” plans, but no active contributions are being paid for these anymore.



The current value of the retirement benefit obligations and the assets has evolved as follows:

| '000 eur  | Pension obligation<br>(IAS 19) | Plan Assets   | Deficit      | Net liability /<br>(asset) |
|---|--------------------------------|---------------|--------------|----------------------------|
| On 31 December 2021   | 6,990                          | -5,822        | 1,168        | 1,168                      |
| <b>Components of defined benefit cost</b>                             |                                |               |              |                            |
| Service cost in P/L   | -                              | -             | -            | -                          |
| Current service cost (net of employee contributions)                  | 481                            | -             | -            | 481                        |
| Past service cost (incl. effect of curtailments)                      | -                              | -             | -            | -                          |
| Settlement (gain)/loss  | -                              | -             | -            | -                          |
| <b>Service cost</b>   |                                |               |              | <b>481</b>                 |
| <b>Net interest on the net liability / (asset) in P/L</b>             |                                |               |              |                            |
| Interest cost on pension obligation                                   | 68                             | -             | -            | 68                         |
| Interest income on plan assets  | -                              | -59           | -            | -59                        |
| Interest on effect of the asset ceiling                               | -                              | -             | -            | -                          |
| <b>Net interest</b>   |                                |               |              | <b>9</b>                   |
| Administration costs paid from plan assets in P/L                     |                                |               |              | -                          |
| <b>Components of defined benefit cost recognised in P/L</b>           |                                |               |              | <b>490</b>                 |
| <b>Remeasurements of the net liability / (asset) in OCI</b>           |                                |               |              |                            |
| Actuarial (gain) / loss arising from                                  |                                |               |              |                            |
| - Changes in demographic assumptions                                  | -                              | -             | -            | -                          |
| - Changes in financial assumptions                                    | -2,261                         | -             | -            | -2,261                     |
| - Experience adjustments  | 216                            | -             | -            | 216                        |
| Return on plan assets (excl. amounts in net interest)                 | -                              | 1,963         | -            | 1,963                      |
| Change in effect of the asset ceiling (excl. amounts in net interest) | -                              | -             | -            | -                          |
| <b>Total remeasurement recognised in OCI</b>                          |                                |               |              | <b>-82</b>                 |
| <b>Defined benefit cost (total amount recognised in P/L and OCI)</b>  |                                |               |              | <b>408</b>                 |
| <b>Cash Flows</b>   |                                |               |              |                            |
| Employee contributions  | -                              | -             | -            | -                          |
| Employer contributions to plan assets (incl. 4.4% taxes)              | -                              | -480          | -            | -480                       |
| Benefit payments from plan assets                                     | -101                           | 101           | -            | -                          |
| Direct benefit payments by employer                                   | -                              | -             | -            | -                          |
| Taxes paid from plan assets (4.4%)                                    | -18                            | 18            | -            | -                          |
| Taxes paid directly by employer (8.86%)                               | -37                            | 37            | -            | -                          |
| <b>On 31 December 2022</b>  | <b>5,338</b>                   | <b>-4,242</b> | <b>1,096</b> | <b>1,096</b>               |

| '000 eur  | Pension obligation<br>(IAS 19) | Plan Assets   | Deficit      | Net liability /<br>(asset) |
|---|--------------------------------|---------------|--------------|----------------------------|
| On 31 December 2020   | 7,326                          | -6,208        | 1,118        | 1,118                      |
| <b>Components of defined benefit cost</b>                             |                                |               |              |                            |
| Service cost in P/L   | -                              | -             | -            | -                          |
| Current service cost (net of employee contributions)                  | 516                            | -             | -            | 516                        |
| Past service cost (incl. effect of curtailments)                      | -                              | -             | -            | -                          |
| Settlement (gain)/loss  | -                              | -             | -            | -                          |
| <b>Service cost</b>   |                                |               |              | <b>516</b>                 |
| <b>Net interest on the net liability / (asset) in P/L</b>             |                                |               |              |                            |
| Interest cost on pension obligation                                   | 25                             | -             | -            | 25                         |
| Interest income on plan assets  | -                              | -22           | -            | -22                        |
| Interest on effect of the asset ceiling                               | -                              | -             | -            | -                          |
| <b>Net interest</b>   |                                |               |              | <b>3</b>                   |
| Administration costs paid from plan assets in P/L                     |                                |               |              | -                          |
| <b>Components of defined benefit cost recognised in P/L</b>           |                                |               |              | <b>519</b>                 |
| <b>Remeasurements of the net liability / (asset) in OCI</b>           |                                |               |              |                            |
| Actuarial (gain) / loss arising from                                  |                                |               |              |                            |
| - Changes in demographic assumptions                                  | -                              | -             | -            | -                          |
| - Changes in financial assumptions                                    | -699                           | -             | -            | -699                       |
| - Experience adjustments  | 80                             | -             | -            | 80                         |
| Return on plan assets (excl. amounts in net interest)                 | -                              | 598           | -            | 598                        |
| Change in effect of the asset ceiling (excl. amounts in net interest) | -                              | -             | -            | -                          |
| <b>Total remeasurement recognised in OCI</b>                          |                                |               |              | <b>-21</b>                 |
| <b>Defined benefit cost (total amount recognised in P/L and OCI)</b>  |                                |               |              | <b>498</b>                 |
| <b>Cash Flows</b>   |                                |               |              |                            |
| Employee contributions  | -                              | -             | -            | -                          |
| Employer contributions to plan assets (incl. 4.4% taxes)              | -                              | -448          | -            | -448                       |
| Benefit payments from plan assets                                     | -206                           | 206           | -            | -                          |
| Direct benefit payments by employer                                   | -                              | -             | -            | -                          |
| Taxes paid from plan assets (4.4%)                                    | -17                            | 17            | -            | -                          |
| Taxes paid directly by employer (8.86%)                               | -35                            | 35            | -            | -                          |
| <b>On 31 December 2021</b>  | <b>6,990</b>                   | <b>-5,822</b> | <b>1,168</b> | <b>1,168</b>               |

