ANNUAL REPORT 2019

Partners for sustainable growth

Ackermans & van Haaren

ANNUAL REPORT 2019

Partners for sustainable growth

ACKERMANS & VAN HAAREN

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1. Ackermans & van Haaren
2. Marine Engineering & Contracting
3. Private Banking
4. Real Estate & Senior Care
5. Energy & Resources
6. Growth Capital

Pursuant to the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, Ackermans & van Haaren is required to publish its annual financial report. This report contains:

- the combined statutory and consolidated annual report of the board of directors prepared in accordance with Article 03:32 §1 last paragraph of the Code of Companies and Associations,
- a condensed version of the statutory annual accounts prepared in accordance with Article 3:17 of the Code of Companies and Associations, and
- the full version of the consolidated annual accounts.

The full version of the statutory annual accounts has been deposited with the National Bank of Belgium, pursuant to Articles 03:10 and 3:12 of the Code of Companies and Associations, together with the annual report of the board of directors and the audit report. The auditor has approved the statutory and consolidated annual accounts without qualification.

In accordance with Article 12, §2, 3° of the Royal Decree of November 14, 2007, the members of the executive committee (i.e. Jan Suykens, Tom Bamelis, John-Eric Bertrand, Piet Bevernage, André-Xavier Cooreman, Piet Dejonghe and Koen Janssen), declare that, to their knowledge:

a) the annual accounts contained in this report, which have been prepared in accordance with the applicable standards for annual accounts, give a true view of the assets, financial situation and the results of Ackermans & van Haaren and the companies included in the consolidation;
b) the annual accounts give a true overview of the development and the results of the company and of the position of Ackermans & van Haaren and the companies included in the consolidation, as well as a description of the main risks and uncertainties with which they are confronted.

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.avh.be) and may be obtained upon simple request, without charge, at the following address:

Begijnenvest 113 - 2000 Antwerp - Belgium
Tel. +32 3 231 87 70 - info@avh.be

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Partners for sustainable growth

Our mission is to create shareholder value through long-term investments in a limited number of strategic participations with growth potential on an international level.

Long-term perspective

- Clear objectives agreed upon with the participations.
- Responsibility of the participations for their own financial position.
- Strive for annual growth in the results of each participation and of the group as a whole.
- Focus on growth companies in an international context.

Positioning of Ackermans & van Haaren

- An independent and diversified group.
- Led by an experienced, multidisciplinary management team.
- A healthy financial structure to support the growth ambitions of the participations.

Proactive shareholder

- Involvement in selecting senior management and defining long-term strategy.
- Permanent dialogue with management.
- Monitoring and control of strategic focus, operational and financial discipline.
- Active support of management for specific operational and strategic projects.

Partners

- A partnership right from the start of Ackermans & van Haaren.
- Successful track record of partnerships with families, co-shareholders and management teams as the basis for further growth.

Sustainable

- Development and growth of activities in a sustainable way, with respect for people, environment and society.
- Transparent reporting and communication, corporate governance and business ethics, with an eye for financial balances and discipline.
- Focus on recurring results and a long-term steadily increasing dividend.

Growth

- An entrepreneurial group that seeks to develop its businesses on a recurrent basis through internationalization and innovation.
- Focus on operational excellence and the capacity to achieve long-term recurrent and profitable growth.

2019 at a glance

"Ackermans & van Haaren realized a record profit of 394.9 million euros over the full year 2019 (2018: 289.6 million euros), partly thanks to a substantial capital gain on the sale of Residalya, and achieves an 11.3% return on equity."

Jan Suykens, CEO - Chairman of the executive committee (February 28, 2020)

- Within '**Marine Engineering & Contracting**', both DEME and CFE realized lower operating results on an approximately equal (high) turnover, partly due to certain non-recurring elements. New contracts kept their order backlogs at a high level.
- Both Delen Private Bank and Bank J.Van Breda & C° reported a strong year in 2019. With a profit contribution of 127.3 million euros, 2019 was the best year ever for '**Private Banking**' in AvH's portfolio.
- 2019 was also a strong year for Extensa, Leasinvest Real Estate and Anima Care. Without taking into account the sale of Residalya, the recurring contribution from '**Real Estate & Senior Care**' increased.
- 2019 was a bad year for SIPEF: low market prices for palm oil for most of the year, disappointing production volumes and the damage caused by three volcanic eruptions meant that '**Energy & Resources**' contributed a loss to AvH in 2019.
- The good results of most of the participations in '**Growth Capital**' were reflected in a profit contribution of 17.6 million euros. This markedly better result brought an end to six more difficult years.
- Capital gains increased to 112.9 million euros (including the 105.7 million euros on the sale of Residalya).
- Favourable financial markets had a positive impact on the results of 'AvH & subholdings'.

Breakdown of the consolidated net result (part of the group)

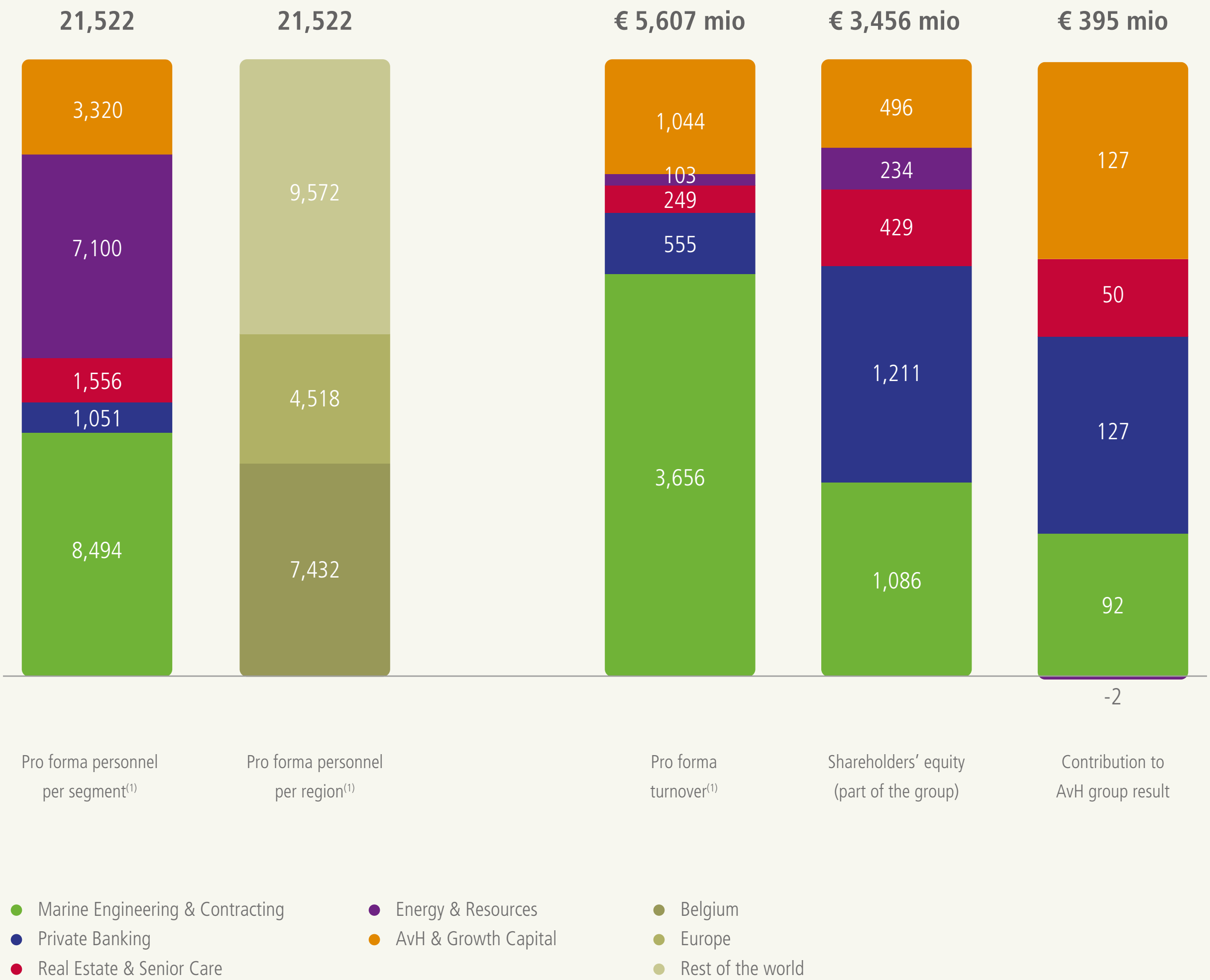
(€ million)	2019	2018
Marine Engineering & Contracting	**91.9**	118.1
Private Banking	**127.3**	121.3
Real Estate & Senior Care	**50.2**	65.3
Energy & Resources	**-1.5**	7.7
Contribution from core segments	**267.9**	312.4
Growth Capital	**17.6**	-6.9
AvH & subholdings	**-3.5**	-13.7
Net capital gains(losses) / impairments	**112.9**	-2.2
Consolidated net result	**394.9**	289.6

Key figures - consolidated balance sheet

(€ million)	2019	2018
Shareholders' equity (part of the group - before allocation of profit)	**3,456.1**	3,176.5
Net cash position of AvH	**267.4**	102.9

Net result	Net equity (part of the group - before allocation of profit)	Market capitalization (31/12/2019)
395 (million euros)	3,456 (million euros)	4,680 (million euros)
11.92 (euros per share)	104.32 (euros per share)	139.70 (euros per share)

Economic footprint of the AvH group



(1) Based on consolidated figures 2019, pro forma: all (exclusive) control interests incorporated in full, the other interests proportionally.

Key events 2019

January

- **DEME:** Luc Vandenbulcke new CEO

DEME - Luc Vandenbulcke

February

- **AvH:** participation in Biolectric (AvH 60%)
- **Rent-A-Port:** new IAI shareholder agreement provides control of development activities in Vietnam
- **Euro Media Group:** acquisition of Telegenic (UK)

Biolectric

March

- **Delen Private Bank:** René Havaux new CEO

Delen Private Bank - René Havaux

July

- **AvH:** participation in Biotalys, formerly AgroSavfe (AvH 15%)

August

SIPEF

- **DEME:** contract for installation first offshore wind farm in France (Saint-Nazaire)
- **Leasinvest:** acquisition of two retail properties in Vösendorf (Austria)
- **SIPEF:** volcanic eruption of Mount Ulawun (Papua New Guinea)

September

Anima Care

- **Delen Private Bank:** acquisition of Nobel Vermogensbeheer (the Netherlands)
- **Anima Care:** opening of residential care centres Ravelijn (Zoutleeuw) and Kristallijn (Bilzen)

Key events 2020

January

- **DEME Offshore:** mark of 2,200 installed turbines reached
- **Anima Care:** opening of Nuance residential care centre in Vorst

February

- **AvH:** participation in MRM Health (AvH in excess of 15%)
- **AvH:** sale of Oriental Quarries & Mines (AvH 50%) completed

March

- Impact COVID-19 crisis on stock exchange and economic climate

April

- **DEME:** major contract for deepening of Elbe (Germany)
- **Mediahuis:** acquisition of Independent News & Media (Ireland)

Mediahuis - Independent News & Media

May

- **Bank J.Van Breda & C°:** launch of Van Breda Immo Consult (advice on property investment)

June

- **AvH:** sale of Residalya (AvH 71.7%)
- **DEME:** trailing suction hopper dredger Bonny River put into operation
- **Delen Private Bank:** A+ rating by UN PRI for 'Strategy and Policy'
- **Leasinvest:** acquisition of buildings B and E in EBBC Business Park (Luxembourg)
- **Euro Media Group:** acquisition of Global Production (Italy)

Leasinvest - EBBC Business Park

Extensa - Gare Maritime

Medikabazaar

October

- **DEME:** preferred bidder for first major contracts for offshore wind power in Taiwan (Zhong Neng and Hai Long)
- **Extensa:** first wooden office building in Gare Maritime (Tour & Taxis) brought into use

November

- **AvH:** participation in Medikabazaar (AvH 9%)
- **Anima Care:** residential care centre Alegria (Anderlecht) brought into use

December

- **Leasinvest:** sale of Riverside Business Park

Annual report 2019

Ackermans & van Haaren

"We are proud to have achieved a record profit of 394.9 million euros in 2019"

Luc Bertrand & Jan Suykens

Message from the chairmen

Dear shareholders,

We are proud to have achieved a record profit of 394.9 million euros in 2019 (2018: 289.6 million euros), despite a world full of uncertainties characterised by:

- an impending trade war between the US and China,
- challenges from global warming for our society and businesses,
- the aftermath of the 2008-2009 (banking) crisis, which led to a policy of low to negative interest rates,
- low growth and high public debt in the eurozone,
- the impact of Brexit.

The results for 2019 mainly show the underlying strength of the AvH model, i.e. recurring profits from a limited number of core participations supplemented by significant capital gains:

- The contribution of our 'core participations' (supplemented with AvH & subholdings and Growth Capital, i.e. before capital gains) amounted to 282 million euros. Ten years ago, in 2009, this only amounted to 113 million euros.

  It is not only the increase in absolute amounts that is important. The intrinsic quality of this result is also so much stronger because of the diversified substructure. The two core segments 'Marine Engineering & Contracting' and 'Private Banking' accounted for 84% of this result in 2009 versus 78% in 2019. This means that the other segments increased from 16% to 22% (2018: 18%) of this result.

  → Absolute growth and higher quality of the result

- The investment strategy, including the focus on growth capital, has regularly given rise to capital gains in the past.

  In June 2019, AvH realised a capital gain of 105.7 million euros on the sale of its participation in the French nursing home group Residalya. Our investment in Residalya, which, in partnership with the management surrounding CEO Hervé Hardy, we have been developing since 2007 into a medium-sized player in the French elderly care market, perfectly illustrates how we want to sustainably create value in our portfolio.

  → Together with smaller capital gains on e.g. Henschel Engineering and Ogeda, the total capital gains in 2019 amounted to 112.9 million euros.

In this way, consolidated shareholders' equity for 2019 increased to 3,456 million euros (versus 3,176 million euros at the end of 2018), an increase of 11.3% including dividend.

This should be seen in a historical perspective of an average annual growth in consolidated equity of 9.8% during the period 2009-2019 and of 13.3% per annum since our IPO in 1984.

Partly thanks to the sale of Residalya, AvH's net cash position increased to 267 million euros, its highest level since the stock market crash of 2008-2009.

Divestments yielded 196 million euros in cash. On the other hand, AvH invested 63 million euros in its portfolio, both in the strengthening of its shareholding in existing participations (SIPEF, Sagar Cements, CFE and DEME) and in new investments (Biolectric, Biotalys (formerly AgroSavfe), Medikabazaar).

With such a development in results, AvH is an example of recurring and, above all, sustainable profit growth.

AvH not only aims to grow sustainably, it also and above all wants to grow in sustainable investment opportunities and themes:

- 50% of DEME's turnover is focused on the construction of offshore wind farms and environmental activities,
- all the patrimonial funds of Delen Private Bank follow the same framework of 'responsible investment',
- 100% of SIPEF's palm oil is sustainable, traceable and RSPO-certified,
- Extensa is building 50,000 m² of offices in the Gare Maritime at Tour & Taxis entirely from wood and heated/cooled with geothermal and solar energy. The Brussels Environment and Herman Teirlinck sustainable office buildings also comply with the passive standard.

In 2019, AvH devoted a great deal of attention to formulating its **sustainability policy** (ESG). Both AvH and the 5 most important participations have each determined the priority SDGs (Sustainable Development Goals) for themselves, based on a survey of the stakeholders, which resulted into the materiality matrix (see the sustainability report on p. 38).

As a socially responsible investor, AvH wants to focus on four specific goals:

- SDG 3 Good Health and Well-being: well-trained and motivated staff members,
- SDG 8 Decent Work and Economic Growth: financially sustainable business models and strategies,
- SDG 9 Industry, Innovation and Infrastructure: a sustainable policy supported by continuous innovation,
- SDG 16 Peace, Justice and Strong Institutions: priority areas for corporate governance and business ethics, including prevention policy.

Our core participations achieved stable results at a high level in 2019.

In 2019, **DEME** realised a turnover of 2,622 million euros (2018: 2,646 million euros), of which 1,085 million euros in the traditional dredging activity and 1,141 million euros through DEME Offshore, mainly for the construction of offshore wind farms. Operating cash flow (EBITDA) remained relatively stable at 437 million euros (2018: 459 million euros) for a net result of 125 million euros (2018: 156 million euros).

DEME invested around 435 million euros in the renewal of its fleet in 2019 and will continue to invest a similar amount in 2020. The trailing suction hopper dredger Bonny River (15,000 m³) was commissioned in 2019 and DEME expects to commission the cutter suction dredger Spartacus and the offshore installation vessel Orion in 2020. With its lifting capacity of 5,000 tonnes, the Orion should further strengthen DEME's competitive position as world market leader in the installation of offshore wind farms. As a result of these investments, the net debt position increased to 708 million euros (2018: 556 million euros). DEME's consolidated equity amounted to 1,435 million euros at the end of 2019 (2018: 1,401 million euros).

The order backlog was renewed at a high level and amounted to 3,750 million euros at the end of 2019, without taking into account the Fehmarnbelt project (700 million euros) and two new offshore wind projects in Taiwan.

DEME's strong results are driven by a targeted diversification strategy based on technological innovations, both in its fleet and in new activities. DEME is uniquely positioned to provide answers to the many societal challenges posed by global warming as well as the push towards a low carbon economy. Deep-sea minerals harvesting and green hydrogen, for example, offer promising medium-term opportunities for DEME.

In 2020, DEME expects to be able to realize a capital gain of at least 50 million euros on the sale of its 12.5% stake in the German offshore wind project Merkur. At this moment, the worldwide standstill brought about by the COVID-19 crisis makes the evolution of the order backlog and the result for the 2020 period very difficult and uncertain to predict.

In its contracting business, **CFE** achieved a fairly stable revenue of 999 million euros (2018: 935 million euros) and was able to renew its order book at a high level of 1,386 million euros. BPI made good progress in most of its real estate development projects in Belgium, Luxembourg and Poland.

The result was lower due to a number of loss-making projects in Brussels and Wallonia and the complete write-off of the receivable from Chad.

Delen Private Bank and Bank J.Van Breda & C° realised an increase in assets, as a result of which they jointly manage a record level of 51.9 billion euros at year-end 2019.

Delen Private Bank manages 43,566 million euros at the end of 2019 (compared to 37,713 million euros at the end of 2018), of which 31,489 million euros in Belgium, 11,448 million euros in the UK (JM Finn) and 629 million euros in the Netherlands (Oyens & Van Eeghen).

The commercial volume at **Bank J.Van Breda & C°** increased to 21,300 million euros, of which 10,651 million euros were off-balance sheet products (+13%), 5,416 million euros were deposits (+11%) and 5,233 million euros were loans to target group clients (+9%).

In 2019, Delen Private Bank and Bank J.Van Breda & C° realise record profits of 214 million euros (before tax) and 162 million euros (after tax), of which 119 million euros at Delen Private Bank and 43 million euros at Bank J.Van Breda & C°.

Delen Private Bank and Bank J.Van Breda & C° (excluding JM Finn and Oyens & Van Eeghen) form one of the strongest private banking models in their sector:

- 79% of the income derived from 'fees and commission',
- the return on equity is 13%, and the Core Tier1 equity ratio is 17.8% (combined shareholders' equity 1,383 million euros),
- the combined cost-income ratio amounts to 49% (Delen Private Bank 43.5%, Bank J.Van Breda & C° 61.3%).

JM Finn has strengthened its business model, as a result of which the discretionary managed assets already amount to 81% of the total. The result was only 8.3 million pound sterling on a shareholders' equity of 45.7 million pound sterling. At 85.5%, the cost-income ratio is still too high compared to the market.

The impact of the coronavirus on investor confidence and therefore on the financial markets is currently disrupting the outlook for the full financial year. However, the client-driven focus and discipline of our banks gives us great confidence in the value of their commercial franchise.

The 'Real Estate & Senior Care' segment again made a fairly stable contribution of 50 million euros.

At year-end 2019, **Leasinvest Real Estate**'s real estate portfolio had a (fair) value of 1,110 million euros, of which 53% in Luxembourg, 31% in Belgium and 16% in Austria. The results developed favourably thanks to increased rental income, but also thanks to the IFRS impact of the higher share price of Retail Estates (participation percentage of 10%).

Extensa continues to maintain a high level of activity on its two major projects:

At Tour & Taxis, the construction and commercialisation of 50,000 m² of offices in the Gare Maritime, built entirely in wood and heated/cooled with geothermal and solar energy, is progressing very well.

At Cloche d'Or, Grossfeld (Extensa 50%) is currently developing five new office projects and is embarking on a new phase of residential development.

Following the sale of our participation in the French nursing home group Residalya, the focus of our activity in 'care and health' is entirely on **Anima Care**. Anima Care opened three new residences in the second half of 2019: Zoutleeuw, Bilzen and Anderlecht. The new residence in Vorst opened at the beginning of 2020. At the end of 2019, the network comprised 22 residences and 2,353 residents. Anima Care thus realises an operational cash flow of 19.5 million euros and a stable result of 5.4 million euros. Anima Care has permits and plans to expand its portfolio to approximately 2,900 beds by 2025.

SIPEF experienced an 'annus horribilis' in 2019, with both low palm oil prices (average world market price -5%, 566 USD/tonne) and a decrease in volumes (-11%, 312,514 tonnes) due to climatic conditions, a longer monsoon season in Indonesia and three volcanic eruptions in Papua New Guinea leading to a loss result. On a turnover of 248 million USD (2018: 275 million USD), SIPEF realised a loss of 8 million USD (2018: profit of 30 million USD).

Despite a net debt position of 165 million USD, SIPEF is continuing its investment programme in Indonesia (Musi Rawas and Dendymarker). We remain committed to expanding our acreage of sustainable palm oil. The outbreak of COVID-19 is causing some logistical complications for the SIPEF group, yet without this adversely affecting the production on the plantations. Nevertheless, SIPEF is reporting a (probably) temporary decrease in the demand for palm oil, which has a negative impact on the market price.

Finally, we are pleased that, after closing some difficult files in recent years, the '**Growth Capital**' segment is back on track with clear positive results. The contribution of this segment amounted to 17.6 million euros (2018: -6.9 million euros).

Manuchar achieved a strong operational improvement and a significant increase in profit, partly as a result of exceptional elements. Telemond and Turbo's Hoet Groep also realised an increase in their turnover. Mediahuis held up well operationally in its home markets of Belgium and the Netherlands, and took a new step in its geographical growth with the acquisition of Independent News & Media in Ireland. The consequently widened platform should further strengthen Mediahuis in its evolution from a 'newspaper-print' activity to a 'digital media' group on a European scale.

In addition, the AvH team has remained very active in prospecting and analysing new investment opportunities. This has led to new participations in some smaller but promising young companies, such as:

- Biolectric Group, market leader in the production and sale of compact biogas plants for cattle and pig farms and for water treatment plants,
- Biotalys (formerly AgroSavfe), a food and crop protection company with a unique and versatile platform focused on the development of 'biocontrols',
- Medikabazaar (India), market leader in the supply of medical equipment and supplies to hospitals in India through an online model,
- MRM Health (beginning of 2020) develops innovative medicines based on the human microbiome.

In the meantime, AvH also continues to strengthen its team of investment managers.

In this way, we have both the financial resources and the people to continue our business and to position ourselves as '**Partners for sustainable growth**' both for young promising companies in the fields of cleantech, medtech, agri & food and digital services, as well as to support family businesses in their further international growth.

The AvH model demonstrated its reliability and resilience in 2019. We have the means and the ambition to face the future with confidence.

For some weeks now, we have been confronted with the effects of the COVID-19 crisis, disrupting our society and profoundly affecting normal business in our companies. Our first concern is for the health of all our staff members. Together with the management teams of our companies, we try to ensure as much as possible the continuity of our activities and of our services. It is too early yet to reliably assess the impact of this crisis on our results for 2020. The diversification of our portfolio and our solid balance sheet help us to withstand this unexpected turn of events over the long term.

We would like to thank both the team at Begijnenvest as well as the 21,522 staff members in all our companies for their commitment and contribution to the realization of these results.

March 31, 2020

Luc Bertrand
Chairman of the board of directors

Jan Suykens
Chairman of the executive committee

Annual report of the board of directors

Dear shareholder,

It is our privilege to report to you on the activities of our company during the past financial year and to submit to you for approval both the statutory and consolidated annual accounts closed on December 31, 2019. In accordance with Article 3:32 §1 last paragraph of the Code of Companies and Associations, the annual reports on the statutory and consolidated annual accounts have been combined.

I Statutory annual accounts

1. Share capital and shareholding structure

No changes were made to the company's share capital during the last financial year. The share capital amounts to 2,295,278 euros, and is represented by 33,496,904 shares with no nominal value. All shares have been paid up in full. In 2019, 46,000 options were granted within the framework of the stock option plan. As at December 31, 2019, the options granted and not yet exercised entitled their holders to acquire an aggregate of 343,000 Ackermans & van Haaren shares (1.02%). The company received a transparency notice on October 31, 2008 under the transitional regulations of the Act of May 2, 2007, whereby Scaldis Invest NV - together with Stichting Administratiekantoor 'Het Torentje' - communicated its holding percentage. The relevant details of this transparency notice can be found on the company's website (www.avh.be).

2. Activities

For an overview of the group's main activities during the 2019 financial year, we refer to the Message from the chairmen (p. 14) and to the Key events (p. 10).

3. Comments on the statutory annual accounts

3.1 Financial situation as at December 31, 2019

The statutory annual accounts have been prepared in accordance with Belgian accounting principles.

The balance sheet total at year-end 2019 amounted to 2,153 million euros, which is an increase with 143 million euros compared with the previous year (2018: 2,010 million euros). The assets consist of 10 million euros in tangible fixed assets (primarily the office building located at Begijnenvest and Schermersstraat in Antwerp), 211 million euros in short-term investments, 23 million euros cash and 1,898 million euros in financial fixed assets. On the liabilities side of the balance sheet, the profit for the financial year of 214 million euros resulted in a shareholders' equity of 2,066 million euros (2018: 1,853 million euros). In 2019, short-term financial debts mainly consisted of the issue of treasury certificates (commercial paper). In the course of 2019, Ackermans & van Haaren purchased 154,738 treasury shares and sold 129,625. These transactions relate to the implementation of the stock option plan and the liquidity agreement with Kepler Cheuvreux that came into effect on July 1, 2013.

3.2 Appropriation of the result

The board of directors proposes not to distribute a dividend for the financial year 2019 and to appropriate the result (in euros) as follows:

Profit carried forward from the previous financial year	1,638,361,099
Profit for the financial year	213,547,742
Total for appropriation	1,851,908,841
Allocation to the legal reserve	0
Allocation to the non-distributable reserves	8,979,619
Allocation to the distributable reserves	0
Dividend on capital	0
Directors' fees	597,500
Profit premium for employees[2]	193,458
Profit to be carried forward	**1,842,138,264**

[1] Profit participation in favour of Ackermans & van Haaren employees in accordance with the provisions of the profit premium plan approved by the board of directors on February 21, 2020.

Following this distribution, the shareholders' equity will stand at 2,065,800,048 euros, and will be composed as follows:

Capital	
Subscribed	2,295,278
Issue premiums	111,612,041
Reserves	
Legal reserve	248,081
Non-distributable reserves	39,817,301
Tax-exempt reserves	0
Distributable reserves	69,689,083
Profit carried forward	1,842,138,264
Total	**2,065,800,048**

3.3 Outlook

As in previous years, the results for the current financial year will to a large extent depend on the dividends paid by the companies within the group and on the realisation of any capital gains or losses.

4. Major events after the closing of the financial year

We refer for this to II.3 and II.6 on page 23.

5. Research and development

The company regularly organizes fora for knowledge exchange between the participations.

6. Financial instruments

Companies within the group may use financial instruments for risk management purposes. Specifically, these are financial instruments principally intended to manage the risks associated with fluctuating interest and exchange rates. The counterparties in the related transactions are exclusively first-ranked banks. At the end of 2019, neither Ackermans & van Haaren nor any other fully consolidated group company within the 'AvH & Growth Capital' segment had any such instruments outstanding.

7. Notices

7.1 Application of Article 7:96 of the Code of Companies and Associations

The regulations of Article 7:96 of the Code of Companies and Associations regarding conflicts of interest did not have to be applied in 2019.

7.2 Additional remuneration for the auditor

Pursuant to Article 3:65, §3 of the Code of Companies and Associations, we inform you that an additional fee of 5,170 euros (excluding VAT) was paid for tax advice to EY Tax Consultants.

7.3 Acquisition or disposal of treasury shares

On November 13, 2017, the extraordinary general meeting authorised the board of directors of Ackermans & van Haaren to acquire treasury shares within a well-defined price range during a period of five years. In the course of 2019, Ackermans & van Haaren purchased 154,738 treasury shares and sold 129,625. These transactions relate to the implementation of the stock option plan and the liquidity agreement with Kepler Cheuvreux. More details about this can be found in the financial statements (p. 188-189).

Taking into account the redemption and sale of treasury shares, the situation as at December 31, 2019 was as follows:

Number of treasury shares	368,528 (1.10%)
Par value per share	0.07 euros
Average price per share	107.95 euros
Total investment value	39,782,548 euros

7.4 Notice pursuant to the law on takeover bids

By letter dated February 18, 2008, Scaldis Invest sent a notice to the company in accordance with Article 74, §7 of the Act of April 1, 2007 on public takeover bids. From this notice, it appears that Scaldis Invest owns 33% of the securities with voting rights in Ackermans & van Haaren, and that Stichting Administratiekantoor 'Het Torentje' exercises ultimate control over Scaldis Invest.

7.5 Protection schemes

On November 13, 2017, the extraordinary general meeting renewed the authorisation of the board of directors, in the case of a public takeover bid for the securities of Ackermans & van Haaren, to proceed with a capital increase in accordance with the provisions and within the limits of Article 7:202 of the Code of Companies and Associations.

The board of directors is allowed to use these powers if the notice of a takeover bid is given to the company by the Financial Services and Markets Authority (FSMA) not later than three years after the date of the aforementioned extraordinary general meeting (i.e. November 13, 2020).

The board of directors is also authorised, for a period of three years from the date of publication in the Annexes to the Belgian Official Gazette (i.e. until December 13, 2020), to acquire or transfer treasury shares in the event that such action is required in order to safeguard the company from serious and imminent harm.

1. Risks and uncertainties

This section describes, in general terms, the risks facing Ackermans & van Haaren as an international investment company on the one hand, and the operational and financial risks associated with the various segments in which it is active (either directly or indirectly through its subsidiaries) on the other. With regard to non-financial risks, reference is also made to the Sustainability report chapter (p. 38).

The executive committee of Ackermans & van Haaren is responsible, among other things, for the preparation of a framework for internal control and risk management, which is submitted to the board of directors for approval. The board of directors is responsible for assessing the implementation of this framework, taking the recommendations of the audit committee into account. At least once a year, the audit committee evaluates the internal control systems that the executive committee has set up, in order to ascertain that the main risks have been properly identified, reported and managed. The subsidiaries of Ackermans & van Haaren are responsible for the management of their own operational and financial risks.

These risks, which vary according to the sector, are not centrally managed by Ackermans & van Haaren. The management teams of the subsidiaries in question report to their board of directors or the audit committee on their risk management.

Risks at the level of Ackermans & van Haaren

Strategic risk

The objective of Ackermans & van Haaren is to create shareholder value by long-term investment in a limited number of strategic participations. The availability of opportunities for investment and divestment is, however, subject to geopolitical and macroeconomic conditions, and is also impacted by the increasing competition, a.o. due to the private equity market that is becoming more and more international.

The definition and implementation of the strategy of the group companies is also dependent on the aforementioned conditions. By focusing on long-term value creation and the maintenance of operational and financial discipline, Ackermans & van Haaren, as a proactive shareholder, endeavours to limit those risks as far as possible.

Ackermans & van Haaren works together with partners in several group companies. At Delen Private Bank, for example, control is shared with the Jacques Delen family, with strategic decisions requiring the prior consent of both partners. Ackermans & van Haaren has a minority stake in certain group companies. The diminished control that can result from this situation could lead to relatively greater risks; this is offset as far as possible, however, by a close cooperation with, and an active representation on the board of directors of the group companies concerned.

Risk related to the stock market listing

As a result of its listing on Euronext Brussels, Ackermans & van Haaren is subject to regulations regarding information requirements, transparency reporting, takeover bids, corporate governance and insider trading. Ackermans & van Haaren pays the necessary attention to keeping up and complying with the constantly changing laws and regulations in this area.

The volatility of the financial markets has an impact on the value of the share of Ackermans & van Haaren and of some of its listed group companies. As mentioned above, Ackermans & van Haaren seeks to systematically create long-term shareholder value. Short-term share price fluctuations can produce a momentarily-different risk profile for the shareholder.

Liquidity risk

Ackermans & van Haaren has sufficient resources at its disposal to implement its strategy, and seeks to achieve a positive net cash position. The subsidiaries are responsible for their own financing, it being understood that, in principle, Ackermans & van Haaren does not provide credit lines or guarantees to or for the benefit of its participations. The external financial debts of 'AvH & subholdings' were limited to 12.0 million euros on December 31, 2019, and in particular the commercial paper issued by Ackermans & van Haaren.

Ackermans & van Haaren has confirmed credit lines (282 million euros) available from various banks with whom it has a long-term relationship, and these credit lines amply exceed the outstanding commercial paper obligations. The board of directors believes that the liquidity risk is fairly limited.

Risks at the level of the group companies

Marine Engineering & Contracting

The operational risks of this segment are essentially associated with the execution of often complex land-based and marine contracting projects and, among other things, are related to: (i) the technical design of the projects and the integration of new technologies; (ii) the setting of prices for tenders and, in case of deviation, the possibility or impossibility of hedging against extra costs and price increases; (iii) performance obligations (in terms of cost, conformity, quality, turnaround time) with the direct and indirect consequences associated with these; (iv) the time difference between the quotation and the actual execution; (v) the evolution of the regulatory framework; and (vi) the relationships with subcontractors, suppliers and partners. In new markets, such as the development of concessions for wind farms, the companies are confronted with a changing regulatory framework, technological developments, and the ability to finance those large-scale projects. In order to cope with these risks, the various group companies work with qualified and experienced staff. By taking part in risk and audit committees at DEME and CFE, Ackermans & van Haaren monitors the operational risks of the main projects from the tendering stage.

The construction and dredging sector is subject to economic fluctuations on both the domestic and international markets. This has an impact on the investment policy of private sector customers (e.g. oil companies or mining groups) and of local and national authorities. DEME, CFE and Rent-A-Port, which are or were active in countries such as Oman, Qatar, Vietnam, Chad and Nigeria, are exposed to political risks. Credit insurance and a strong local network are the primary risk management factors in that respect.

DEME is to a significant degree active outside the euro zone, and accordingly runs an exchange rate risk. As a rule, DEME hedges against exchange rate fluctuations or enters into foreign currency futures. Certain materials or commodities, such as fuel, can also hedged. Most of CFE's activities are within the euro zone, and, where relevant, exposure to foreign exchange fluctuations is limited as much as possible. Rent-A-Port primarily operates in Southeast Asia and is essentially exposed to an exchange rate risk relating to the USD and the Vietnamese dong. Since the subsidiaries of Rent-A-Port mainly effect purchases and sales in local currencies, the group's exposure to exchange rate fluctuations in commercial transactions is limited in a natural way.

Given the size of the contracts in this segment, the credit risk is also closely monitored. Both DEME and CFE have set up procedures to limit the risk to their trade receivables. Furthermore, a large part of the consolidated turnover is realised through the public sector or public sector-related customers. The level of counterparty risk is limited by the large number of customers. To contain the risk, the group companies concerned constantly monitor their outstanding trade receivables and adjust their position where necessary. For the purposes of major foreign contracts, for instance, DEME regularly uses the services of the Credendo Group, insofar as the country concerned qualifies for this service and the risk can be covered by credit insurance. For large-scale infrastructural dredging contracts, DEME is dependent on the ability of customers to obtain financing and can, if necessary, help to organise the project financing.

Although the credit risk cannot be ruled out altogether, it is still limited. The operational activities of CFE in Africa were virtually discontinued in 2019. Despite the continuation of the efforts together with Afreximbank to refinance the receivables from Chad for the completed 'Grand Hôtel', CFE recognized an impairment loss on its exposure to Chad in accordance with the relevant IFRS rules. Rent-A-Port has a small number of customers and counterparties owing to the very nature of the group's activities. Consequently, it runs a higher credit risk. The group is able to adequately curtail this risk by providing sufficient contractual safeguards and by building and maintaining strong relations with its customers. The companies from the 'Marine Engineering & Contracting' segment usually invoice as the work progresses.

The liquidity risk is limited by spreading the credit and guarantee lines over several banks, and preferably over the long term. DEME permanently monitors its balance sheet structure and pursues a balance between a consolidated shareholders' equity position and consolidated net debts. DEME predominantly invests in equipment with a long life, which is written off over several years. For that reason, DEME seeks to structure a substantial part of its debts as long term debt. DEME has worked out a new bank financing structure since 2015, based on bilateral unsecured long-term financing with several banks. Some loan agreements include ratios (covenants), which DEME must adhere to.

In 2019, DEME further followed its procedures for the avoidance of fraud and integrity risks. A centralisation at the headquarters for the global financial payments in the DEME group is being worked out. The framework of the internal audit function was also centralised, and a new manager appointed.

DEME is fully cooperating with a judicial investigation into alleged irregularities surrounding the award of a dredging contract in Sabetta (Russia) that was fully executed in 2014 and 2015. This investigation is not yet completed. None of the parties involved has been formally inculpated. In the current circumstances, the potential financial impact for DEME cannot be reliably estimated.

Private Banking

As Delen Private Bank and Bank J.Van Breda & C° are both specialist niche players with a culture of prudence, the operational risk has a limited impact on both banks. Operational departments and control functions work together closely in a 'three lines of defence' model to monitor the quality of operations. They are backed up by an efficient IT system that automates the main processes and provides built-in controls. To ensure the continuity of operations in the event of contingencies, both organisations have detailed continuity and recovery plans.

The credit risk and risk profile of the investment portfolio have been deliberately kept very low for many years now by Delen Private Bank and Bank J.Van Breda & C°. The banks invest in a conservative manner. The volume of lending at Delen Private Bank is very limited, as this is merely a supporting product in the context of asset management. The loans that are extended are usually temporary bridge loans that are amply guaranteed by pledges on securities. The credit risk at JM Finn is very limited. The credit portfolio of Bank J.Van Breda & C° is very widely spread among a client base of local entrepreneurs and professionals. The bank applies concentration limits per sector and maximum credit amounts per client.

The fraud and compliance risk has always been a priority concern of Delen Private Bank. The bank invests in further digitalization of the client acceptance policy, such as through the development of Delen Family Services.

Bank J.Van Breda & C° adopts a cautious policy with regard to the interest rate risk, well within the standards set by the NBB. Where the terms of assets and liabilities do not match sufficiently, the bank deploys hedging instruments (a combination of interest rate swaps and options) to correct the balance. The interest rate risk at Delen Private Bank is limited, due to the fact that it primarily focuses on asset management.

Delen Private Bank aims to limit the exchange rate risk, and the foreign currency positions are systematically monitored and hedged. The net exposure to the pound sterling is partly limited by the impact of an exchange rate fluctuation on the equity of JM Finn being offset by an opposite impact on the liquidity obligation with regard to the 9% minority shareholders of JM Finn.

The liquidity and solvency risk is continuously monitored by a proactive risk management. The banks want to be sure at all times that they satisfy the regulatory requirements and maintain a capitalisation level that amply covers the level of activity and risk that is taken. Furthermore, the two groups have more than sufficient liquid assets to meet their commitments, even in unforeseen market conditions, as well as sound Core Tier1 equity ratios.

Both banks are adequately protected against income volatility risk. The operating costs of Delen Private Bank are amply covered by the regular income, while, in the case of Bank J.Van Breda & C°, the income from relationship banking is diversified in terms of clients as well as products, and is supplemented by the specialist vendor activity for car dealers (Van Breda Car Finance).

The market risk may arise from the limited short-term investments in the name of Delen Private Bank and Bank J.Van Breda & C°, or may manifest itself on outstanding positions on suspense accounts over which securities for client portfolios are traded. The intention is that the positions on those suspense accounts should be liquidated so that the bank is not exposed to a market risk. The fair value of the assets under management for clients is partly determined by the developments on the financial markets. Although this has no direct impact on the equity position of the two banks, the total volume of assets under management is a determining factor for their revenues.

Real Estate & Senior Care

A first crucial element related to the operational risks in the real estate sector is the quality of the offering of buildings and services offered. In addition, long-term lease contracts with solvent tenants are expected to guarantee the highest possible occupancy rate of both buildings and services and a recurrent flow of income, and should limit the risk of non-payment. Finally, the renovation and maintenance risk is also continuously monitored. For Anima Care, top-quality care for the residents is important. There is a strong focus on working methods, operating systems and human resources management to guarantee a pleasant living environment with a high-quality of service.

The real estate development activity is subject to strong cyclical fluctuations (cyclical risk). Development activities for office buildings tend to follow the conventional economic cycle, whereas residential activities respond more directly to the economic situation, consumer confidence and interest rate levels. Extensa Group focuses mainly on Belgium and Luxembourg. The limited residual exposure in Turkey, Romania and Slovakia was almost entirely reduced in 2019. The spread of real estate operations over various segments (e.g. residential, logistics, offices, retail) limits this risk.

The exchange rate risk is very limited because almost all operations are situated in Belgium and Luxembourg.

Extensa Group and Leasinvest Real Estate possess the necessary long-term credit facilities and back up lines for their commercial paper programme to cover present and future investment needs. Those credit facilities and backup lines serve to hedge the financing risk.

The liquidity risk is limited by having the financing spread over several banks and by diversifying the expiration dates of the credit facilities over the long term. In 2017, the Extensa Group issued a bond of 75 million euros maturing in 2020 and 2022, thereby further reducing the dependence on bank financing. On November 20, 2019, Leasinvest Real Estate successfully closed a private placement of bonds with seven-year maturity for an amount of 100 million euros. The bonds pay a fixed annual coupon of 1.95% and were placed with institutional investors in Belgium, France and Luxembourg. The proceeds were used a.o. to refinance the 75 million euros worth of retail bonds that matured on October 9, 2019. The 2013 private bond of 20 million euros matures in 2020. At Anima Care, the expansion by the acquisition of existing residences and the construction of new care centres is financed by the company's own cash resources, external financing and, where appropriate, a capital increase. A cash drain in the start up phase is taken into account in the financing of the projects.

The hedging policy for the real estate activities is aimed at confining the interest rate risk as much as possible. Financial instruments are used for that purpose.

Energy & Resources

The focus of this segment is on businesses in growth markets, such as India and Indonesia. As the companies involved are active to a significant extent outside the euro zone (Sagar Cements in India, SIPEF in Indonesia and Papua New Guinea, among others), the exchange rate risk (both on the balance sheet and in the income statement) is more relevant here than in the other segments. The geopolitical developments in those areas also call for special attention.

The production volumes, and therefore the turnover and margins realized by SIPEF, are also influenced by climatic conditions such as rainfall, sunshine, temperature and humidity.

Whether or not the group succeeds in achieving its contemplated expansion plans will depend on securing new concession agreements for agronomically suitable land that satisfy the group's sustainability policy on economically responsible conditions.

The group is also exposed in this segment to fluctuations in commodity prices (SIPEF: mainly palm oil, palm kernel oil and rubber; Sagar Cements: coal, electricity).

SIPEF's strategy is to only produce sustainable palm oil and other sustainable products. The compliance with the sustainability requirements, and, in a broader context, the perception of these products in the market, is closely monitored by SIPEF.