The average duration of the benefit plan with fixed income is 13 years.

The average duration of the benefit plan with fixed costs is 16 years.

Major actuarial assumptions in use at balance sheet date:

|                                   | 12/31/2022   | 12/31/2021 |
|-----------------------------------|--------------|------------|
| Discount rate                     | <b>3.80%</b> | 0.98%      |
| Expected rate of salary increases | <b>3.20%</b> | 2.90%      |
| Inflation                         | <b>2.20%</b> | 1.90%      |

Split of the plan assets on balance sheet date:

|                               | 12/31/2022  | 12/31/2021 |
|-------------------------------|-------------|------------|
| Equity securities, incl. cash | <b>5%</b>   | 5%         |
| Fixed income securities       | <b>95%</b>  | 95%        |
|                               | <b>100%</b> | 100%       |

Sensitivity analysis of a percentage increase or decrease in the discount rate or an increase in salary to the retirement benefit obligation:

|                            |               |       |              |
|----------------------------|---------------|-------|--------------|
| <b>Discount rate</b>       | <b>-0.50%</b> |       | <b>0.50%</b> |
| Assumptions                | <b>3.30%</b>  | 3.80% | <b>4.30%</b> |
| Pension obligation (K eur) | <b>5,620</b>  | 5,338 | <b>5,092</b> |
| <b>Salary increase</b>     | <b>-0.50%</b> |       | <b>0.50%</b> |
| Assumptions                | <b>2.70%</b>  | 3.20% | <b>3.70%</b> |
| Pension obligation (K eur) | <b>5,292</b>  | 5,338 | <b>5,385</b> |

The group expects to contribute € 412K to its defined benefit plans in 2023.

### 5.25.2. Early retirement provisions

Early retirement provisions are set up based on agreements with those affected on amounts to be paid until the age of 65 year. The provision on 12/31/2022 amounts to € 14K (on 12/31/2021: € 55K). For the French entities, provisions have also been made for pensions and seniority for a total amount of € 400K.

## 5.26. MARKET RISK

### 5.26.1. Interest risk

Funding of the company is done through bank loans, bank overdrafts and factoring. On 12/31/2022 bank loans amounted to € 8,250K, bank overdrafts and advances on factoring amounted to € 18,945K. Bank loans are arranged at fixed rates. The bank overdrafts and advances on factoring are arranged at variable rates (see note 5.16.).

An increase or decrease of the interest with 10% would have an impact on the income statement of € -42K (in case of 10% increase) or € +42K (in case of 10% decrease) based upon the amount on 12/31/2022. The retained earnings will also be influenced.

### 5.26.2. Foreign Exchange risk

The group is managing its foreign currency risk by matching foreign currency cash inflows with foreign cash outflows (USD is our main foreign currency).

An increase or decrease of the USD/EUR rate with 10% would have an impact on the income statement of € -80K (in case of 10% increase) or € +80K (in case of 10% decrease) based upon the assets and liabilities denominated in USD on 12/31/2022. The retained earnings will also be influenced.

### 5.26.3. Price risk

The value of these fixed price contracts and the future LME commitments are both shown in the balance sheet; changes in the values will be shown in the profit and loss account (see note 5.14.1. Derivatives).