Growth Capital

Ackermans & van Haaren makes venture capital available to a limited number of companies with international growth potential. The investment horizon is longer on average than that of the typical players on the private equity market. The investments are usually made with conservative debt ratios, with, in principle, no advances or securities being granted to or for the benefit of the group companies concerned. Moreover, the diversified nature of these investments contributes to a spread of economic and financial risks. Ackermans & van Haaren will usually finance these investments with shareholders' equity.

The economic situation has a direct impact on the results of the participations. The fact that the activities of the group companies are spread over various segments affords a partial protection against the risk.

Each participation is subject to specific operational risks, such as the fluctuation in the prices of services and raw materials, the ability to adjust the selling price and competition risks. The companies monitor those risks themselves and can try to limit them by operational and financial discipline and by strategic focus. Monitoring and control by Ackermans & van Haaren as a proactive shareholder also play an important role in that respect.

Various participations (e.g. Manuchar, Telemond Group, Turbo's Hoet Groep) are active to a significant extent outside the euro zone. In such cases, the exchange rate risk is always monitored and controlled at the level of the participation itself.

2. Comments on the consolidated annual accounts

The consolidated annual accounts were prepared in accordance with International Financial Reporting Standards (IFRS).

The group's consolidated balance sheet total as at December 31, 2019 amounted to 15,301 million euros, which is an increase of 8.0% compared with 2018 (14,165 million euros). This balance sheet total is obviously impacted by the manner in which certain group companies are included in the consolidation. In particular, the full consolidation of the stake in Bank J.Van Breda & C° has a major impact on the consolidated balance sheet.

Shareholders' equity (group share) at the end of 2019 was 3,456 million euros, which represents an increase of 280 million euros compared with 2018 (3,176 million euros). In June 2019, Ackermans & van Haaren paid out a gross dividend of 2.32 euros per share, resulting in a decrease in shareholders' equity by 78 million euros.

In 2019, Ackermans & van Haaren focused on the development of its core participations and on investment in certain new sustainable activities, more particularly Biolectric, Biotalys and Medikabazaar.

The contribution of the core segments to the group profit in 2019 amounted to 267.9 million euros (2018: 312.4 million euros).

The consolidation scope underwent some changes in 2019, which are explained on page 149.

At year-end 2019, Ackermans & van Haaren (including subholdings) had a net cash position of 267.4 million euros, compared with 102.9 million euros at year-end 2018. Besides cash and short-term deposits, this cash position consists, among others, of short-term debts in the form of commercial paper amounting to 12.0 million euros, short-term investments amounting to 55.7 million euros and treasury shares.

An (economic) breakdown and a detailed description of the results of the various group participations is shown in the 'Key figures' appendix and in the activity report (page 66) of the annual report.

Marine Engineering & Contracting

Both DEME and CFE realized lower operating results on an approximately equal (high) turnover, partly due to certain non-recurring elements. New contracts kept their order backlogs at a high level.

Private Banking

Both Delen Private Bank and Bank J.Van Breda & C° reported a strong year in 2019. With a profit contribution of 127.3 million euros, 2019 was the best year ever for 'Private Banking' in the portfolio of Ackermans & van Haaren.

Real Estate & Senior Care

2019 was also a strong year for Extensa, Leasinvest Real Estate and Anima Care. Without taking into account the sale of Residalya, the recurring contribution from 'Real Estate & Senior Care' increased.

Energy & Resources

2019 was a bad year for SIPEF: low market prices for palm oil for most of the year, disappointing production volumes and the damage caused by three volcanic eruptions meant that 'Energy & Resources' contributed a loss to Ackermans & van Haaren in 2019.

AvH & Growth Capital

The good results of most of the participations in 'Growth Capital' were reflected in a profit contribution of 17.6 million euros. This markedly better result brought an end to six more difficult years.

Capital gains increased to 112.9 million euros (including the 105.7 million euros on the sale of Residalya).

Favourable financial markets had a positive impact on the results of 'AvH & subholdings'.

3. Major events after the closing of the financial year

On February 14, 2020, Ackermans & van Haaren participated for 4 million euros in a capital increase of MRM Health.

At the end of February 2020, Ackermans & van Haaren transferred its 50% participation in the Indian company Oriental Quarries & Mines, which was included in 'held for sale', to the co-shareholder, resulting in a capital gain of 3.0 million euros.

4. Research and development

At the fully consolidated participations of Ackermans & van Haaren, the DEME teams of R&D and the Central Competence Centre develop groundbreaking, innovative technologies, while the engineering departments of CFE are involved in civil engineering and construction projects. SIPEF is involved in the development of seeds of high-yielding oil palms through a stake in Verdant Bioscience. Both Bank J.Van Breda & C° and Delen Private Bank invested in the development of specific management software. The recently acquired participations - Biolectric (60%), Biotalys (15%), Medikabazaar (9% beneficial), MRM Health (February 2020: in excess of 15%) - are innovative companies in their field. Their constant focus on technological innovation helps to strengthen their competitive position in the short and medium term.

5. Financial instruments

Within the group (including DEME, Bank J.Van Breda & C°, Extensa, Leasinvest Real Estate), a cautious policy is pursued in terms of interest rate risk by using interest swaps and options. A large number of the group companies operate outside the euro zone (including DEME, Rent-A-Port, Delen Private Bank, SIPEF, Manuchar, Telemond Group, Sagar Cements, Turbo's Hoet Groep). Hedging activities for interest rate and exchange rate risk are carried out and managed at the level of the individual company.

6. Outlook 2020

Since March 2020, the Ackermans & van Haaren group has also been confronted with the effects of the COVID-19 crisis. This crisis is having a disruptive effect on society as a whole and has a negative impact on business in the companies and on the financial markets. It is too early yet to reliably assess the financial consequences of the crisis on the group. The diversification of the portfolio, the net cash position of 267.4 million euros (at year-end 2019) and the solid balance sheet should enable the Ackermans & van Haaren group to cope with these challenging circumstances in the long term.

III Corporate governance statement

1. General information

Ackermans & van Haaren applies the Belgian Corporate Governance Code (the 'Code') as its reference code. The Code can be consulted on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be). The Committee published a new (third) version of the Code on May 9, 2019, which replaces that of March 12, 2009, and became effective as of January 1, 2020.

On April 14, 2005, the board of directors of Ackermans & van Haaren adopted the first Corporate Governance Charter ('Charter'). The board of directors has subsequently updated this Charter several times. The Charter will again be updated where necessary during the course of 2020 to align it to the provisions of the new Code.

- On April 18, 2006, the Charter was aligned to various Royal Decrees adopted pursuant to European regulations on market abuse.

- On January 15, 2008, the board of directors amended Article 3.2.2 (b) of the Charter in order to clarify the procedure regarding investigations into irregularities.

- On January 12, 2010, the Charter was modified to reflect the Code 2009 and the new legal independence criteria.

- On October 4, 2011, the board of directors deliberated on the adaptation of the Charter to the Act of April 6, 2010 on the reinforcement of corporate governance in listed companies and the Act of December 20, 2010 on the exercise of certain shareholders' rights in listed companies. On that occasion, the board of directors also tightened its policy on the prevention of market abuse (Section 5 of the Charter) with the introduction of a prohibition on short selling and speculative share trading.

- On October 10, 2016, the Charter was amended to align it to Regulation (EU) no 596/2014 of the European Parliament and of the Council dated April 16, 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

- On February 24, 2017, the Charter was aligned to the Act of December 7, 2016 on the organisation of the profession and the public supervision of company auditors.

- On February 25, 2019, the board of directors eased the age limit (more info on page 27).

The Charter is available in three languages (Dutch, French and English) on the company website (www.avh.be).

This chapter ('Corporate Governance Statement') contains the information referred to in Articles 3:6, §2 and 3:32, §1, second paragraph, 7° of the Code of Companies and Associations. In accordance with the Code, this chapter specifically focuses on factual information involving corporate governance matters and explains any derogations from certain provisions of the Code (as it applied in 2019) during the past financial year in accordance with the principle of 'comply or explain'.

Board of directors - from left to right:
Jacques Delen, Alexia Bertrand, Julien Pestiaux, Marion Debruyne, Luc Bertrand,
Victoria Vandeputte, Frederic van Haaren, Pierre Willaert, Thierry van Baren.
Not on the picture: Pierre Macharis

2. Board of directors

audit comittee remuneration committee nomination committee

2.1 Composition

Luc Bertrand
(°1951, Belgian)

Chairman of the board of directors
Executive director (1985-2016)
Non-executive director (since 2016)

Luc Bertrand graduated in 1974 as a commercial engineer (KU Leuven). He began his career at Bankers Trust, as Vice-President and Regional Sales Manager, Northern Europe. He has been with Ackermans & van Haaren as a director since 1985, where he joined as financial director in 1986 and was chairman of the executive committee from 1990 to 2016. He is chairman of the board of directors of CFE, DEME and SIPEF and a director of Delen Private Bank and Bank J.Van Breda & C°. He is also chairman of the Duve Institute, Middelheim Promoters and Guberna, and member of a number of other boards of directors of non-profit associations and public institutions, such as KU Leuven, Institute of Tropical Medicine, Museum Mayer van den Bergh and Europalia.

Mandate ends 2021

Alexia Bertrand
(°1979, Belgian)

Non-executive director
(since 2013)

Alexia Bertrand obtained a law degree (Université Catholique de Louvain - 2002) and a master of laws (Harvard Law School - 2005). As of May 2019 she is a Member of Parliament of the Brussels-Capital Region. From 2012 to 2019 she worked as an adviser at the office of the Deputy Prime Minister and Minister of Foreign Affairs, and was appointed 'chef de cabinet' for general policy on October 1, 2015. She regularly gives courses in negotiation techniques. From 2002 to 2012, she worked as a lawyer specialising in financial and company law (with Clifford Chance and later with Linklaters). For part of that time, she was a teaching assistant at the Law Faculty of the Université Catholique de Louvain and a research assistant at the Katholieke Universiteit Leuven.

Mandate ends 2021

Marion Debruyne BV[1]

permanently represented by
Marion Debruyne (°1972, Belgian)
Independent, non-executive director
(since 2016)

Professor Marion Debruyne has a degree in civil engineering (RU Ghent - 1995) and a PhD in applied economic sciences (RU Ghent - 2002). She lectured at Wharton School, Kellogg Graduate School of Management, and Goizueta Business School, all in the USA. Marion Debruyne was appointed dean of Vlerick Business School in 2015. She is a director at Kinepolis and Guberna.

Mandate ends 2020

[1] References in this annual report to 'Marion Debruyne' should be read as Marion Debruyne BV, permanently represented by Marion Debruyne.

Jacques Delen
(°1949, Belgian)

Non-executive director (since 1992)

Jacques Delen obtained the diploma of exchange agent in 1976. He has been the chairman of the board of directors of Delen Private Bank since July 1, 2014, and is also a director of the listed plantation group SIPEF and of Bank J.Van Breda & C°. Jacques Delen was chairman of the board of directors of Ackermans & van Haaren from 2011 to 2016.

Mandate ends 2020

Pierre Macharis
(°1962, Belgian)

Non-executive director (since 2004)
Chairman of the remuneration committee (since 2011)

Pierre Macharis graduated in commecial and financial sciences (1986) and also obtained the degree of industrial engineer in automation (1983). He is currently CEO and chairman of the executive committee of VPK Packaging Group. He is also chairman of Cobelpa, the Belgian association of paper and pulp producing companies, a director at CEPI, the European association of paper and pulp producing companies and a director at Sioen Industries.

Mandate ends 2020

Julien Pestiaux

(°1979, Belgian)

Independent, non-executive director
(since 2011)

Julien Pestiaux graduated in electromechanical civil engineering with specialisation energy (Université Catholique de Louvain - 2003), and also obtained a master's degree in engineering management (Cornell University - USA). Julien Pestiaux is a partner at Climact, an agency that provides advice on energy and climate issues. He is now leading a team developing a model for the EU Commission which assesses the potential for EU Member States to reduce energy consumption and greenhouse gases in the medium to long term. He worked for five years as a consultant and project leader at McKinsey & C°.

Mandate ends 2023

Thierry van Baren

(°1967, French / Dutch)

Non-executive director
(since 2006)

Thierry van Baren holds a master's degree and a teaching qualification in philosophy, and obtained an MBA, with specialisation marketing (Solvay Business School). He is currently an independent consultant. He worked for 13 years as a marketing consultant at, among others, TBWA Belgium, BDDP Belgium, Ammirati Puris Lintas and Ogilvy Brussels.

Mandate ends 2022

Menlo Park BV[2]

permanently represented by
Victoria Vandeputte (°1971, Belgian)
Independent, non-executive director
(since 2018)

Victoria Vandeputte is a civil engineer in electromechanics (KU Leuven - 1995) and holds a master's degree in risk management (Ecole Supérieure de Commerce de Bordeaux - 1996). She is currently a member of the executive committee and Chief Innovation & Marketing Officer of Diversi Foods (Oetker-Gruppe).

Mandate ends 2022

[2] References in this annual report to 'Victoria Vandeputte' should be read as Menlo Park BV, permanently represented by Victoria Vandeputte.

Frederic van Haaren

(°1960, Belgian)

Non-executive director
(since 1993)

Frederic van Haaren is an independent entrepreneur, member of the Public Welfare Council and Alderman of the Municipality of Kapellen, in charge of public works, among other things. He is also a director of several companies and associations: director at water-link, chairman of 'Consultatiebureau voor het Jonge Kind' in Kapellen, of the Zonnekind primary school in Kalmthout and of Bosgroepen Antwerpen Noord, as well as member of the police council of the police zone Noord.

Mandate ends 2021

Pierre Willaert

(°1959, Belgian)

Non-executive director (since 1998)
Chairman of the audit committee
(since 2004)

Pierre Willaert holds a master's degree in commercial and financial sciences, and obtained the diploma of the Belgian Association of Financial Analysts (ABAF-BVFA). Pierre Willaert was a managing partner, and member of the audit committee, at Bank Puilaetco, until the acquisition by KBL in 2004. He worked for many years as a financial analyst at Bank Puilaetco and covered the main sectors represented on the Belgian stock exchange. He later became responsible for the Institutional Management department. He is also a director at Tein Technology, an ICT company in Brussels specialising in, among other things, video surveillance.

Mandate ends 2020

The mandates of Marion Debruyne, Jacques Delen, Pierre Macharis and Pierre Willaert expire at the ordinary general meeting of May 25, 2020. The board of directors will propose to the ordinary general meeting to (i) renew the mandate of Marion Debruyne as independent director for a period of four years, (ii) renew the mandates of Pierre Macharis and Pierre Willaert for a period of four years, and (iii) renew the mandate of Jacques Delen for two years. Although Jacques Delen has already exceeded the age limit, the board is of the opinion that, with his knowledge and experience of the banking sector, among other things, he can still make an exceptional and meaningful contribution to the deliberations of the board of directors.

2.2 Independent directors

- Marion Debruyne
- Julien Pestiaux
- Victoria Vandeputte

Marion Debruyne, Victoria Vandeputte and Julien Pestiaux meet the independence criteria which are mentioned in Article 7:87, §1 of the Code of Companies and Associations.

2.3 Other directors

- Alexia Bertrand
- Luc Bertrand
- Jacques Delen
- Pierre Macharis
- Thierry van Baren
- Frederic van Haaren
- Pierre Willaert

Luc Bertrand, Jacques Delen and Frederic van Haaren are directors of Scaldis Invest, which, with a stake of 33%, is the principal shareholder of Ackermans & van Haaren. Luc Bertrand and Frederic van Haaren are also directors of Belfimas, which holds a controlling interest of 92.25% in Scaldis Invest. Scaldis Invest and Belfimas are holding companies that exclusively invest (directly and indirectly) in Ackermans & van Haaren shares.

2.4 Activity report

Meetings: 8 **Presence: 97.5%**

In 2019, the board of directors discussed and regularly updated the budget for the current financial year, monitored the group's results and the development of the activities of the various group companies on the basis of reports prepared by the executive committee, examined the off-balance-sheet commitments, and discussed the recommendations of the advisory committees.

Various (dis)investments were discussed during the course of the financial year, such as participation in the capital increases of AgroSavfe (now Biotalys), Medikabazaar, Rent-A-Port and Sagar Cements, the acquisition of Biolectric and the sale of the participating interests in Henschel Engineering, Residalya and Oriental Quarries & Mines.

In 2019, the board of directors invited the management of Delen Private Bank, DEME, Extensa, GSR, Leasinvest Real Estate, Mediahuis and Telemond Group to give a presentation on the general state of affairs of their respective companies and/or an explanation of a specific investment or project.

Special attention was also paid to the strategic policy, ESG policy, crisis communication, the Corporate Governance Code 2020, the refurbishment of the Antwerp office of Delen Private Bank, and the pending judicial inquiry involving DEME.

At the meeting of February 25, 2019, the rules of the Corporate Governance Charter were relaxed with regard to the age limit for directors.

In accordance with Article 2.7 of the Charter, assessment procedures are carried out periodically within the board of directors. These assessments take place on the initiative and under the supervision of the chairman.

The annual assessment of the relationship between the board of directors and the executive committee took place on March 21, 2019. On that occasion, the non-executive directors expressed their general satisfaction with the good quality of the collaboration between the two bodies and made a number of suggestions to the chairman of the executive committee in this respect.

	Presence
Luc Bertrand	8/8
Alexia Bertrand	8/8
Marion Debruyne	7/8
Jacques Delen	7/8
Pierre Macharis	8/8
Julien Pestiaux	8/8
Thierry van Baren	8/8
Victoria Vandeputte	8/8
Frederic van Haaren	8/8
Pierre Willaert	8/8

For the sake of completeness, it should be mentioned that the members of the executive committee attend the meetings of the board of directors.

2.5 Code of conduct regarding conflicts of interest

In the Charter (Articles 2.9 and 4.7), the board of directors published its policy regarding transactions between Ackermans & van Haaren or a company affiliated to it on the one hand, and members of the board of directors or executive committee (or their close relatives) on the other, which may give rise to a conflict of interest (within the meaning of the Code of Companies and Associations or otherwise). In 2019, no decisions were made to which this policy applied.

2.6 Code of conduct regarding financial transactions

The board of directors published its policy on the prevention of market abuse in the Charter (Section 5). At the meeting of October 10, 2016, the Charter was amended to align it to Regulation (EU) no 596/2014 of the European Parliament and of the Council dated April 16, 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

3. Audit committee

3.1 Composition

Chairman	Pierre Willaert Non-executive director
	Marion Debruyne Independent, non-executive director
	Julien Pestiaux Independent, non-executive director

All members of the audit committee have the necessary accounting and audit expertise:

Pierre Willaert (°1959)) holds a master's degree in commercial and financial sciences, and obtained the diploma of the Belgian Association of Financial Analysts (ABAF-BVFA). He worked for many years as a financial analyst at Bank Puilaetco. He later became responsible for the Institutional Management department. Pierre Willaert was managing partner and member of the audit committee of Bank Puilaetco until 2004. He was appointed as a director at Ackermans & van Haaren in 1998, and has been chairman of the audit committee since 2004.

Marion Debruyne (°1972) graduated as a civil engineer at Ghent University (1995) and obtained her PhD in applied economics (2002). Marion Debruyne has lectured at Wharton School, Kellogg Graduate School of Management and Goizueta Business School, all in the USA. She has been active as dean of the Vlerick Business School since 2015. Marion Debruyne was appointed director of Ackermans & van Haaren in 2016 and as a member of the audit committee in 2018. In addition, she holds directorships at Kinepolis and Guberna.

Julien Pestiaux (°1979) graduated in electromechanical civil engineering (specialisation energy) from the Université Catholique de Louvain in 2003, and also obtained a master's degree in engineering management at Cornell University (USA). The focus of the master in engineering management was on financial and economic analyses. Most of the course was given at the 'Johnson Graduate School of Management' of Cornell. Julien Pestiaux is a partner at Climact, a company that advises on energy and climate themes with numerous business customers. Before that, he worked for five years as a consultant and project leader at McKinsey & C°, where he became acquainted with various aspects of accounting. Julien Pestiaux was appointed director at Ackermans & van Haaren in 2011.

3.2 Activity report

Meetings: 4

Presence: 100%

On February 20 and August 23, 2019, in the presence of the financial management and the auditor, the audit committee mainly focused on the reporting process and the analysis of the annual and half-yearly financial statements, respectively. The members of the audit committee received the available reports of the audit committees of the operational subsidiaries of Ackermans & van Haaren in advance.

The audit committee of March 19, 2019 focused on the financial reporting, as published in the annual report of 2018, the review of the 'one-on-one' rule related to the non-audit services provided by EY, and an analysis of the off-balance-sheet commitments. Attention was also paid to the statement on non-financial information and to the main issues that the auditor is obliged to include in his report. At that meeting, the audit committee also recommended renewing the auditor's mandate for a period of three years.

On December 16, 2019, the audit committee deliberated on the internal audit and control of ICT, human resources, risk management, ESG, off-balance-sheet commitments and the audit plan.

The audit committee reported systematically and extensively to the board of directors on the performance of its duties.

4. Remuneration committee

4.1 Composition

Chairman	Pierre Macharis Non-executive director
	Julien Pestiaux Independent, non-executive director
	Victoria Vandeputte, Independent, non-executive director

4.2 Activity report

Meetings: 2

Presence: 100%

At its meeting of March 21, 2019, the remuneration committee discussed the draft remuneration report, which, in accordance with Article 3:6, §3 of the Code of Companies and Associations, constitutes a specific part of the Corporate Governance Statement, and ensured that the draft report contains all the information required by law. The committee also reviewed the payment of the variable remuneration to the members of the executive committee, against the recommendations it had made on this subject at its meeting of November 20, 2018.

At the meeting of November 20, 2019, the committee discussed the following subjects and made recommendations to the board of directors in this respect: the fixed and variable remuneration of the members of the executive committee for 2020, the remuneration of the directors, and the number of stock options to be granted to the members of the executive committee. The committee also recommended maintaining the attendance fee for directors for meetings of the board of directors and of the audit and remuneration committees at 2,500 euros for the 2019 financial year.

5. Nomination committee

On February 25, 2019, the board of directors, in the role of the nomination committee, deliberated on the future composition of the board of directors, and, in accordance with the procedure of Article 2.2.2 of the Charter, decided to propose to the ordinary general meeting of May 27, 2019 the renewal of the mandate of Julien Pestiaux as independent director for a period of four years.

6. Executive committee

6.1 Composition

The chairman of the board of directors attends the meetings of the executive committee as an observer.

Jan Suykens
(°1960, Belgian)
Chairman of the executive committee (since 2016)

Jan Suykens holds a degree in applied economic sciences (UFSIA - 1982) and subsequently obtained an MBA (Columbia University -1984). He worked for a number of years in Corporate & Investment Banking at the Generale Bank.

Since 1990 at Ackermans & van Haaren

Tom Bamelis
(°1966, Belgian)
CFO and member of the executive committee

After completing his studies as a commercial engineer (KU Leuven - 1988), Tom Bamelis also obtained a master's degree in financial management (VLEKHO - 1991). He joined Touche Ross (now Deloitte) and later Groupe Bruxelles Lambert.

Since 1999 at Ackermans & van Haaren

John-Eric Bertrand
(°1977, Belgian)
Member of the executive committee

Following his studies as a commercial engineer (UCL Louvain - 2001), John-Eric Bertrand obtained a master's degree in international management (CEMS - 2002) and an MBA (Insead - 2006). He worked at Roland Berger as a senior consultant and at Deloitte as a senior auditor.

Since 2008 at Ackermans & van Haaren

Piet Bevernage
(°1968, Belgian)
Secretary general and member of the executive committee

Piet Bevernage holds a law degree (KU Leuven - 1991) and an LL.M. (University of Chicago Law School - 1992). He worked as a lawyer in the Corporate and M&A Department at Loeff Claeys Verbeke.

Since 1995 at Ackermans & van Haaren

André-Xavier Cooreman
(°1964, Belgian)
Member of the executive committee

Following his law degree (KU Leuven - 1987), André-Xavier Cooreman studied international law (at the Johns Hopkins University, Bologna Campus - 1988) and tax management (ULB - 1991). He worked for the International Development Law Institute (course assistant, Italy), the Shell Group (legal counsel, The Netherlands), Fortis Bank (Corporate & Investment Banking), McKinsey & C° (consultant) and Bank Degroof (public sector manager).

Since 1997 at Ackermans & van Haaren

Piet Dejonghe
(°1966, Belgian)
Member of the executive committee

After his studies for a law degree (KU Leuven - 1989), Piet Dejonghe obtained a postgraduate degree in business administration (KU Leuven - 1990) and an MBA (Insead - 1993). He worked as a lawyer for Loeff Claeys Verbeke and as a consultant for The Boston Consulting Group.

Since 1995 at Ackermans & van Haaren

Koen Janssen
(°1970, Belgian)
Member of the executive committee

After his studies as a civil engineer, electromechanics (KU Leuven - 1993), Koen Janssen also obtained an MBA (IEFSI, France - 1994). He worked for Recticel, ING Investment Banking and ING Private Equity.

Since 2001 at Ackermans & van Haaren

Executive committee - from left to right:
John-Eric Bertrand, Tom Bamelis, Jan Suykens,
Piet Dejonghe, André-Xavier Cooreman,
Koen Janssen, Piet Bevernage

6.2 Activity report

Meetings: 19	Presence: 94%

The executive committee is responsible, among other things, for the day-to-day management of Ackermans & van Haaren, and prepares the decisions to be taken by the board of directors.

During the past financial year, the executive committee prepared and followed up on the participation in the boards of directors of the subsidiaries, examined new investment proposals (both in the current group companies and outside), approved certain divestments, prepared the quarterly, half-yearly and annual financial reports, and investigated the implications of changes in the law relevant for the company.

7. Diversity policy

Ackermans & van Haaren is convinced of the positive influence of a diversity-based personnel policy on the strength and innovative culture of its participations, and is itself actively striving for a complementary composition of its board of directors and executive committee (in terms of professional background and skills, as well as gender). At group level, the attraction, education and counselling of talented staff members with complementary knowledge and experience is a priority.

At the level of the board of directors, this policy is reflected in the selection procedure for new candidate directors (as included in section 2.2.2 of the Charter): the first selection criterion ensures the complementarity in terms of professional skills, knowledge and experience, while the fourth criterion sets an obligation to consider candidates of different gender, as long as and when the board of directors is not composed of at least one third of directors of the opposite gender.

The current board of directors has 3 female directors (30%) and 7 male directors (70%), with a diversity of education and professional experience. On December 31, 2019, 4 directors were aged 50 or younger (40%) and 6 directors were older than 50 (60%).

With regard to the composition of the executive committee (see Charter, paragraph 4.2), the board of directors must also ensure that the members have diverse professional backgrounds with complementary skills. It is the aim of the board of directors that the long-term vision of Ackermans & van Haaren should be supported by executives who actively promote the values of the company and, in this sense, contribute to value creation. This translates, among other aspects, into a preference for providing talented staff members with career development options within the group. All members of the executive committee have been appointed from the Ackermans & van Haaren team based on their personal merits.

A sound diversity policy starts with the recruitment. In 2019, Ackermans & van Haaren recruited five new staff members, three women and two men in the age category 25 to 55, with diverse professional experience (investment management, legal support, human resources and group control), to strengthen the multidisciplinary team.

Finally, investments in the training, career counselling and retention of staff members are also made on a permanent basis. This is done through a combination of broadening and deepening knowledge through training programmes, seminars and workshops, career perspectives both within Ackermans & van Haaren itself and in the group, and through a market-compliant remuneration policy. In December 2019, Hilde Haems took up office as Chief Human Capital Officer to coordinate this exercise for the group.

For further information regarding the personnel policy, reference is made to the Sustainability report.

8. Internal and external audit

8.1 External audit

The company's statutory auditor is EY Bedrijfsrevisoren BV, represented by Patrick Rottiers and Wim Van Gasse. The statutory auditor conducts the external audit of both the consolidated and statutory figures of Ackermans & van Haaren, and reports to the board of directors twice a year. The statutory auditor was appointed at the ordinary general meeting of May 27, 2019 for a three-year term, which expires at the ordinary general meeting of 2022.

An annual fee of 62,500 euros (excluding VAT) was paid to the auditor in 2019 for auditing the statutory and consolidated Ackermans & van Haaren annual accounts. In addition, an additional fee of 5,170 euros (excluding VAT) was paid to EY Tax Consultants for tax advice. The total fees for audit activities paid to EY by Ackermans & van Haaren and its consolidated subsidiaries in the past financial year amounted to 1,171,829 euros (including the aforementioned 62,500 euros).

8.2 Internal audit

The internal audit is conducted by the group controllers, who report to the executive committee. The group controllers report directly to the audit committee at least once a year.

8.3 Principal features of the internal control and risk management systems with regard to the process of financial reporting and preparation of the consolidated annual accounts

The board of directors of Ackermans & van Haaren is responsible for assessing the effectiveness of the internal control and risk management systems. By means of the present system, the board of directors aims to ensure that the group's objectives are attained at the group level, and, at a subsidiary level, to monitor the implementation of systems appropriate for each kind of company (size, type of activities, etc.) and its relationship with Ackermans & van Haaren (controlling interest, shareholders' agreement, etc.). Given the diversified portfolio and the small number of staff working at the holding company, the group opted for a customised internal control model that nevertheless has all the essential features of a conventional system. The internal control and risk management system is characterised by a transparent and collegiate structure. The executive committee deliberates and decides by consensus. Risks are identified on an ongoing basis, and are properly analysed. Appropriate measures are proposed to accept, limit, transfer or avoid the identified risks. These assessments and decisions are clearly minuted and documented to allow a strict follow-up.

The board of directors also regards the timely provision of complete, reliable and relevant financial information in accordance with IFRS and with the other Belgian reporting requirements to all internal and external stakeholders as an essential element of its corporate governance policy. The internal control and management systems for financial reporting endeavour to satisfy those requirements as fully as possible.

8.3.1 Control environment

The control environment is the framework within which internal control and risk management systems are set up. It comprises the following elements:

a. Integrity and ethics

We try to translate the family values that underlie the success of the group into a respectful relationship between the various stakeholders: the shareholders, management, the board of directors and the staff, but also the commercial partners. These values were explicitly included in the 'Vademecum' (internal company guidelines), so that they are clear to all staff members and can be propagated by them.

In order to emphasize the importance of ethical and responsible business and to promote sustainable growth within the group, the board of directors approved an integrity code on March 19, 2018, which can be consulted on the website. This integrity code will be regularly reviewed and updated.

b. Skills

Another cornerstone of the policy at Ackermans & van Haaren is the way in which its members work together as a professional team. Particular attention is paid to a balanced and qualitative content of the various positions within the organisation. In addition, the necessary training is provided to ensure that knowledge is constantly honed and fine-tuned. Highly skilled people with the right experience and attitude in the right job form the basis of the group's internal control and risk management system. This also applies at the level of the board of directors and the audit committee, who seek to ensure that the backgrounds and experience of the members are complementary.

c. Governance body / audit committee

The operation and responsibilities of the board of directors and, by extension, its advisory committees, including the audit committee, are clearly described in the Charter. The audit committee oversees the financial reporting of the group, the internal control and risk management system, and the internal and external audit procedures.

d. Organisational structure, responsibilities and powers

As already pointed out, Ackermans & van Haaren can pride itself on a transparent organisational structure, where decisions are adopted collectively by the executive committee. The organisational structure and powers are clearly described in the 'Vademecum'.

8.3.2 Risk management process

The risks in terms of financial reporting can be summarised as follows.

Risks at the level of the subsidiaries: these are typically highly diverse and are addressed by the attendance by the investment managers of Ackermans & van Haaren at the meetings of the boards of directors and advisory committees of the subsidiaries, clear reporting instructions to the subsidiaries with deadlines and standardized reporting formats and accounting principles, and an external audit of the half-yearly and annual figures that also takes into account internal control and risk management features at the level of each individual company.

Risks related to information provision: these are covered by a periodic IT audit, a proactive approach involving the implementation of updates, back up facilities and timely testing of the IT infrastructure. Business continuity and disaster recovery plans have also been put in place.

Risks related to changing regulations: these are addressed by close monitoring of the legislative framework on financial reporting, and by a proactive dialogue with the auditor.

Finally, there is the integrity risk, which is addressed by maximum integration of accounting and reporting software, extensive internal reporting at different levels, and proactive assessment of complex and important transactions.

8.3.3 Control activities

As already pointed out above in the description of the risks, various controls are built into the financial reporting process in order to meet the objectives with regard to this reporting as fully as possible.

First, a number of basic controls such as segregation of duties and delegation of powers are built into the administrative cycles at group level: purchasing, payroll and (dis)investments. This ensures that only permissible transactions are processed. The integration of accounting and reporting software serves to cover a number of integrity risks. Additionally, a stable IT infrastructure with the necessary back up systems guarantees an adequate communication of information.

Clear reporting instructions with timely communication of deadlines, standardized reporting formats and uniform accounting principles are in place to address certain quality risks in the reporting by the subsidiaries.

There is also a cycle of external audit of both the consolidated reporting and the reporting by the subsidiaries. One of the purposes of this external audit is to assess the effectiveness of the internal control and risk management systems implemented by the subsidiaries and to report on this to the statutory auditor of Ackermans & van Haaren.

Finally, there is a system of internal audit on the financial reporting which is carried out by different policy and management levels. This internal audit is completed prior to the external reporting.

Changes in the legislative framework on financial reporting are closely monitored and the impact on the group reporting is discussed proactively with the financial management and the external auditor.

8.3.4 Information and communication

The Charter provides that every staff member of Ackermans & van Haaren can approach the chairman of the board of directors and/or the chairman of the audit committee directly to inform them of any irregularities in financial reporting or other matters.

8.3.5 Control

Each year, the internal control and risk management system is reviewed by one of the group controllers for effectiveness and compliance. The internal auditor reports his findings to the audit committee.

9. Shareholder structure

9.1 Shareholder structure

Scaldis Invest holds 11,054,000 shares in the capital of Ackermans & van Haaren, i.e. a stake of 33%. Scaldis Invest is in turn controlled by Belfimas, which holds 92.25% of the capital of Scaldis Invest. The ultimate control of Scaldis Invest is held by Stichting Administratiekantoor 'Het Torentje'.

9.2 Cross-participations

Ackermans & van Haaren holds 368,528 treasury shares as at December 31, 2019. These shares were mainly acquired with a view to covering the stock option plan.

9.3 Graphic representation

The shareholder structure, as known on December 31, 2019, is represented as shown below:

Stichting Administratiekantoor 'Het Torentje'
Control

Belfimas NV
92.25%

Scaldis Invest NV
33%

Ackermans & van Haaren NV

9.4 Reference shareholder

Belfimas is the (indirect) reference shareholder of Ackermans & van Haaren. Belfimas' sole purpose is to invest in the shares of Ackermans & van Haaren, directly or indirectly. Any transfer of securities issued by Belfimas is subject to a statutory right of approval of the board of directors of Belfimas. Two of Ackermans & van Haaren's directors, Luc Bertrand and Frederic van Haaren, are members of the board of directors of Belfimas. The board of directors is not aware of any agreements between Ackermans & van Haaren shareholders.

10. Comply or explain

The Charter of Ackermans & van Haaren complies with the provisions of the Code (as it applied in 2019) in all but one point:

- Composition of the nomination committee

In accordance with provision 5.3/1, Appendix D of the Code, the majority of the members of the nomination committee should be independent non-executive directors. The Ackermans & van Haaren nomination committee consists of all the members of the board of directors. The board of directors is of the view that, as a collective, it is better placed to evaluate its size, composition and succession planning.

IV Remuneration report

1. Procedure for developing a remuneration policy and determining the level of remuneration

In 2019, the company followed the procedure set out below for developing its remuneration policy and determining the level of remuneration paid to non-executive directors and members of the executive committee.

1.1 Remuneration policy

At its meeting of March 21, 2019, the remuneration committee discussed the draft remuneration report, which, in accordance with Article 3:6, §3 of the Code of Companies and Associations, constitutes a specific part of the Corporate Governance Statement, and ensured that the draft report contains all the information required by law.

The committee also reviewed the payment of the variable remuneration to the members of the executive committee, against the recommendations it had made on this subject at its meeting of November 20, 2018. It should be recalled that the extraordinary general meeting on November 25, 2011 authorised the board of directors to depart from Article 7:91, second paragraph of the Code of Companies and Associations, and to link the entire variable remuneration of the members of the executive committee to predetermined and objectively quantifiable performance criteria measured over a one-year period.

Finally, the committee proposed to keep the fixed remuneration of the directors (including attendance fees) for the financial year 2019 at the same level as in 2018.

1.2 Remuneration level

The remuneration paid to the members of the executive committee consists of five components (see 2.1 below). These components are evaluated each year, generally during a meeting in November, by the remuneration committee and reviewed for compliance with market practices. This review is carried out based on public information (for example, the remuneration data disclosed in the annual reports of other comparable listed companies) and/or salary studies. The adjustments proposed by the remuneration committee are then submitted to the board of directors for approval.

The remuneration of non-executive directors consists exclusively of a fixed remuneration. This fixed remuneration consists of a basic amount, an additional amount for the director's membership of a specific committee and an attendance fee for each meeting of the board of directors, the audit committee or remuneration committee. Remuneration for non-executive directors is periodically reviewed by the remuneration committee.

Any modifications proposed by the committee are submitted to the general meeting for approval.

2. Application of the remuneration policy to the members of the executive committee in 2019

2.1 Principles

The remuneration paid to the members of the executive committee consists of five components:
(i) a fixed remuneration; (ii) a variable remuneration (in cash) related to the consolidated net result; (iii) stock options; (iv) a 'fixed-contribution' group insurance scheme (supplementary pension, death benefit, disability allowance, and orphan's pension) and a hospitalisation insurance; and (v) a company car and smartphone.

The company strives to strike a motivated balance between a market-based fixed compensation on the one hand, and a combination of short-term incentives (such as the annual variable remuneration) and long-term incentives (stock options) on the other.

The fixed remuneration for the members of the executive committee (salary, group and hospitalisation insurance, company car) evolves according to their responsibilities and experience, as well as to market developments.

The variable remuneration that is granted to the members of the executive committee is based on predetermined and objectively quantifiable performance criteria measured over a period of one financial year and is, in particular, dependent on the consolidated net result. There is no long-term cash incentive plan. The variable remuneration is paid out in cash after the board of directors has approved the consolidated net result of the previous financial year.

The granting of stock options is not linked to predetermined and objectively quantifiable performance criteria. The board of directors decides on the granting of stock options to members of the executive committee based on the recommendation of the remuneration committee. Stock options are granted under a stock option plan that was approved in 1999 by the board of directors, which also serves as an incentive for persons who are not members of the executive committee. In accordance with applicable tax law, the members of the executive committee are taxed on the stock options that are granted. The value of this remuneration element is dependent on how the share price evolves.

2.2 Relative weighting of each component of the remuneration

In 2019, the relative share of each component in the overall remuneration paid to members of the executive committee was as follows:

Fixed remuneration	36.8%
Bonus	49.9%
Stock options	6.9%
Group and hospitalisation insurance	6.0%
Company car and smartphone	0.4%

2.3 Characteristics of the stock options

The stock options granted pursuant to the stock option plan of Ackermans & van Haaren have the following characteristics:

- **Offer:** mid-January.
- **Exercise price:** price determined on the basis of (i) the closing price of the share preceding the date of the offer, or (ii) the average closing price of the share during the 30 days preceding the date of the offer.
- **Exercise period:** the options may be exercised from the expiration of the third calendar year following the year in which the offer took place, up to the end of the eighth year following the date of the offer.

2.4 Changes to the remuneration policy

No significant changes were made to the remuneration policy in 2019 compared with 2018.

2.5 Remuneration policy for the next two financial years (2020-2021)

The board of directors does not expect to make any fundamental changes to the remuneration policy in the current and next financial years.

2.6 Remuneration of the CEO

The gross amount of the remuneration and other benefits that were granted, either directly or indirectly, to the CEO by Ackermans & van Haaren or its subsidiaries in 2019 can be broken down as follows:

Status	self-employed
Fixed remuneration	€ 699,996
Variable remuneration	€ 1,255,498
Stock options (taxable basis)	€ 111,317
Group insurance ('fixed contribution' type) and hospitalisation insurance (contributions paid by the company)	€ 105,478
Benefits in kind (company car and smartphone)	€ 6,435

2.7 Remuneration of the other members of the executive committee

The total gross amount of the remuneration and other benefits granted directly or indirectly to the other members of the executive committee by Ackermans & van Haaren or its subsidiaries in 2019 can be broken down as follows:

Status	self-employed
Fixed remuneration	€ 2,209,000
Variable remuneration	€ 2,689,309
Stock options (taxable basis)	€ 431,353
Group insurance ('fixed contribution' type) and hospitalisation insurance (contributions paid by the company)	€ 367,530
Benefits in kind (company car and smartphone)	€ 30,032

2.8 Options exercised by and granted to the members of the executive committee in 2019

(i) Exercised in 2019

Five members of the executive committee exercised a total of 25,500 options in 2019.

Name	Quantity	Exercise price	Year granted
Piet Bevernage	2,000	€ 61.71	2013
Piet Bevernage	2,000	€ 66.05	2008
Piet Bevernage	2,000	€ 62.12	2007
Piet Dejonghe	4,000	€ 62.12	2007
Piet Dejonghe	4,000	€ 56.11	2012
André-Xavier Cooreman	2,000	€ 66.05	2008
André-Xavier Cooreman	2,000	€ 82.32	2014
Koen Janssen	2,000	€ 62.12	2007
Jan Suykens	5,500	€ 61.71	2013

(ii) Granted in 2019

Expiry date	January 13, 2027
Exercise price	€ 132.52
Jan Suykens	8,000
Piet Dejonghe	6,000
Tom Bamelis	5,000
Piet Bevernage	5,000
André-Xavier Cooreman	5,000
Koen Janssen	5,000
John-Eric Bertrand	5,000
Total	**39,000**

2.9 Main contractual conditions

The agreements with the members of the executive committee contain the customary provisions regarding remuneration (both fixed and variable), non-competition and confidentiality, and apply for an indefinite period. The only contracts concluded after July 1, 2009 were those concluded on April 17, 2012, June 27, 2014, and July 3, 2015 with Koen Janssen, André-Xavier Cooreman and John-Eric Bertrand, respectively, with regard to their mandates on the executive committee, of which they have been members since April 1, 2012, July 1, 2014, and July 1, 2015, respectively.

The current chairman of the executive committee is entitled to unilaterally terminate his contract subject to a notice period of 6 months. The company is entitled to unilaterally terminate this contract subject to a notice period of 24 months.

The other members of the executive committee are entitled to unilaterally terminate their contract subject to a notice period of 6 months. The company is entitled to unilaterally terminate the contract of these members subject to a notice period of 18 months. This period may increase to a maximum of 24 months depending on the age of the executive committee member in question at the time of the unilateral termination of the contract by the company, except for Koen Janssen, André-Xavier Cooreman and John-Eric Bertrand, whose contracts for the provision of services date from after the effective date of Article 554, fourth paragraph of the Companies Code (now Article 7:92 of the Code of Companies and Associations, namely May 3, 2010), which imposed limitations on the length of notice periods:

- 18 months in case of termination before the 50th birthday,
- 20 months in case of termination between the 50th and 52nd birthday,
- 22 months in case of termination between the 52nd and 54th birthday,
- 24 months in case of termination after the 54th birthday.

The contracts between the company and the members of the executive committee also contain provisions regarding the criteria for granting variable remuneration, and give the company the right to reclaim variable remuneration that was granted on the basis of incorrect financial information.