There is no price risk on the fixed price contracts as the impact of price fluctuation on respective fixed purchase and sell contracts are compensated by the impact on the respective sell and purchase contracts on the LME.

A movement of the LME lead- and tin futures price by 10% would have impacts on the income statement. The immediate effect based on the underlying open position on 12/31/2022 of a price fall of 10% would be € +1,128K or of a price raise of 10% would be € -1,128K.

## 5.27. EVENTS AFTER THE BALANCE SHEET DATE

The company and group have not been impacted by the current bank crisis and has no exposure to US or Swiss banks.

On March 8th 2023 the European General Court of the EU decided in favour of Campine in the case of Campine against the EC for interest refund. Campine claimed back € 300K of interest based on the 2019 judgement of Campine's limited involvement in the battery case. The European Commission can appeal against this verdict. No other significant events occurred after the close of the year.

## 5.28. RELATED PARTIES

As to the transparency notification of 9 July 2019 the current shareholder structure of Campine is:

| Name  | Number of shares | % of the voting rights |
|---|------------------|------------------------|
| F.W. Hempel Metallurgical GmbH Weißensteinstraße 70,<br>46149 Oberhausen, Germany | 1.077.900        | 71,86%                 |

The ultimate parent of the group is the F.W. Hempel Familienstiftung. The ultimate controlling person is Mr Friedrich-Wilhelm Hempel.

Transactions between the company and its subsidiary, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and the management and key-management are disclosed in the Remuneration report. Details of transactions between the group and other related parties are disclosed below.



## 5.29. RELATED PARTY TRANSACTIONS

All related party transactions are conducted on a business base and in accordance with all legal requirements and the Corporate Governance Charter.

### 5.29.1. Trading transactions

In 2022, group entities entered into the following trading transactions with related parties that are not members of the group:

- Purchase of lead wastes from Hempel Legierungsmetalle GmbH for € 832K (2021: € 930K). There is no open amount on 12/31/2022.

### 5.29.2. Other transactions

The companies below passed through personnel and IT expenses to the Campine group:

- F.W. Hempel Metallurgical: € 325K (2021: € 341K). Open amount on 12/31/2022: € 14K.
- F.W. Hempel & Co Erze und Metalle: € 98K (2021: € 103K). There is no open amount on 12/31/2022.

The Campine group passed through personnel and IT expenses to

F.W. Hempel & Co Erze und Metalle: € 8K (2021: € 8K). There is no open amount on 12/31/2022.

## 5.30. RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

Commercial commitments: There are firm commitments to deliver or receive metals to customers or from suppliers at fixed prices.

| '000 eur   | 12/31/2022    | 12/31/2021 |
|--|---------------|------------|
| Commercial commitments for metals purchased (to be received) | <b>6,729</b>  | 10,026     |
| Commercial commitments for metals sold (to be delivered)     | <b>17,336</b> | 18,378     |

## 5.31. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the executive management team including the board members amounts to € 2,328K (2021: € 2,263K).

| '000 eur   | 12/31/2022   | 12/31/2021 |
|--|--------------|------------|
| <b>Board</b>   |              |            |
| Fixed remuneration   | <b>141</b>   | 133        |
| Tantième   | <b>90</b>    | 90         |
| <b>Executive management team (incl. CEO)</b>               |              |            |
| Fixed remuneration   | <b>1,507</b> | 1,411      |
| Other benefits   | <b>53</b>    | 53         |
| Pension cost   | <b>38</b>    | 38         |
| Variable remuneration one year                             | <b>349</b>   | 338        |
| Variable remuneration multiple year                        | <b>150</b>   | 200        |
| <b>Total compensation paid to key management personnel</b> | <b>2,328</b> | 2,263      |

None of the above-mentioned persons received any shares, share options or other rights to acquire shares of the company or group. The remuneration of the members of the executive management team is decided upon by the Nomination and Remuneration committee, based on market trends and individual performances.

## 5.32. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 10 March 2023.

# Corporate Data

**HeadQuarters**

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**Statutory auditor**

EY Bedrijfsrevisoren BV  
Represented by Harry Everaerts\*  
partner  
\*acting on behalf of a BV/SRL

**Financial calendar**

|   |   |
|---|---|
| 24 May 2023                               | General meeting of shareholders               |
| 9 June 2023<br>8 June 2023<br>7 June 2023 | Payment of dividend<br>Record date<br>Ex-date |
| Last week of August 2023                  | Announcement of half-year results 2023        |
| Last week of February 2024                | Announcement of annual results 2023           |





Recover.  
Renew.  
Repeat.

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