3. Remuneration of (non-)executive directors

On the recommendation of the remuneration committee, the board of directors proposed on March 27, 2013 to adjust the remuneration of the directors, which had remained unchanged in 2011 and 2012, as follows from the financial year 2013:

Fixed remuneration for the chairman of the board of directors	€ 60,000
Fixed remuneration for the directors	€ 30,000
Additional fee for the members of the remuneration committee	€ 2,500
Additional fee for the chairman of the audit committee	€ 10,000
Additional fee for the members of the audit committee	€ 5,000
Attendance fee per meeting of the board of directors or the audit or remuneration committee	€ 2,500

This proposal was approved by the ordinary general meeting of May 27, 2013. At that meeting, the chairman made clear that the sum of 2,500 euros for attendance fees should be regarded as a maximum amount.

The board of directors decided to implement this increase in three stages: 800 euros for 2013, 1,600 euros for 2014, and 2,500 euros for 2015 and subsequent years.

Having regard to the fact that Luc Bertrand was appointed chairman of the board of directors on May 23, 2016, succeeding Jacques Delen, and that, additionally, and in the interest of the group, he became or remained chairman of CFE, DEME and SIPEF, and remained a director of Delen Private Bank and Bank J.Van Breda & C°, the remuneration committee proposed to grant him a fixed remuneration of 350,000 euros per year with effect from June 1, 2016, as well as placing a company car at his disposal. This proposal was announced at the annual general meeting of May 23, 2016.

Each director received a director's fee in 2019 (for the financial year 2018).

The amounts granted to the directors by Ackermans & van Haaren in 2020 (on the financial year 2019) in the form of individual remuneration and other benefits can be summarised as follows:

	Directors' fees	Attendance fees
Alexia Bertrand	€ 30,000	€ 20,000
Luc Bertrand	€ 60,000	€ 20,000
Marion Debruyne	€ 35,000	€ 27,500
Jacques Delen	€ 30,000	€ 17,500
Pierre Macharis	€ 32,500	€ 25,000
Julien Pestiaux	€ 37,500	€ 35,000
Thierry van Baren	€ 30,000	€ 20,000
Victoria Vandeputte	€ 32,500	€ 25,000
Frederic van Haaren	€ 30,000	€ 20,000
Pierre Willaert	€ 40,000	€ 30,000
Total	**€ 357,500**	**€ 240,000**

Since the amounts of the remuneration, director's fees and attendance fees are not linked to the company's results, they may be classed as fixed, non-performance-related remuneration.

For the sake of completeness, it should be noted that Luc Bertrand also received a director's fee of 60,000 euros from SIPEF in 2019, half of which is transferred to Ackermans & van Haaren. Jacques Delen also received, directly and indirectly, remuneration in 2019 in his capacity as chairman of the board of directors of Delen Private Bank, to the amount of 250,000 euros (including pension insurance) and has a company car at his disposal. He also received director's fees from SIPEF to the amount of 29,000 euros in 2019. The remuneration which SIPEF paid to Luc Bertrand and Jacques Delen is mentioned in SIPEF's annual report (Remuneration report - Remuneration of non-executive directors) for the financial year 2019.

V Statement regarding non-financial information

In accordance with Article 3:32, §2 of the Code of Companies and Associations, the annual report must include a Statement of Non-financial Information. This statement is included in the next chapter of this annual report, of which it is an integral part.

On behalf of the board of directors, March 30, 2020

Luc Bertrand
Chairman of the board of directors

Sustainability report (ESG)

This statement of non-financial information (the 'Statement') has been drawn up in accordance with Article 3:32 CCA (Code of Companies and Associations) and relates to the financial year ending on December 31, 2019.

Ackermans & van Haaren ('AvH') bases its ESG policy (environment, social, governance) on the reference model of the Sustainable Development Goals, or SDGs, from the United Nations.

AvH is a diversified investment company, where strategically important decisions are made at the AvH level. Within the framework of a decentralised decision model, however, each participation pursues its own ESG policy. As a shareholder, AvH ensures that, with respect for people, the environment and society, its participations aim to achieve a profitable position over the long term, linked to a healthy financial structure. Both ESG risks and opportunities are thereby considered.

This is illustrated in AvH's baseline 'Partners for sustainable growth'. To further structure this approach, AvH intends to apply the Principles of Responsible Investment of the United Nations (UN PRI) from 2020 onwards.

The group's ESG policy was reviewed in 2019. The diagram on the opposite page summarises this ESG process. The different steps are explained in detail later in this chapter, and there is an explanation of how AvH and its participations deal with these. This Statement focuses on the relevant policy areas that are material to the stakeholders of the group.

"In line with our 'Partners for sustainable growth' baseline, we have brought more structure into our ESG approach and communication in 2019. This emphasises our attention to sustainable growth, which is part of our DNA."

Luc Bertrand, Chairman of the board of directors & Jan Suykens, CEO - Chairman of the executive committee

AvH is a socially responsible investment company

AvH invests in sustainable activities through its participations

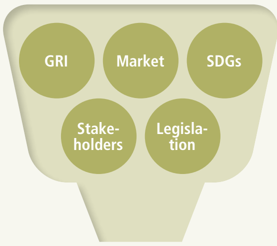
- 50% turnover in renewable energy and environment at DEME
- 100% responsible investment policy for own funds of Delen Private Bank (UN PRI rating: A+)
- 100% sustainable (RSPO) palm oil at SIPEF
- 50,000 m² office project with wooden constructions and geothermal energy at Tour & Taxis

Revised ESG policy at Ackermans & van Haaren

SDGs as a reference model

AvH as an investment company (p. 44)

1
- Definition AvH-specific ESG-aspect universe



2
- Materiality analysis

3
- For material ESG topics: policy, objectives, SDGs & KPIs

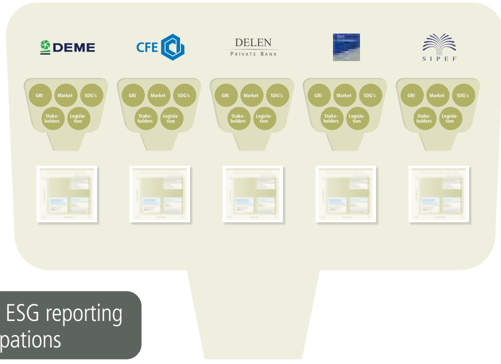
4
- Activities in reference year & evaluation

ACKERMANS & VAN HAAREN
Partners for sustainable growth

AvH as a responsible shareholder (p. 48)

1
- Identification of material participations based on investment value, stock exchange listing, ESG attention of stakeholders

2
- Materiality analysis of participations (sector-specific)



Activity Report + ESG reporting for participations

3
- Materiality analysis at group level of priority topics of participations

4
- For material ESG topics of participations at group level: policy, objectives, SDGs & KPIs

5
- Activities in the reference year & evaluation

Inspired by PRI Principles for Responsible Investment

1. ESG policy at Ackermans & van Haaren

AvH is required by law to prepare a Statement of non-financial information at a consolidated level. This chapter only addresses the non-financial risks and opportunities that are of material importance.

This Statement explains the business model, the ESG policy and (the choice of) the reference model.

- It initially indicates how the relevant policy areas for **AvH as an investment company** were determined on the basis of a materiality analysis. The link with the SDGs, the associated action plans and developments during the 2019 financial year are also explained.
- It then describes how the ESG policy is shaped at the level of the participations through the interactions with AvH (**AvH as a responsible shareholder**). More details about the ESG policy for the participations can also be found in the activity report of this annual report, and in the reports of the respective participations.

Finally, a glossary with definitions of the abbreviations and terms used is included at the end of this annual report.

Business model of sustainable growth

As an investment company, AvH concentrates on a **limited number of strategic participations with significant growth potential**. As an active shareholder, AvH is usually represented on the board of directors, as well as on the various advisory committees of its participations. In this way, AvH contributes to the strategic policy of its participations, in consultation with the management and the other shareholders.

AvH acts as a **partner** of its participations in the pursuit of sustainable growth, adopting a decentralised view of responsibility. This means that each participation carries out its own risk analysis. The policy proposals are then presented by the management of the participations and are implemented, after approval by their board of directors. In this way, maximum account is taken of the specific characteristics of the sector in which the company operates. AvH can support specific projects and, through its representatives on the board of directors, ensures that the participations pursue a policy which AvH can support.

In addition, AvH pursues an active (dis)investment policy, where **ESG aspects** form part of the evaluation and decision-making process. The group sees to it that the composition of the portfolio evolves in line with a number of sustainable social or economic trends. The mission of AvH is described in more detail on page 6 of this annual report.

ESG policy

The **corporate values** that AvH has held in high esteem since its inception in 1876 are a long-term vision, entrepreneurial spirit, integrity, partnership, sustainability, respect, independence and teamwork. Sustainable growth is thereby paramount, with attention being paid to a strong competitive position and long-term profitability. AvH thereby also positions itself as a sustainable investor.

The above-mentioned corporate values reflect the **attention to the broad spectrum of ESG**, and do not only focus on environmental issues. Constant attention goes to the main stakeholders, which include shareholders, participations, strategic partners, employees, government and local communities. Relevant socio-economic challenges such as climate change, energy transition, scarcity of raw materials, safeguarding of international free trade and population ageing are also monitored. All of these factors can have an impact in the short and long term on the participations and their stakeholders, and may require strategy and operations to be adjusted, taking these changing circumstances into account.

In 2019, a **revised ESG policy** was elaborated by a working group led by André-Xavier Cooreman, a member of the executive committee. This was done in collaboration with an external advisor and an ESG steering committee, on which there were also three other members of the executive committee, including CEO Jan Suykens. This ESG policy was subsequently discussed and approved by the executive committee and the board of directors of AvH. In this context, 323 working hours were carried out at the head office, and 11 workshops and various training sessions were organised for the investment managers of AvH. This process will be refined in the coming years via targeted reporting.

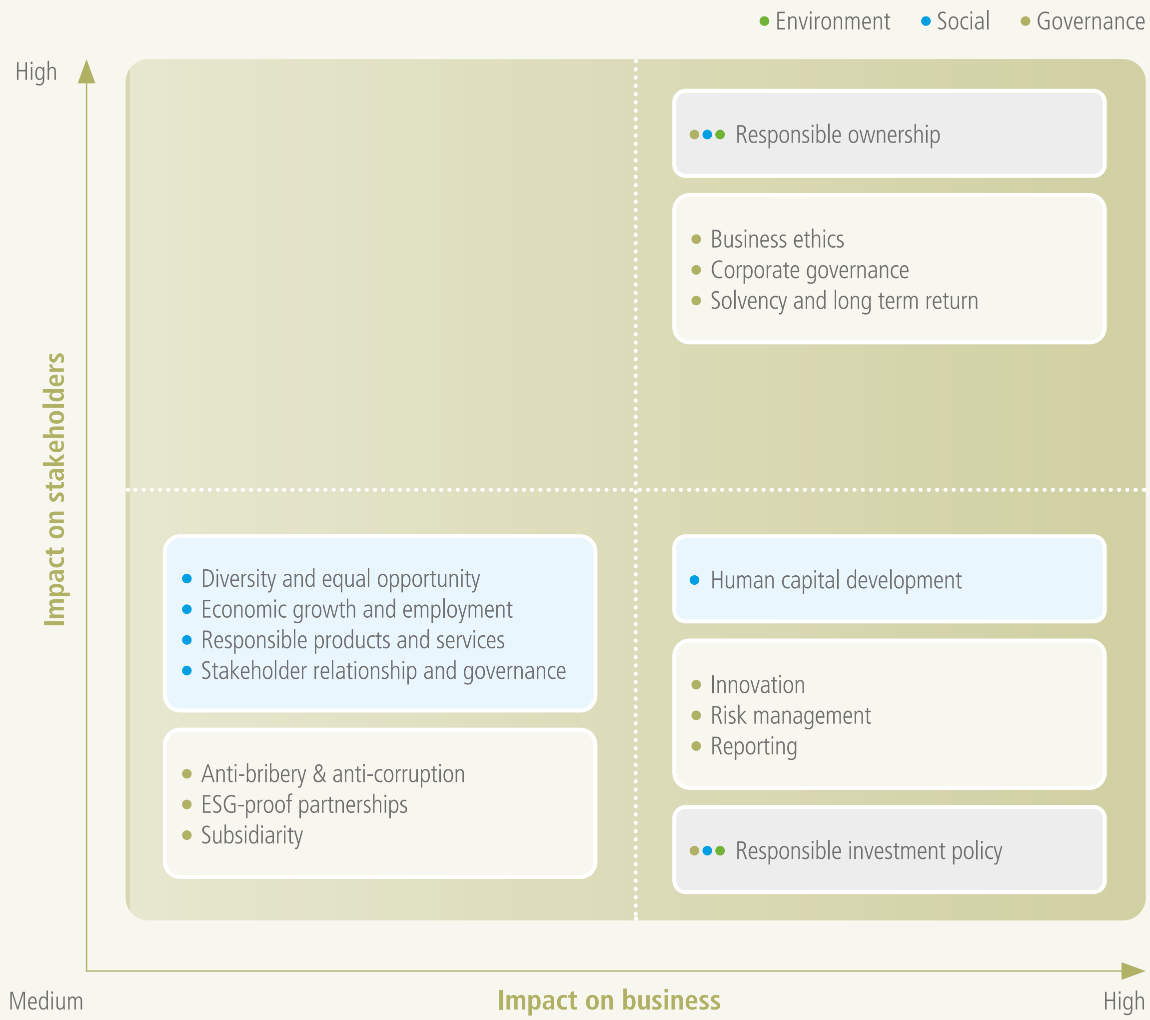
In addition, consultations were often held with the **ESG managers of the participations**. As shown in the sustainability reports of SIPEF, Delen Private Bank and DEME, a great deal of work in terms of content had already been done in recent years.

It is impossible to have a decisive impact on all possible ESG challenges worldwide. AvH therefore focuses on **material issues** that can make a difference in the sectors in which the group is active. In this way, the available resources can be used on the major levers for improvement. In addition, particular attention is paid to the ESG aspects that can represent a material risk or a material opportunity for the group. Through its representatives in the management bodies, AvH subsequently ensures that such analyses are incorporated in the strategy and policy plans of its participations, and that these plans are periodically evaluated. The participations then implement the policy approved by their board of directors and report on its material aspects.

Due to the **diversity of the group activities**, it is currently not useful to develop comprehensive action plans based on aggregated figures, nor to report these aggregated figures at the group level. Steps were taken in 2019 to refine the reporting processes and to streamline them where possible. The participations are inspired, among other things, by the methodologies recommended by the United Nations. In addition, they base their reporting and the choice of the relevant indicators on definitions and priorities that are commonly used in the sectors in which they operate.

If AvH wishes to become or remain active in a certain sector and analyses show that the products or services respond meaningfully and efficiently to social needs, but are accompanied by an ecological or social cost, AvH uses a **'best in class' approach**. In that case, research into better production techniques will be stimulated, for example, while the involved company can remain sustainably profitable.

Materiality matrix at the level of AvH as an investment company



Materiality analysis

Only the **ESG risks and opportunities that are material** at the level of **AvH as an investment company** are discussed in this chapter. An element is considered material (i) if it can have a material positive or negative impact on the group's shareholders' equity or recurring net profit over a 5- to 10-year horizon, (ii) if a shareholder or stakeholder expects it to be carefully managed and (iii) if he/she gives it high priority. This approach is in line with the recommendations of the market authorities and Euronext (January 2020) in this regard.

In 2019, AvH performed an analysis to determine its material ESG risks and opportunities. 23 points of attention were thereby scored. More information about the methodology can be found on the next page.

Based on this analysis, the materiality matrix of AvH as an investment company was drawn up. This revealed 4 themes that have a great impact on the group's business and at the same time are rated high by the stakeholders. AvH therefore then identified these as a **priority**:

1) **responsible ownership**: interaction with the participations in order to increase the ESG impact;
2) **business ethics**: compliance with the applicable laws and regulations (including the legal framework in the matter of anti-corruption), internal guidelines, group values such as long-term vision, entrepreneurial spirit, integrity, partnership, sustainability, respect, independence and teamwork;
3) **corporate governance**: organised control and monitoring of the strategy pursued; and
4) **solvency and long term return**: focus on financially sustainable business models with appropriate balance sheet structures.

A number of ESG aspects scored lower with the stakeholders, but potentially have an important impact on the business model. AvH therefore wishes to pay **special attention** to these:

1) **human capital development:** the development of personnel and team-related skills and personal development;
2) **innovation:** a policy that stimulates innovation, and therefore also sustainable solutions and opportunities;
3) **risk management**: monitoring the potential ESG and other risks;
4) **reporting:** a relevant manner of reporting, with accompanying substantiation; and
5) **responsible investment policy:** a (dis)investment policy in which ESG is a decision criterion.

Methodology:
The AvH materiality analysis

A materiality analysis first lists all the possible risks and opportunities that could have a material impact on the company in the medium term. This takes into account the context and sector in which a company operates. Inspiration for this analysis was drawn from the GRI lists (Global Reporting Initiative) and the issues identified by legislation, notably the environment, human resources and social issues, human rights and the fight against corruption.

These factors are then classified in a materiality matrix. This estimate is made from a general sector approach (as opposed to a company-specific point of view). No account is taken of any mitigating or stimulating policies already taken by the company.

On the Y axis, the materiality of these factors is determined by the various relevant stakeholders (such as shareholders, participations, employees, stakeholders whose interests are reflected in the regulatory and supervisory framework). They assess the extent to which risks or opportunities must be followed up specifically as a matter of priority.

On the X axis, the impact on shareholder value in the medium term is assessed by the company's policy bodies. This takes place based on the impact on the equity and profit over the last 5 years of the company being assessed. Here also, the existing company-specific policy is not taken into account, and this materiality therefore does not reflect the effective risk profile of the company. The materiality matrix only shows potential risks and opportunities, and not necessarily the actual risks or opportunities (taking into account the degree of risk management).

The policy developed for the risks and opportunities identified as material (which score high on both axes), together with the objectives, reports and activities performed, is explained in this chapter.

In 2019, the materiality analysis of AvH as an investment company was carried out by means of a survey of a wide range of stakeholders, including the CEOs of the participations. The interaction with the shareholders took place via surveys, contacts with and questions from shareholders, and the analysis of reports from supervisors and reports prepared by specialised service providers (rating agencies). The relevant recommendations of ESMA and FSMA were also taken into account. The stakeholders also selected ESG topics for which the potential business impact is limited. These are not discussed exhaustively here, but remain a point of attention for AvH, of course. In addition, some are absorbed in an overarching material aspect, but, according to the stakeholders, do not require a separate reporting process (for example, 'fighting corruption' is part of 'business ethics'). Others are part of the group's corporate culture (for example, 'respect for human rights') and are therefore monitored and applied in that context.

The matrix determines the ESG policy of the group over the longer term. It is therefore not expected to change substantially on an annual basis. There will be regular reviews to establish whether the matrix needs to be refined or adjusted.

The identification and follow-up of material ESG risks and the opportunities for the participations is carried out at the level of the participations themselves.

Internationally recognized reference model: Sustainable Development Goals (SDGs)

As of 2019, AvH uses the internationally recognized '**Sustainable Development Goals' (SDGs) reference model of the United Nations** for its sustainability reporting. The group thereby aims to embed its ESG policy in the 17 priorities (SDGs) of the UN, the interpretation of which may differ from country to country. In this sense, the group supports these priorities, as defined by the world community or the involved countries themselves. They thereby form a strategic lens to identify and adequately manage market opportunities or risks. The choice of SDGs also makes it possible to be inspired by the GRI methodology, given the existing correspondence tables.

Based on the aspects that were identified in the above materiality analysis as being material for AvH as an investment company, the board of directors has selected the following **specific SDGs for AvH**:

- '**SDG 3 Good Health and Well-being**': well-trained and motivated employees
- '**SDG 8 Decent Work and Economic Growth**': financially sustainable business models and strategies,
- '**SDG 9 Industry, Innovation and Infrastructure**': a sustainable policy supported by continuous innovation,
- '**SDG 16 Peace, Justice and Strong Institutions**': priority attention to business ethics, including the policy to prevent corruption, corporate governance, responsible ownership.

In the same way as AvH determined the relevant SDGs for its activities on the basis of a materiality analysis, the main **participations** from an ESG perspective made a similar assessment in 2019. In concrete terms, this means that many SDGs will be worked on within the group. The continuous attention to, as well as the increasing awareness of these themes will lead to the undertaken actions being further embedded into both the business strategies and operations, and to the adoption of more relevant reporting in this respect.

In 2018, AvH still used the Global Reporting Initiative (GRI) reference model as inspiration for ESG. This model turned out to do too little justice to the diversity of the group activities and the specific business model of AvH. As AvH decided to change its framework, **2019 is a transitional year** in terms of ESG reporting, and the comparability with the figures stated in previous annual reports is not always obvious. Steps were taken in 2019 to determine and collect ESG data according to the new model, so that more key figures will be available in the next annual report for the 2020 financial year.

Monitoring the ESG policy of the participations via UN PRI

AvH intends to implement the **Principles for Responsible Investment (UN PRI)**, the framework of the United Nations that works on a more sustainable financial system, from 2020 onwards in order to support the ESG aspects in its relations with the participations. AvH was already inspired by this when drawing up this annual report for the 2019 financial year.

The principles of UN PRI that will be the subject of a reporting scheme established by UN PRI are:

- incorporating ESG aspects into investment analyses and decisions (ESG is part of the due diligence for every new investment decision),
- including ESG aspects in shareholder decisions as an active shareholder,
- supervising that there is a correct ESG reporting by the group companies,
- promoting the application of ESG principles within its own sector,
- collaborating with others to give concrete form to these ESG principles,
- reporting annually on the activities and the progress made.

Reporting scope of the ESG policy

As a responsible shareholder, AvH has analysed its portfolio of participations on the basis of various **parameters that may indicate a potentially material ESG impact for AvH**. Examples of this are the relative investment value in relation to all the assets that AvH manages, whether or not they are listed on the stock exchange, or special attention by stakeholders to a specific problem or company.

Based on this analysis, **DEME, CFE, Delen Private Bank, Bank J.Van Breda & C° and SIPEF** are considered to be material for AvH. In 2019, projects were started with these participations aimed at bringing their ESG policy and associated reporting in line with the renewed ESG policy of the group. The participations were asked to perform or update a materiality analysis. They were provided with assistance in identifying their main ESG risks and opportunities, and linking them to a policy vision, KPIs and objectives. Their respective governing bodies approved these for these participations in 2019 or early 2020.

The renewed ESG approach was also explained to other participations. Three participations (**Extensa, Leasinvest Real Estate and Anima Care**) are thereby given more attention. This is illustrated by a number of examples in the 'AvH as a responsible shareholder' section. As a result of this approach, 83% of the consolidated shareholders' equity (net assets managed by AvH, as reflected from an accounting perspective in the consolidated equity of the group) of the AvH group receives specific ESG attention.

The scope and the renewed **ESG policy will be systematically expanded** over the period 2019-2022. The intention is that a full ESG policy, with accompanying reports and actions, will be finalised for the 8 major participations by 2022. Their reporting in terms of the potential impact on the environment, as well as in terms of the impact of ESG factors on their business operations (double impact analysis), gets priority, in line with the recommendations of the regulators and Euronext (January 2020). The other participations are being encouraged and supported to reach that level in 2022. All participations are invited to the ESG workshops organised by AvH, so that they can share their experiences. Progress in this regard, in line with UN PRI, will be reported annually by AvH.

The processes related to conducting an **ESG due diligence** by AvH and incorporating it into new investment files have been reviewed in the same vein. This allows the group to better manage major risks in this area, to respond to major opportunities more quickly and to communicate better about them.

The ESG perimeter, consisting of the 8 aforementioned participations, **differs from the accounting consolidation perimeter** used by AvH. Some participations are not fully consolidated (Delen Private Bank, SIPEF). On the other hand, the fully consolidated participations Rent-A-Port, Green Offshore, Agidens and Biolectric are not specifically reported in this chapter, as they are not considered material from an ESG perspective. The above and the other participating interests will discuss the ESG topics that are material for them in their activity report.

Within the group, CFE, SIPEF and Delen Private Bank are themselves required to draw up a statement in accordance with Article 3:32 of the CCA. Their individual statements can be consulted via their websites (www.cfe.be, www.sipef.com, www.delen.be).

Given the importance that certain ESG risks may have, it has also been opted to mention them in the chapter on risks and uncertainties from page 20 of this annual report.

2. AvH as an investment company

The priority points and the SDGs of 'AvH as an investment company' are discussed below by Environment, Social and Governance cluster. The emphasis within the social cluster is on human rights. The Governance cluster also includes the anti-corruption policy and 'AvH as a responsible shareholder'. For this latter aspect, the ESG aspects, which are material for AvH, of the materially important participations are explained. This section reflects the extent to which the operational activities have an impact on the environment, and vice versa (double impact analysis).

Environment

The activities at the headquarters of AvH in Antwerp only have a limited impact on the environment, and are therefore not material. Nevertheless, the head office wants to be a role model, because respect for the environment and the careful handling of raw materials are important. An **Eco Committee**, for example, is studying measures to reduce the ESG impact of the headquarters in the context of 'SDG 13 Climate Change'. A follow-up measurement of the CO_2 footprint was carried out in 2019. Total emissions of the headquarters were 629 tons of CO_2 equivalents (2018: 943 tons). In addition, a specialised service provider conducted a study of the total environmental impact of electrically powered vehicles, compared to vehicles with conventional fuels. In order to further reduce emissions, efforts will be made, among other things, to gradually make the fleet 'greener' and to limit travel, for example, through video conferencing and working from home.

In addition, the environmental aspects, both risks and opportunities, are included in the ESG analysis during the due diligence of **investment files**. As an investor, AvH actively studies new sectors such as sustainable agriculture, healthy food, health and cleantech. AvH invested in Biotalys and Biolectric in 2019. Biotalys develops biological crop protection products, while Biolectric focuses on converting methane gas from manure and sludge into renewable energy, while avoiding the emission of harmful greenhouse gases. Thanks to these investments, AvH is making an active contribution to sustainable agriculture.

Social

Throughout the long-term economic cycles, AvH positions itself as a **partner for sustainable growth**. In this way, the group aims to contribute towards economic prosperity, job creation and a stable financial environment in the 154 countries in which it operates through its participations. This is in line with "SDG 8 Decent Work and Economic Growth". In the first place, the group achieves this by ensuring a healthy financial structure among the participations, which can thereby optimally fulfil their role as an employer.

The monitoring of solvency, the responsible use of credit and a financial discipline aimed at long-term profitability are permanent concerns. Both AvH and the stakeholders consider this to be a high priority. AvH therefore strives for a positive net cash position at the holding level. After all, this enables AvH to respond quickly to opportunities, or to support participations in important projects. In times of economic downturn or financial crisis, this enables AvH to independently decide on its fate and to remain independent. This approach makes a countercyclical policy possible, aimed at value creation. In addition, the support of entrepreneurship through making growth capital available is an important mission of the group.

The success of a company depends on the skills, personalities, motivation and experience of its **staff members**. As an employer, AvH strives to offer its staff members a good working environment in which ethical and respectful actions are central. Continuous efforts are made on the development of human capital, both individually and as a team. AvH aims to have teams available with diverse skills and experience, who can assist with the key functions within companies. A low turn-over ensures that the staff members promote the values of AvH to the maximum. The objectives of these last two KPIs are to have teams with an average experience of at least 10 years and a turnover of less than 10%, respectively. More information and the KPIs on this subject can be found on the following pages.

From this perspective, a new position was created and an experienced Human Capital manager (Hilde Haems) was recruited in 2019. Among other things, she is responsible for the HR policy at the head office and for supporting the participations in the development of a human resources policy aimed at talent management. She will also assist investment managers in the analysis of human resources aspects and the HR organisation when investing in new participations. The investment managers follow the same approach in the participations with regard to social aspects, through their presence on the boards of directors and/or the remuneration committees. In terms of HR group synergies, two workshops for group companies were organised in 2019, which were attended on average by 9 participations. The themes that were discussed were 'high potentials and succession management' and 'innovation and corporate culture (six batteries of change)'. These social aspects are also assessed when evaluating investment opportunities. Within the investment policy of AvH, **healthcare** is of high importance. Examples are Anima Care and OncoDNA, and the participations in Medikabazaar and Biotalys that were entered into in 2019.

AvH endorses the respect for **human rights**, as included in the Universal Declaration of Human Rights. The group recommends the same commitment to its employees and associates. This is contained in its Integrity Code, which can be found on the website.

AvH also strives to contribute to a dignified society through its **patronage policy** (SDG 11 Sustainable Cities and Communities). In Antwerp, art and entrepreneurship have gone hand in hand since the time of Rubens, Stevin and Plantin. Galleries, museums, artists and scientists have great added value for society. In

Material ESG aspects at the level of AvH

	Environment	Social (including human rights)	Governance (including anti-corruption)	SDGs (material at the AvH level)
AvH as an investment company	Responsible ownership	Responsible ownersnhip	Responsible ownership Business ethics Corporate governance Solvency and long term return	

2019, (excluding the efforts in this area through the participations) AvH supported projects worth 380,000 euros in the fields of culture, scientific research, poverty reduction or human rights. The main projects are shown in the overview below.

Governance

Business ethics are considered as a priority and as being material. For AvH, this means respect for people and society, for the legislation and the regulatory framework, and for acting with integrity. This is in line with the values that AvH considers to be of paramount importance, and this is explained in the general policy vision. A lack of business ethics can have a negative impact on business operations, for example, through sanctions or being excluded from public or private stakeholders. This philosophy is reflected in the AvH Integrity Code, which is inspired by the 10 key principles of the 'UN Global Compact'. This code applies to the directors and employees of AvH, and can be consulted on the website. AvH's Corporate Governance Charter provides for a 'whistle-blower' scheme, under which AvH employees can report possible irregularities in financial reporting or other matters to the chairmen of the board of directors and/or the audit committee. In order to avoid abuse at AvH level related to outgoing payments, the person who makes the payment must always be a different person from the one who initiated the payment. This is the subject of an annual internal audit. There were no breaches to report in this area in 2019. We refer to the 'Corporate governance statement' chapter for a full description of the corporate governance processes. AvH regularly updates its charters and codes with regard to social developments and legislative changes, and supervises compliance where possible.

The respect of business ethics is not limited to AvH. All participations are expected to issue and apply such guidelines. The management teams hereby form the driving force behind this. They discuss this with, and report to their respective boards of directors. In case of infringements or shortcomings, this can lead to adjustment of the processes and the application of sanctions. In view of the decentralized management, AvH is almost always represented on the boards of directors and in the audit or strategic committees of the participations. This process is coordinated by the board of directors at group level, which oversees the whole through appropriate processes and committees. In order to support and strengthen the governance principles, AvH's objective is to have audit and risk committees in the participations that together form at least 80% of the assets under management (measured in relation to the group's shareholders' equity), and to be represented in these.

The group considers **transparent financial reporting and follow-up** and the monitoring of a healthy financial structure to be important. Some relevant key figures are presented on the next page. The activity report of each participation always includes their equity and net financial debt. In this context, risk management, including the cybersecurity aspect, also receives the necessary attention.

The existence of the aforementioned processes is related to 'SDG 16 Peace, Justice and Strong Institutions'.

In addition, AvH attaches great importance to **innovation**, which is part of 'SDG 8 Decent Work and Economic Growth'. Innovation is understood in a broad sense here. It applies to new product/market combinations, as well to as renewed processes, technologies, distribution channels, organisations and corporate cultures.

Cultural	www.kmska.be	www.middelheimmuseum.be	www.dekathedraal.be
www.leconcertolympique.eu	www.africamuseum.be	www.fomu.be	www.cofena.be
Social	www.hrw.org	www.santegidio.be	www.sos-villages-enfants.be
www.mercyships.be	www.special-olympics.be	tajo.be	www.monnikenheide.be
Scientific	www.deduveinstitute.be	www.kickcancer.org	www.antwerpmanagementschool.be
www.uza.be	www.foundation.prinsesmaximacentrum.be	www.insead.edu	www.kbs-frb.be

Ackermans & van Haaren

3 GOOD HEALTH AND WELL-BEING

It's all about people

- The training, personal development and the succession planning for **AvH staff members** receive permanent attention. A great deal of training is therefore provided.

	2019
Total number of staff members	34
Costs for training (as % of general costs)	378,450 euros (2.1%)

Breakdown men/women

Men	Women
17	17

- Men
- Women

- AvH aims for a **well-balanced investment team**[(1)]. This enables the group to closely monitor the activities of the participations financially, substantively and strategically.

		2019	Goal
KPI	**Average number of years of relevant experience per person**	19.6 years	>10 years
KPI	**Employee turnover**[(2)]	1.0%	< 10%

Breakdown by degree

Economic	Legal	Scientific	Others
41%	23%	23%	13%

- Economic
- Legal
- Scientific
- Others

(1) 20 staff members
(2) Excl. intra-group and retirement, over 3 years

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

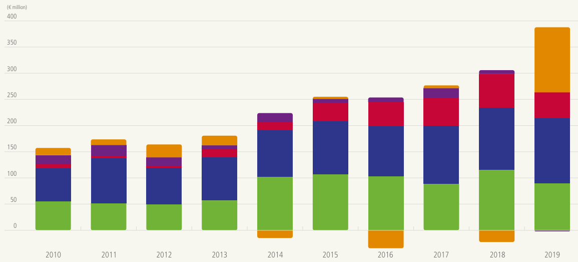
Focus on sustainable growth

- AvH aims for **long term value creation** for all stakeholders.

		2019	Goal
	Pro forma group turnover	5.6 billion euros	
	Contribution of core segments[(1)]	268 million euros	
KPI	**Return on equity**	**11.3%**	> 10% over 10 years
KPI	**Net cash**[(1)]	**267 million euros**	Positive
	Pro forma personnel	21,522	

(1) See the attached Key figures for the 10-year figures

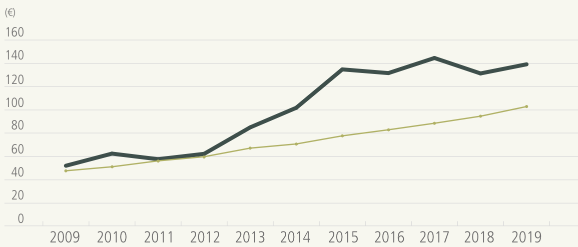
Result before remeasurement



- Marine Engineering & Contracting
- Private Banking
- Real Estate & Senior Care
- Energy & Resources
- AvH & Growth Capital

Annual value creation (share and dividend)

Average annual growth in % (2009-2019) +11.8%



- Equity per share: +8.0%
- AvH share price: +10.4%

- AvH is focussing on **innovation**.

		2019	Goal
KPI	**Number of participations with innovation policy formally on the agenda of the BoD**	72%	>80%[(1)]

(1) Expressed as a % of the net assets managed by AvH (measured in relation to the shareholders' equity of the group)

AvH invests a lot of time and resources in this context, and intends to formally discuss this annually at the board of directors of the participations that represent at least 80% of the net assets under management by AvH. For several years now, a great deal of effort is being made in this area. For example, the innovation managers exchange experiences within the group in workshops. Three workshops on the themes of intellectual property law, data culture and policy, and the interaction between innovation and business culture took place in 2019, with an average of 8 participations taking part. During other workshops, the CEOs or management teams of the participations annually consider major social trends. Cybersecurity and the volatile international economic context were in the spotlight this year. In the end, this enables optimum support by the personnel departments and an embedding in the operational strategies. AvH organised a study trip to Silicon Valley in the United States in 2019. The investment managers and a large number of the CEOs of the participations jointly discussed a number of trends in their sectors. It is intended to organise sector-specific study trips in the future.

AvH continues to support and promote innovation through its long experience in identifying and supporting innovative companies, from a broad, multidisciplinary perspective on business models. AvH also aims to collaborate with leading Belgian research centres in these areas.

Partnerships and engaged ESG shareholder

- AvH supports its participations from a long-term vision, enabling the companies to realise their growth potential.

2019	AvH	Participations[1]	Goal[1]
KPI ESG policy	✔	85%	> 80%
KPI Corporate governance charter	✔	78%	> 80%
KPI Integrity code (including Declaration of human rights)	✔	79%	> 80%
KPI Audit and/or risk committee	✔	90%	> 80%
KPI Presence of AvH in audit and/or risk committee	✔	90%	> 80%

(1) Expressed as a % of the net assets managed by AvH (measured in relation to the shareholders' equity of the group)

1. KMSKA concert at AvH
2. Attention to sustainable mobility among AvH employees


1


2

3. AvH as a responsible shareholder

AvH considers its role as a responsible shareholder as one of its **most important levers in the context of its ESG policy**. This is in line with the objectives of SDG 16, which supervise good governance. For example, AvH asks its current participations to take account of relevant ESG aspects. As a long-term investor, AvH monitors the strategy pursued, adhering to the legal requirements, social trends and taking efficient processes into account. Equally important are well-composed management teams with the right values and corporate culture. In doing so, AvH starts from its corporate values as stated in the section 'AvH as an investment company'.

AvH held several sessions with participations in 2019 in order to explain the new ESG methodology. Working together with them, AvH looked at how their policy on this could be refined. The materiality analyses of 5 companies that are considered material for AvH were also reviewed, in collaboration with them. The table below indicates which ESG aspects should receive priority attention, as they can **potentially be material for AvH as a group**. These aspects are further explained in this section in terms of policy, objectives, KPIs and concrete action plans. The ESG factors that participations follow up as a priority at their level are also briefly explained. More information about the ESG policy of the participations is available in the activity report of this annual report, or in the reports or on the websites of the respective companies.

The aspect of human rights is discussed, where relevant and as required by law, under the heading 'Social', and the aspect of fighting corruption under the heading 'Governance'.

ESG cooperation at group level

As a 'responsible shareholder', AvH always aims to ensure representation on the boards of directors and in the advisory committees (such as audit committee, risk committee, remuneration committee, strategic committee) of its participations. With its multidisciplinary team, it offers support and guidance there. The participations are expected to develop their **own ESG policy**, adapted to their sector and circumstances. Based on a materiality analysis, they should focus on the risks and opportunities that are most important to their stakeholders (including AvH), which, at the same time, can have the greatest potential impact on their activities. If analyses show that products or services respond meaningfully and efficiently to social needs, but are accompanied by an ecological or social cost, AvH uses a 'best in class' approach. The aim is then to reduce the social and ecological cost

Impact of the material ESG aspects of the subsidiaries at AvH level

	Environment	Social (including human rights)	Governance (including anti-corruption)	SDGs (material at the level of AvH)
AvH as a responsible shareholder				
DEME	Climate and energy innovation	Health and well-being	Business ethics Innovation	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
CFE	n.m.	n.m.	Corporate governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Delen Private Bank	n.m.	n.m.	Asset protection Business ethics Protection of privacy and data	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Bank J.Van Breda & C°	n.m.	n.m.	Safe harbour Business ethics Protection of privacy and data	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
SIPEF	n.m.	n.m.	n.m.	-
Extensa, Leasinvest Real Estate, Anima Care	n.m.	n.m.	n.m.	-
Other participations	n.m.	n.m.	n.m.	-

n.m. (not material): no material ESG aspect at AvH level, measured by the impact on AvH's consolidated shareholders' equity and net result, and taking into account the participation percentage of AvH in the participation.

More details are available in the activity report of this annual report and in the ESG reporting of the participations.

price, while considering the desired competitive position. This issue is, for example, related to the sustainably produced palm oil at SIPEF. Sustainable cultivation involves a cost price, whereby the aim is to compensate for this through a premium for sustainable oil. Sustainable investments at Delen Private Bank or Bank J.Van Breda & C°, or the ESG initiatives in the field of dredging, offshore wind or deep sea harvesting at DEME will also lead to cost increases and investments in people and systems, but will, at the same time, deliver opportunities with certain target groups. In this way, ESG considerations contribute to the determination of the market position that the participations occupy, and how they wish to distinguish themselves from their competitors.

In order to support the participations, AvH regularly organises **workshops** on various subjects, to which staff members of the participations are invited. In 2019, 11 workshops focused on the new methodology to shape an ESG policy, and various workshops on talent management, innovation, operational excellence and risk management were organised. The latest trends and techniques are explained by internal and external specialists, and experiences are exchanged. The number of attendees varies between 7 and 50, with the aim of keeping as much interaction as possible. This also offers the opportunity to develop group synergies around subjects that AvH considers important. Attention is then drawn to these subjects at the executive level through events aimed at the CEOs or the management teams of the participations. These workshops are attended and run by investment managers and members of the executive committee of AvH. Regular interaction at various company levels also reinforces the relationship with the participations and the insight into their operations. The various ESG aspects reinforce each other and lead to a corporate culture that aims to achieve the AvH business model and the associated strategies to the best possible extent. Sustainable behaviour must be embedded in a coherent corporate culture.

This approach is in line with the philosophy of **decentralized management** that is supported by AvH. The belief in a long-term partnership gives the participations the time to pursue a long-term strategy.


1

1. Luc Bertrand at SIPEF
2. Jan Suykens, Prince Lorenz and Dirk Wouters (Bank J.Van Breda & C°) at the King Baudouin Foundation
3. Workshop with Martin Wolf, Chief Economics Commentator Financial Times
4. Annual AvH event with participations in Africamuseum
5. AvH study trip to Silicon Valley


2


3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5

ESG process with material participations in 2019

Inspired by the principles of UN PRI, a group-supported ESG trajectory was mapped out in 2019. The priority was on the 5 participations which could have a material impact at group level from an ESG perspective. These participations were asked to focus their ESG policy by means of a materiality analysis. This is the basis for elaborating an impact-oriented vision, identifying priority objectives and SDGs, and setting up the associated reporting processes. In addition, a program was started with three other participations, namely Extensa, Leasinvest Real Estate and Anima Care. The materiality analyses were discussed with AvH. They were also discussed and approved by their audit committees or boards at the end of 2019 or early 2020.

In 2019, AvH's risk management process also drew attention to the **focus points contained in the SDGs 3, 8, 9 and 16** that are important for AvH. This included, for example, pursuing a responsible and ethical business policy (including respect for laws and regulations), the financial results of the business model in the long-term, the delegation of powers between the board of directors and the management, as well as quality assurance and the reporting processes. It was also established that the use of an ESG policy provides increasingly important support to the recruitment policy of the participations.

The establishment of a coherent and consistent reporting process will require considerable efforts. Prioritising the action programs can therefore contribute to faster progress on material aspects.

As a responsible shareholder, AvH pursues a number of **objectives** for at least 80% of its assets under management:

- the annual discussion of the innovation policy that has been pursued and the appropriate action plans by the board of directors,
- with regard to corporate governance:
  - the existence of audit and/or risk committees, with the representation of AvH,
  - structured risk management systems adapted to sector-specific conditions, and
  - the endorsement of applicable corporate governance or integrity codes.

These KPIs are included in the table on SDG 16, under the 'AvH as an investment company' section (on p. 46 and 47).

AvH intends to report internally, and later externally, in accordance with UN PRI from 2020, which will increase the number of reporting topics.

1. AvH at DEME
2. AvH visit of the Gare Maritime - Brussels
3. Tom Bamelis at SIPEF

DEME

DEME is one of the largest marine construction companies in the world. From its core activities (dredging and civil works on water), the group has developed complementary offshore activities in the field of renewable energy, oil and gas, and in the field of soil and sludge remediation, and the extraction of aggregates and minerals.

Through its involvement in various infrastructure works, DEME comes into daily contact with ESG. The group has the opportunity to make a substantial contribution to sustainable solutions, to the development of resilient communities worldwide and to sustainable growth.

DEME has set up a number of long-term projects to devise and implement solutions for this. Via the 'DEME Explore' programme, DEME wants to work with various partners from within and outside the sector in order to devise sustainable and holistic solutions. The 'DEME Excel' programme was used to search for the best possible use of existing scientific research and technologies. DEME also wants to promote internal sustainable entrepreneurship, with a strong focus on the global energy transition needs, the circular economy and the environment. DEME thereby endorses the methodology of the SDGs, whereby it wants to and can contribute to almost all areas, and uses this as a framework for its policy.

In order to manage and monitor the ESG actions and projects and its ESG strategy, DEME has set up reporting tools and a dashboard in collaboration with an external sustainability expert. An SDG Assessment Tool was developed in this context, which provides insights at the level of the entire project. Each project assessment includes a climate profile, an innovation profile and an overview of the link of the project to the SDGs. 10 medium to large projects were assessed in 2018, followed by 23 projects in 2019. All the projects together account for nearly half of turnover, covering all the lines of activity and areas in which DEME operates. This led to the following findings:

- Certain projects (dredging projects, integrated brownfield developments) have a very broad impact on almost all SDGs. Other projects (renewable energy, infrastructure and site remediation, etc.) only affect a limited number of SDGs.
- More than 80% of the projects assessed stimulate local economic development and create employment opportunities and economic growth.
- More than 75% of the projects assessed contribute to a future-proof infrastructure that improves safety, prosperity and human well-being. Almost half of the projects help combat climate change. Offshore wind helps make the energy transition possible.
- DEME continuously aims to strengthen the resilience of local communities, without affecting the climate and depleting the planet's resources.
- DEME is aware of the impact it can have on the maritime and freshwater ecosystem, and is constantly looking for applications that reduce its impact.

The above-mentioned insights strengthen the ability of DEME to understand and manage ecological, economic and social risks and opportunities in projects. This allows it to refine its strategy with regard to projects with the most sustainable impact. DEME must, of course, take into account the wishes of the clients, but, here too, it is noticed that more and more clients are taking these parameters into account.

Several workshops were held in 2019 to further refine the existing methodology. On February 18, 2020, the board of directors discussed and approved this policy, which is pro-actively supported by the entire management.

Starting from the materiality analysis at the level of the AvH group and from all priority topics at DEME, climate and energy, innovation, maintaining business ethics, health and well-being (SDGs 3, 7, 8, 13, 16) were considered as material at the level of AvH. DEME also considers the following ESG factors as material at its level: biodiversity and ecosystems, water quality, waste and resource management, talent management and partnerships. These will be briefly cited in this chapter. Information with regard to less material ESG aspects at the level of DEME are also described in its sustainability report.

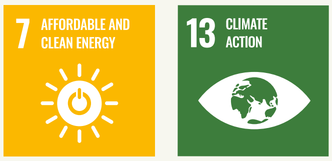
Environment

Climate change is one of the greatest threats to the planet. An increase in temperature, partly as a result of CO_2 emissions, leads to a rise in the sea level, acidification of the water and more extreme weather changes. At the same time, there is an increasing need for affordable and reliable, sustainably produced energy. DEME provides solutions to some of these challenges.

Investments in infrastructure (water transport, wind energy, dike protection, etc.) are crucial in a world where more and more people are settling along waterways and seas. The challenge here is to enable the simultaneous use of oceans and seas for both traditional maritime activities (shipping, fishing, tourism, etc.) and for new activities, such as renewable maritime energy and aquaculture.

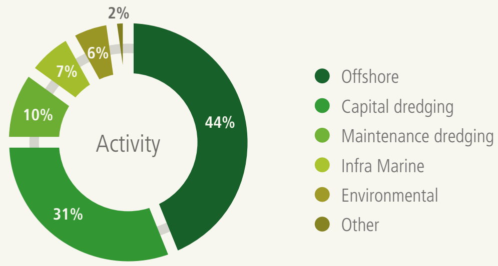
The installation of **wind farms**, where DEME has a leading position, contributes significantly to the transition to renewable energy. This can disturb the local fauna and flora. DEME aims to minimise the consequences for example, by fitting underwater bubble screens. Offshore wind farms will become nature reserves, where fauna and flora can thrive better than before. For example, a ground-breaking pilot project is already seeing positive results in its research to grow mussels in wind farms off the Belgian coast. Due to climate change and the energy transition

DEME



Climate and energy

Breakdown of turnover by activity in 2019



GHG (greenhouse gas) emissions[1]

	2019	2018
KPI **GHG in kton CO_2-equivalents**	**693**	687
of which scope 1[2]	676	-
of which scope 2[3]	5	-
of which scope 3 (emissions from business air travel)	12	-

(1) DEME follows the Greenhouse Gas Protocol (ISO14064).
(2) Scope 1 includes all direct GHG emissions., which occur from sources that are owned or controlled by DEME (e.g. combustion of fuel and natural gas).
(3) Scope 2 accounts for GHG emissions from the generation of electricity purchased by DEME. Scope 2 emissions physically occur at the facility where electricity is generated.

to renewable sources, the number of offshore wind farms worldwide will continue to grow.

DEME is also working on **other forms of sustainable energy**, such as hydrogen, tidal and wave geothermal energy, solar energy, or on the transport and storage of these. Together, these projects improve access to affordable energy and energy efficiency. In November 2019, for example, DEME and several Belgian private and government companies signed cooperation agreements to bring their expertise together with a view to a Belgian hydrogen economy. In a first phase, they will investigate how hydrogen can be brought to Belgium and how it can be produced on-site. In this way, they will map out the financial, technical and regulatory aspects of the various components in the logistics chain.

DEME makes a substantial contribution to the SDGs, including via the protection of coastlines in the event of flooding, through innovative technologies in the field of wind, green and blue energy, and through the development of solutions for the remediation of historical soil and water pollution. DEME aims to **minimise the negative environmental impact** of its activities by improving the energy efficiency of the processes, thereby reducing greenhouse gas emissions. DEME, for example, is committed to switching to energy sources with a lower environmental impact. DEME wants to evolve into a climate-neutral company by 2050, and aims to reduce its GHG emission reduction by 40% (compared to 2008) by 2030. To this end, DEME started a multi-year investment plan in which it supplies its new-build fleet with the most advanced technology for fuel savings and the use of low-emission fuels, such as LNG, biodiesel and future, hydrogen-bearing green fuels. In 2019, DEME also started an investment program to integrate the most modern fuel-saving techniques into its existing fleet.

In addition, DEME is a member of 'The Blue Cluster', an innovation cluster which aims at sustainable growth. In 2019, together with 5 business partners and the University of Ghent, DEME started up the BlueMarine.com project, which focuses on the biological, technical and economic feasibility of local cultivation of seaweed, molluscs and shrimp. This should lead to a pilot installation in Flanders, which can serve as an incubator for larger-scale production initiatives and the development of an aquaculture industry. Another research project launched in 2019 develops new concepts for a commercial application with regard to floating solar panels (MFPV, marine floating photovoltaic). It aims to set up offshore solar energy parks in the North Sea, possibly in combination with wind farms or aquaculture. Both projects are supported by the Flanders Innovation & Entrepreneurship Agency.

Social

A safe and healthy workplace for all **employees**, subcontractors, suppliers, partners and other stakeholders is a continuous point of attention. Due to the nature of its activities, DEME is sometimes forced to work in very challenging conditions. The safety and well-being standards for all employees are very high, and are continuously monitored through proactive (for example, observations, inspections) and reactive KPIs (such as timely reported incidents). Every potentially dangerous situation is hereby analysed, so that the risks remain at acceptable levels. These parameters are monitored at each board of directors, with clear objectives and an associated bonus policy. The objective is to prevent accidents from occurring, neither on the boats nor in other workplaces. A lot of attention is paid to recruiting, training and retaining the staff. DEME obtained the certificate of Top Employers Belgium.

DEME

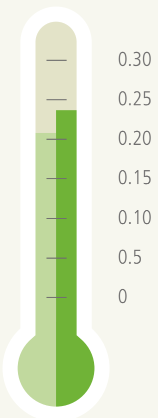
3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Health and well-being

	2019	2018
KPI Timely closed actions[1]	1,218	1,988
KPI Toolbox participation[2]	447,137	442,829
KPI Timely reported incidents[3]	1,174	946

- Safety thermometer[4]



- 2019: 0.24
- 2018: 0.21

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Business ethics and innovation

	2019	2018
KPI Number of approved innovation initiatives	11	22
KPI Permanent evaluation of compliance processes	✔	✔
KPI % employees compliance awareness training	85%	-

(1) All actions resulting from incidents & investigations, audits, management reviews and year action plans which are closed within their set due date

(2) All project, vessel and office staff/crew must participate, as a minimum, once a week in a toolbox meeting. Toolbox meetings include safety moment day, vessel-project safety meeting and pre-work meeting.

(3) All incidents with damage, near misses/dangerous situations and complaints/non-conformities which have been reported in IMPACT within 24 hours.

(4) The frequency rate is the number of incidents with injury that caused the person to be off work longer than 1 day/shift (day of the incident not included) & fatalities divided by the amount of performed work hours, multiplied by 200,000.

DEME also pays a great deal of attention to the **local communities** in the countries where it develops activities, and contributes to various social projects. It supports the Mercy Ships. Finally, DEME has endorsed the Declaration of Human Rights.

Governance

As DEME is active in countries with a high-risk profile with regard to **business ethics**, it has to exercise increased vigilance in this area. On March 20, 2018, a search was carried out in DEME's offices in Zwijndrecht (Belgium), in relation to the role of a former employee in the award of a dredging contract in Sabetta (Russia) in 2014. The investigation, with which DEME is fully cooperating, is still pending. No persons have been charged to date. As the investigation is strictly confidential, no information can be legally disclosed. This incident prompted further refinement and formalisation of existing procedures. The pillars of the policy around this are good processes, the increase of transparency and work based on its STRIVE values (see below), including towards third parties. All this was translated into a new DEME 'Code of Ethics and Business Integrity'. This code forms the basis for effective tools to minimise the risks of fraud and corruption. An annual mandatory ‘employee awareness’ programme is linked with this code, including the certification of employees after successful completion. The code forms the basis of a comprehensive corporate compliance program, in which, for example, a due diligence procedure has been developed with a screening of third parties regarding the risk of fraud and corruption.

DEME is making great efforts to ensure that high ethical standards are met throughout the entire business operation. It has therefore reviewed all associated processes, including intensifying awareness, training, follow-up and the systematic use of these processes.

With regard to **innovation**, DEME has strongly committed to internal entrepreneurship. With regard to ESG, the focus is hereby on energy transition, the circular economy and the protection of the environment. In order to achieve this, DEME runs innovation programmes, such as DEMEx and DEME Innovation Diver, and takes a leading role in various ecosystems, such as the Blue Cluster. 11 innovation initiatives were approved by the Innovation Board of DEME in 2019. These initiatives are the result of the DEMEx innovation programme. Every idea owner must prove the link of his idea to the SDGs.

A good example of innovation is Global Sea Mineral Resources (GSR), a subsidiary of DEME, which has been investigating the responsible exploitation of polymetallic nodules since 2012. GSR was also the first company to publish its environmental impact statement before a scientific test audience in 2018.

More information about sustainability is available in the annual report and the sustainability report of DEME and on the website www.deme-group.com/sustainability.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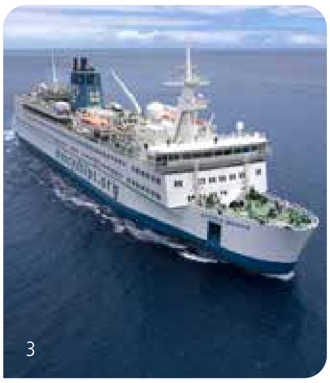
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1. Orion LNG fuelling
2. Offshore wind farm
3. Mercy Ships
4. STRIVE values

CFE (excluding DEME)

CFE is a listed Belgian industrial group with 3 divisions. In addition to the Dredging, Environmental, Offshore and Infrastructure (DEME) division, which is dealt with separately in this chapter, there is also the Contracting division (construction, multitechnics and rail) and the Real estate development division (BPI). Both divisions coordinate various operating companies in multiple countries, whereby the procedures and rules in a decentralised model are as close as possible to the needs of the site.

Throughout 2019, with the help of an external advisor, several sessions were held to refine the ESG methodology and further develop a structured policy. A full-time ESG manager with operational construction experience was appointed to steer this process in the right direction. The board of directors of CFE discussed and approved this policy on December 3, 2019. Both divisions have a clear will to emphasize the sustainable aspects in both the construction process and construction projects. The SDGs 3, 4, 7, 8, 11, 12, 13, 16 and 17 were selected as guidelines after an extensive survey of stakeholders, including the personnel. Policy visions, objectives, action plans and KPIs were then formulated. These will be further refined and monitored in the course of 2020. Where a new view is involved, 2019 will be used as the reference point for reporting.

Starting from the materiality analysis at the level of the AvH group and from all priority topics at CFE, only 'Corporate Governance', linked to SDG 16, was considered as material at the level of AvH.

The following ESG factors are also considered material at the CFE Contracting and BPI level: optimisation of the transport of materials and waste, reducing waste and packaging material, health and safety, correct working conditions for everyone, talent management and innovation. A lot of aspects are followed up here that are similar to those of AvH.

CFE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate governance

Health & Safety / Environment

	2019	2018
Frequency rate of accidents[1]	13.72	19.42
Severity rate of accidents[2]	0.44	0.49
CO_2 emission[3]	17,817	23,863
of which scope 1[4]	14,754	19,298
of which scope 2[5]	3,063	4,565

(1) Number of accidents with incapacity x 1 million divided by the number of working hours
(2) Number of calendar days of absence x 1000, divided by the number of working hours
(3) CFE follows the Greenhouse Gas Protocol.
(4) The direct emissions of greenhouse gas (GHG) are related to the use of fossil fuels. Only the CO_2 emissions are taken into account, not the other greenhouse gas emissions. It only concerns fossil fuels purchased and used on own installations, engines and vessels or on own projects. The fuel used in own power generators is also included in scope 1.
(5) Indirect greenhouse gas (GHG) emissions are related to the consumption of electricity purchased. Only the CO_2 emissions are taken into account, not the other greenhouse gas emissions.

Overview of corporate governance charters/codes

	CFE	CFE Contracting	BPI
KPI Corporate governance charter	✔	✔	✔
KPI Risk procedures	-[1]	✔	✔[2]
KPI Anti-corruption code	-[1]	✔	✔

(1) Transferred to CFE Contracting and BPI
(2) Internal guidelines in the field of financial transactions

Environment

Both divisions are aware of the impact of their activities on the environment. The **transport of people and materials** has an effect on the mobility issue, and also causes direct CO_2 emissions. Reducing the need for transport or an extensive waste policy can help reduce the impact here. Lean construction projects that are already being used on multiple sites can also contribute to this.

Lean construction project Tivoli - Brussels

In 2019, CFE has developed new initiatives regarding the **use of wood** in buildings, whether by the production of wooden elements, using them as building materials or the development of wooden buildings. A new branch, Wood Shapers, was established to further develop sustainable wood construction in an innovative way. This actually arose within the framework of the CFE Academy. An important sustainable project in wood is being realised on the Tour & Taxis site in Brussels. The Gare Maritime will subsequently become a landmark building.

Social

CFE contributes directly to an important level of **employment** (3,155 employees), as well as indirectly through the various subcontractors and suppliers. For CFE, people are key to the construction process. This not only applies to its own employees, but also to the people involved through subcontractors and suppliers. This philosophy is contained in a code of integrity that also includes respect for human rights. It describes procedures with regard to the selection and interaction with subcontractors for that purpose.

CFE also wants to give the required attention to **safe and healthy workplaces**. The severity and frequency of accidents at work receives priority attention from every board of directors. CFE outperforms the sector in Belgium in this area. An awareness-raising, training and prevention policy are important levers in this respect. The lean methodology also contributes to this. Site visits are regularly made to verify the respect of the procedures. No breaches with regard to respect for human rights were found in 2019.

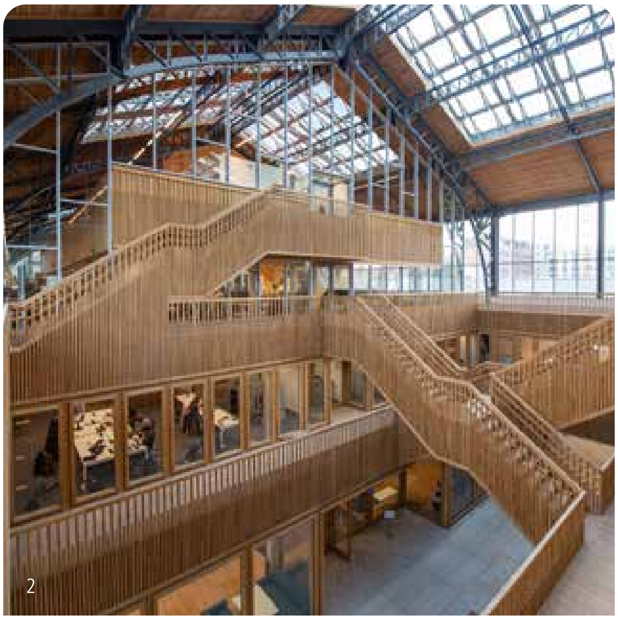
Governance

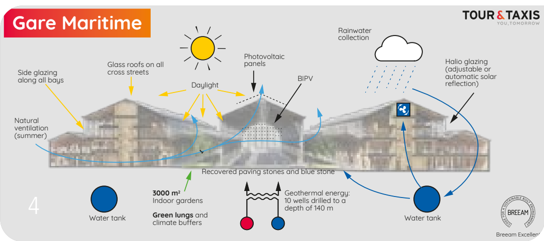
A corporate governance charter with concrete, comprehensible procedures must give the various actions the greatest possible impact. They contribute to building a coherent and consistent corporate culture. In 2019, the corporate governance charter was updated at both CFE (available on the website www.cfe.be/en/corporate-governance) and CFE Contracting. These charters describe, among other things, the division of tasks between the board of directors, the management and the various committees. CFE Contracting also has internal procedures that describe the risk management process, the manner in which contracts can be accepted, the involvement of risk committees, dealing with subcontractors, and the prevention of fraud and corruption. Business entities must translate and apply these principles to their level. These principles were further refined in 2019, as part of an annual evaluation. Each entity is regularly subjected to a risk analysis by the internal audit unit. Finally, there is an anti-corruption code, which was last updated in 2018. This determines which actions are allowed or not for all employees, based on a number of concrete examples. No infringements were identified in 2019.

Innovation plays a major role at CFE, both in terms of production techniques and processes, as construction is strongly influenced by the interaction between many people and operating assets.

More information about sustainability is available in the annual report and the sustainability report of CFE, and on the website www.cfe.be.

1. A safe workplace
2. Gare Maritime - Brussels
3. Attention for safety at Mobix
4. Sustainability at Gare Maritime - Brussels
5. Wooden - Luxembourg (artist impression)





Delen Private Bank

Delen Private Bank manages the assets of its customers in a prudent manner. In line with its corporate values, this is done in a sustainable and responsible manner, through a responsible investment policy for all its own funds (26.7 billion euros at year-end 2019). The centralised discretionary management is a powerful means of achieving sustainability. Its investment policy in this respect, which is extensively substantiated and thereby reported to UN PRI, excludes certain sectors, aims at a thorough interaction with the companies in which it invests, and integrates ESG factors in investment decisions. The annual evaluation by UN PRI is an important KPI, whereby the A+ assessment for strategy and policy, achieved in 2019, encourages Delen Private Bank to continue on the path taken.

Where advice is provided, Delen Private Bank aims to inspire through its policy of responsible asset management. Delen Private Bank also plays a pioneering role at JM Finn, where advice besides decentralised discretionary management is still very important, but this approach takes more time to become established.

The board of directors discussed and approved the ESG policy on October 24, 2019. Asset protection, business ethics and the protection of privacy and data, all linked to SDG 16, hereby receive priority attention from AvH. At the Delen Private Bank level, additional responsible asset management and customer satisfaction have been included as important ESG factors. A full description of the ESG policy can be found at www.delen.be/en/our-approach/responsible-wealth-management.

Environment

The direct environmental impact is largely limited to that of the offices and the mobility of the employees. The impact of its **investment policy** is viewed by Delen Private Bank as an indirect, but much more powerful opportunity to contribute to the realisation of a sustainable impact on business and to the fight against climate change.

Social

The **development and well-being of its personnel** is an important lever for Delen Private Bank for protecting its assets and mitigating risks. The bank therefore pays a great deal of attention to developing its human capital, the well-being of its employees, and diversity. With regard to respect for human rights, Delen Private Bank has included in its integrity policy the fact that it does not tolerate any form of discrimination. Delen Private Bank has added 'SDG 12 Responsible Consumption and Production' as an indication of the importance attached to transparency and asset protection.

A customer satisfaction survey was conducted among Belgian customers in autumn 2019. This resulted in a Net Promoter Score of 43, which corresponds to 94% of customers being satisfied to very satisfied with the bank's services. These good figures confirm that customers are confident in the sustainable discretionary asset management and wealth planning at Delen Private Bank.

Governance

'Asset protection', 'business ethics' and 'data privacy and security' are all cornerstones of the policy of Delen Private Bank, who is supported in this by AvH. They receive continuous attention from the board of directors and various committees.

Asset protection is a priority for its clientele, and Delen Private Bank always aims to be a safe haven. In addition to its focus on sustainable and responsible investment, Delen Private Bank also achieves this through its solvency and liquidity buffers, as well as through a simple business model with a low risk estimate. As a shareholder, AvH monitors this through the board of directors and through the audit and risk committee. This approach guarantees great financial stability.

Business ethics, including a policy to combat corruption, fraud and money laundering, is particularly relevant to a bank, and therefore also to Delen Private Bank. After all, financial institutions play a key role in the economic fabric of a country, and in the wealth building and protection of individuals.

International recognition

UN PRI is the global network that pursues a more sustainable financial system within the UN. Delen Private Bank and its 100% subsidiary fund manager Cadelam endorse these principles, and, for many years, have committed to making the investment process fundamentally sustainable. That is not without obligations. Every year, Delen Private Bank reports extensively to UN PRI on its responsible investment efforts, based on exclusion, commitment and integration. After a thorough evaluation, Delen Private Bank received the **maximum A+ score** for the '**Strategy & policy**' module in 2019. This result is a nice reward for the work delivered, and encourages Delen Private Bank to continue along this path.

Exclusion
As an investor, it is important to choose what does not belong in the portfolio.

Engagement
Active and constructive dialogue with our participations.

Integration
Inclusion of non-financial parameters in the investment process.

The **collaborative aspect** of UN PRI is also not to be underestimated: within the financial sector, investors can learn from each other and work together to tackle social problems decisively. For example, Delen Private Bank, together with Hermes EOS, is part of ClimateAction100+. They encourage the world's key greenhouse gas issuers to take action against climate change and accelerate the energy transition.

They are therefore subject to a strict legislative framework, which contributes to the realisation of SDG 16. As a private bank, Delen Private Bank pays specific attention to respecting the rules on client acceptance policy (Know Your Customer), money laundering prevention, tax prevention policy, MIFID legislation to protect the investor, preventing market abuse, managing conflicts of interest and combating fraud. Based on its core values, family and personal, integrity and honesty, thoughtful and cautious, trusted and sustainable, transparent and efficient, Delen Private Bank has drawn up an integrity policy that all employees are expected to respect in spirit and letter, and that meets the requirements of the legislator. Delen Private Bank also has a 'whistle-blower' scheme.

The major parameters of this three-level approach are:

- Commercial (first line): low personnel turnover of relationship managers who do not receive individual bonuses within a very stable business model, where the aim is to serve the local customer through a centralised discretionary asset management. The follow-up and checks are supported by a state-of-the-art IT system, which also guarantees maximum transparency for the customer.
- Risk function (second line): both financial and compliance risks are continuously and independently monitored. The management and the shareholders have a long-term vision. The compliance function fulfils a crucial role in watching over the implementation of both the highly evolving legislative framework as the own integrity policy. Compliance develops and maintains internal policies and procedures, and informs employees at least quarterly in connection with integrity and compliance risks. With regard to anti-money laundering, for example, there are checks on the acceptance of new customers, with specific attention to their identity and the origin of their assets, and to financial transactions. Suspicious transactions are identified and investigated with regard to market abuse. Finally, it is also monitored whether customers receive the correct information and advice regarding MIFID, and whether there are any conflicts of interest.
- Internal audit (third line) evaluates and assesses the quality of the internal control system, including compliance with internal and external rules on business ethics. It independently examines whether the above-mentioned first and second line functions manage the inherent risks in the activities of Delen Private Bank. Recommendations are made with a strict timing, and correct implementation is monitored.

The independent control functions report directly to the executive committee, the audit and risk committee and the board of directors, based on relevant reports and dashboards. Information exchanges with supervisors also take place on a regular basis, and reports can be made to competent authorities. The representatives of AvH on the various committees and the board of directors closely monitor the activities and findings of the above-mentioned three-lines-of-defence, and ensure that the important topics, including those concerning the other material financial and non-financial risks of Delen Private Bank, are discussed extensively and receive the necessary follow-up.

Protection of data and privacy receives significant attention within the bank, against the backdrop of increasing cybercrime worldwide. Adherence to the legislation in this area, such as GDPR, and the interactions with the involved supervisory authorities indicate clear objectives, but the investments at Delen Private Bank go far beyond the legal minimum. For example, Delen Private Bank has invested heavily in its own, coherently developed IT system and a state-of-the-art own data centre, which Bank J.Van Breda & C° also uses, in awareness training for both its own staff and the customers, and in measures that ensure continuous vigilance, such as ethical hacking initiatives.

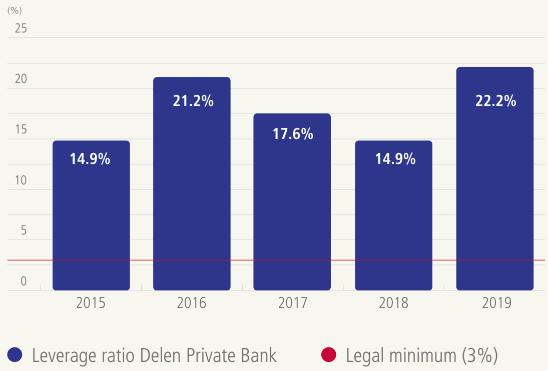
More information about responsible asset management is available in the annual report (available from Q2 2020) of Delen Private Bank and on www.delen.be/en/our-approach/responsible-wealth-management.

Delen Private Bank

Asset protection

- KPI • The equity is strong enough to protect against the volatility of the market. The leverage ratio is a multiple of the regulatory minimums.
- KPI • A healthy liquidity position well above the regulatory minimum, with a large and securely invested liquidity buffer. No exposure to the international inter-bank market.

Leverage ratio[1]

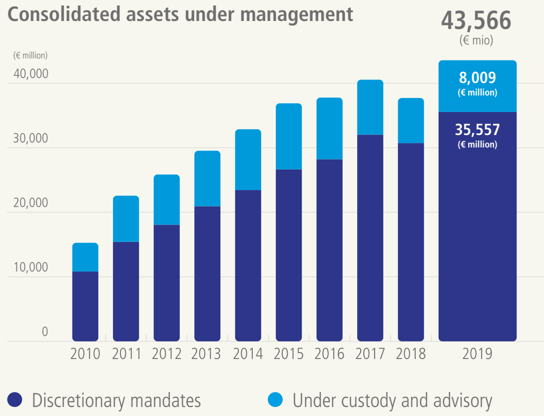


[1] The ratio of shareholders' equity to total assets, drawn up in accordance with the prudential rules.

Business ethics and Protection of privacy and data

- Cautious policy linked to the values of the bank: family and personal, integrity and honesty, thoughtful and cautious, trusted and sustainable, transparent and efficient, which translate into a strong compliance culture with frequent reporting to the audit and risk committee.
- Classic and simple asset management: transparent and client-driven. No bonus culture, but a long-term vision with an eye for asset protection and patrimonial management of the target audience.
- KPI • Treating and protecting data with respect for the laws and regulations, and in a fair and transparent manner. Investing in own data centres, awareness training for staff and customers, and ethical hacking programmes.

Consolidated assets under management



Bank J.Van Breda & C°

Bank J.Van Breda & C° is a specialized advisory bank that positions itself as the reference bank for family entrepreneurs and liberal professions, both private and professional, throughout their lives. It assists her clients in the systematic accumulation, management and protection of their assets.

Providing a safe harbour, business ethics, and protection of data and privacy are priorities for Bank J.Van Breda & C° and AvH. In addition, the bank pays special attention to 'wealth accumulation and protection' and 'client satisfaction'. The board of directors approved the ESG policy on December 19, 2019. A full description of the ESG policy can be found as part of the annual report at www.bankvanbreda.be/publicaties/financiele-informatie.

Environment

The direct environmental impact of Bank J.Van Breda & C°, which is only active in Belgium, is mainly limited to those associated with the mobility of its employees, and that of its offices. The bank has committed to reduce its CO_2 **emissions** by at least 25% (from 2017) and to be certified neutral by 2025.

The indirect impact of the policies of financial institutions, both through lending and through investment, is seen as a much greater opportunity to contribute to a sustainable world. The **responsible asset management** of Delen Private Bank and the house funds of Bank J.Van Breda & C°, which are also managed by its sister bank, are a striking illustration of this. With regard to credit policy, the EPC value is now also taken into account when analysing new real estate loans.

Social

Bank J.Van Breda & C° focuses on health and well-being as an anchor point for its activities. The **development and well-being of its personnel** is one of the main levers for protecting its assets and mitigating risks. The bank therefore pays a great deal of attention to attracting new talent, building up financial knowledge and expertise, high employee satisfaction and diversity. Every 2 years, a staff satisfaction and culture measurement takes place via the 'Great Place to Work' survey, which is used as KPI. These efforts contribute to the ability to monitor the long-term financial health of customers, where complex professional and private issues often arise. In addition, health and well-being are driving forces for an important target group of the bank, in particular the medical professions, so that both approaches reinforce each other. With regard to human rights, the bank prevents any discrimination

In answer to the question 'To what extent would you recommend Bank J.Van Breda & C° to other entrepreneurs or liberal professions?' in late 2019, 61% of **clients** gave the bank a score of 9 or 10 ('promoters') on a ten-point scale, 33% gave 7 or 8 ('passives') and 6% a score of 6 or less ('detractors'). This gives the bank a very good Net Promoter Score (NPS) of 55 ('promoters minus detractors'). This is one of the best figures in the Belgian banking sector.

Governance

Bank J.Van Breda & C° defines '**Safe harbour**' as defending the financial stability of the bank, thereby contributing to 'SDG 8 Decent work and Economic Growth', which aims at employment, innovation and economic growth. The bank contributes to this via 5.2 billion euros in loans to Belgian companies and households, enabling SMEs and the liberal professions to develop their activities. The bank is thereby at the service of the economy and society, thereby promoting the protection of prosperity. Financial stability translates into a very high leverage ratio, a low percentage of credit losses, and independence from the financial markets for financing the loan portfolio. This stems from a healthy business model based on a low risk appetite, which AvH monitors as a shareholder. Through the board of directors, AvH clearly defines which risks may be taken ('risk appetite'), and this is monitored by a risk committee. With this approach, AvH aims to keep the correlation with developments in the financial markets low, as has been shown during the financial crisis, among other things.

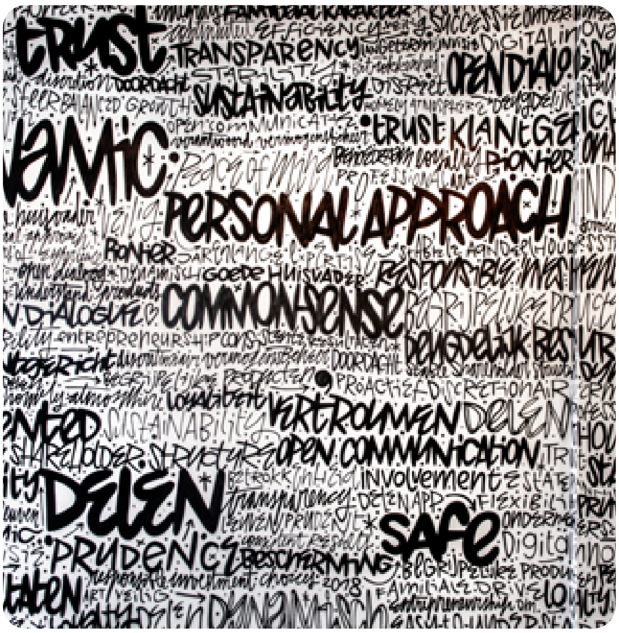
For a description of the policy and follow-up with regard to '**Integrity and ethics'** including the anti-corruption policy, and '**Protection of data and privacy'**, we refer to the relevant section above for Delen Private Bank, as the approach here is largely the same.

Specifically with regard to Bank J.Van Breda & C°, the following can also be mentioned:

- The bank has a strong focus on Belgian entrepreneurs and liberal professions, and has a strong relationship with its customers.
- In contrast to Delen Private Bank, the remuneration policy also includes a limited variable component, in accordance with the intended sustainable growth and the long-term interests of the clients.
- From 2019 on, the bank has been working cashless, and cash can no longer be deposited at the counter or in a night safe.

More information about sustainability is available in the annual report of Bank J.Van Breda & C° and on the website www.bankvanbreda.be/publicaties/financiële-informatie.

Corporate values of Delen Private Bank in the Leuven office



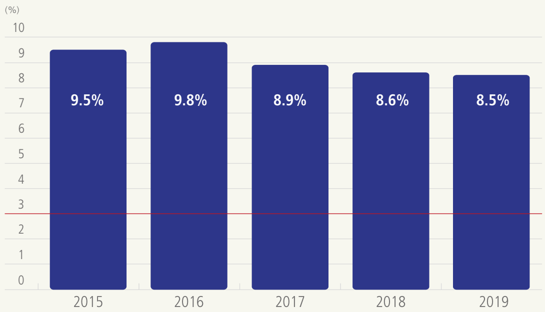
Bank J.Van Breda & C°

8 DECENT WORK AND ECONOMIC GROWTH

Safe harbour

- KPI The equity is strong enough to protect against the volatility of the market. The leverage ratio is a multiple of the regulatory minimums.
- KPI A healthy liquidity position well above the regulatory minimum, with a large and securely invested liquidity buffer. No exposure to the international inter-bank market.
- Strong contribution to the Belgian economy via the patrimonial follow-up of the entrusted assets and credit provision to entrepreneurs and the liberal professions.

Leverage ratio[1]



- Leverage ratio Bank J.Van Breda & C°
- Statutory minimum (3%)

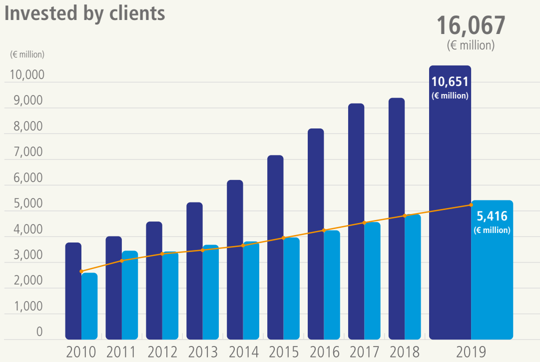
[1] The ratio of shareholders' equity to total assets, drawn up in accordance with the prudential rules.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Business ethics and Protection of privacy and data

- Cautious policy linked to the values of the bank: honesty, responsibility and enthusiasm, which translate into a strong compliance culture with frequent reporting to the audit and risk committee.
- Classic and simple banking: transparent and client-driven. No product sales, but asset management and credit provision with an eye for the capacity and objectives of the target audience.
- KPI Handling and protecting data with respect for the laws and regulations, in a fair and transparent manner. Investing in awareness training for staff and customers.

Invested by clients



- Off-balance sheet products
- Client deposits
- Loan portfolio

1. Close contact with the customer at Bank J.Van Breda & C°
2. Sporty employees at the Ekiden Run in Brussels

SIPEF

SIPEF is a listed agro-industrial group active in tropical agriculture, mainly in the production of sustainable, certified crude palm oil in Southeast Asia.

Sustainability is an essential aspect of the business model of SIPEF. Plantation management is inextricably linked to respect for the planet and people. For example, SIPEF is committed to building and managing plantations in a safe, responsible and sustainable manner, with a focus on best practices. The group also directly and indirectly creates major employment and prosperity in often remote areas. These corporate values translate into the following principles, among others: 1) RSPO certification (Round Table on Sustainable Palm Oil), 2) zero deforestation and 3) no social exploitation. In this way, SIPEF contributes to the realisation of several SDGs.

Over the years, an increasing number of SIPEF business units have achieved certifications to reflect this sustainable aspect of its business. These include the Round Table on Sustainable Palm Oil (RSPO), the International Sustainability and Carbon Certification (ISCC), Indonesian Sustainable Palm Oil (ISPO), Rainforest Alliance and Global Good Agricultural Practices (GLOBALG.A.P.).

All palm oil produced by SIPEF meets RSPO's sustainability standards. Customers pay a premium on top of the market price for these certified products. The loss of a particular certification could significantly damage SIPEF's reputation and lead to loss of turnover.

SIPEF is convinced that palm oil is and will remain an essential part of a balanced diet for a growing world population. This is partly due to the highly productive and efficient nature of this vegetable oil, the cost of which is ecologically and economically lower than other liquid oils, as indicated below. Sustainable and efficient production with respect for scarce agricultural land and the environment makes SIPEF a reliable partner in the production and sale of sustainable palm products.

The ESG policy of SIPEF is reflected in its Responsible Plantations Policy, which is reviewed annually by the board of directors. This last happened on November 22, 2019. From 2019 onwards, the company has published an extensive sustainability report (previously every two years), which can be consulted at www.sipef.com/hq/sustainability/sustainability-reports. This provides a broad overview of all the ESG aspects associated with SIPEF's activities, including the due diligence procedures applied, the results of the policy pursued, the main risks and the KPIs.

For SIPEF, no single point with material importance at AvH level was identified, taking AvH's minority interest in SIPEF (32.33%) into account. This does not alter the fact that AvH attaches great importance to SIPEF's ESG policy of sustainable cultivation. In a sector that is of particular importance for the food supply and that makes efficient use of agricultural land, AvH supports SIPEF because it aims for best-in-class sustainability management within this sector. As material ESG factors at its level, SIPEF presented: certification, biodiversity, zero deforestation, zero forest fires, reduction of greenhouse gas emissions, less use of chemical products, reduction of water footprint, increase of profitability, correct working conditions, health and well-being, local community development, care for local landowners and traceability.

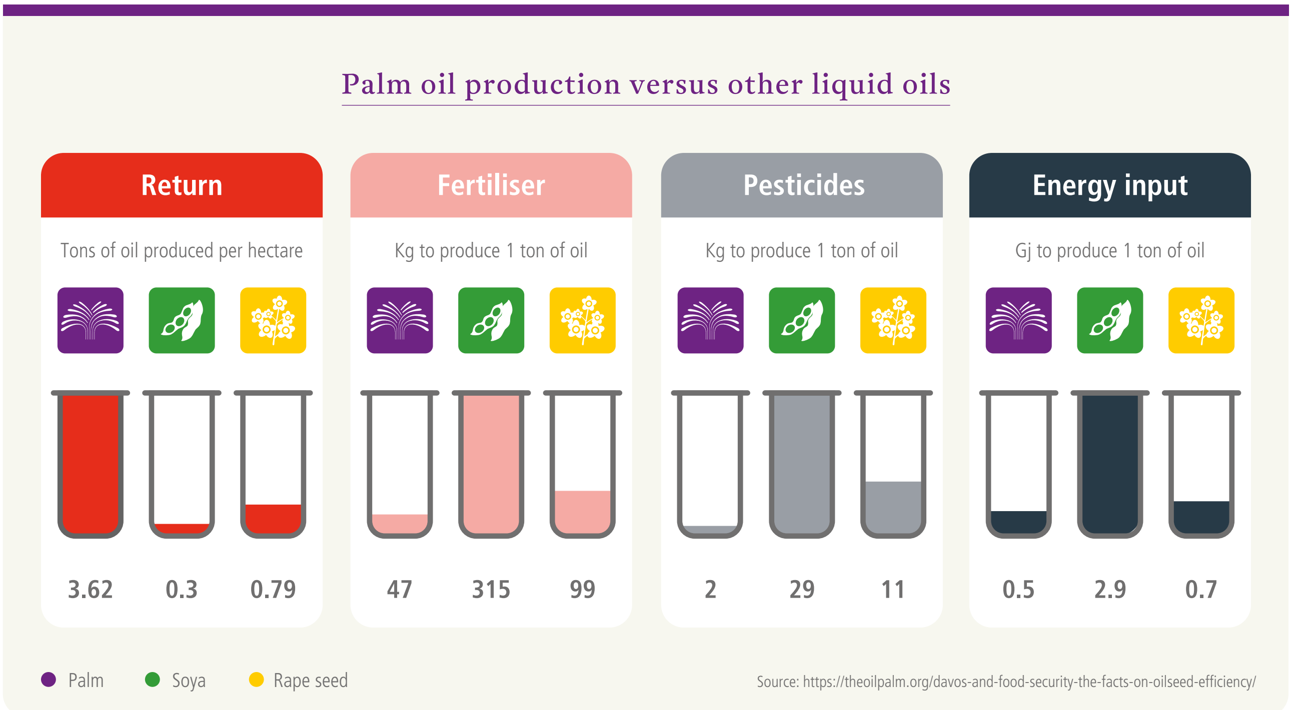
Environment

The palm oil industry often receives bad press in the media, with little distinction being made between sustainable palm oil and other crops. This could potentially have an impact on the volumes sold and on the prices. Recently, however, there have been more and more positive voices, especially with regard to palm oil growers who adhere to a policy aimed at sustainability. Holding certifications such as RSPO is therefore particularly important to SIPEF. An additional sustainability manager was hired in 2019.

These certifications confirm the sustainable role that SIPEF fulfils. SIPEF is thereby a pioneer in the **fight against deforestation** ('SDG 15 Life on Land') and has already entered into important commitments in this regard from 2014 onwards.

With regard to 'SDG 12 Responsible Consumption and Production', SIPEF aims for **complete traceability** of all its products and raw materials.

With regard to the emission of greenhouse gases (GHG) ('SDG 13 Climate Action'), SIPEF has the **emissions from its palm oil plantations and factories** monitored by external bodies. The group has already taken various measures to reduce this, such as the construction of a composting facility for residual palm oil products, a hydroelectric power station for its own use and biogas plants for the



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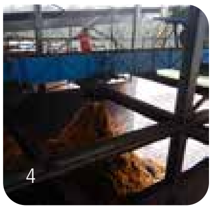
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1. Wall painting in Sabalbala, Papua New Guinea
2. Young palms
3. Certifications of SIPEF
4. Monitoring the conversion of palm waste into fertiliser

production of palm oil. It is also worth mentioning the Yayasan SIPEF Indonesia Foundation, which launched the SBI project (SIPEF Biodiversity Indonesia project) to protect 12,656 hectares of primary forest (a nature reserve that acts as a buffer for the Kerinci Seblat National Park), and thereby also stimulate biodiversity and the absorption of CO_2.

In 2019, SIPEF decided to build a biocoal production facility in Indonesia. In this process, empty fruit bunches are processed into biomass with high calorific value, which is intended for energy generation. Methane gas released during the production of wastewater is converted into electricity for own use on the tea plantation, as well as for the local electricity grid. SIPEF thereby contributes towards **renewable energy**. The group has also made additional investments in fire prevention and fire-fighting.

As a risk, it should be noted that the activities of SIPEF are susceptible to **weather conditions**. Climate change therefore has an increasing impact on palm oil production. The geographical location of the plantations, sometimes located in volcanic areas, are another major risk.

Social

SIPEF employs 21,509 people, often in areas that are very remote. Hence, it makes a substantial contribution to prosperity in these regions. Due to the geographical conditions in which it operates, SIPEF pays a lot of attention to the terms of employment. All **employees** are treated fairly, with respect for human rights, in line with local and international laws, such as the International Labour Organisation Declaration of Fundamental Principles and Rights at Work. Providing a good school infrastructure or medical facilities are examples of this. In addition, a great deal of attention is paid to good cooperation with the **local communities**. For example, SIPEF takes on major tasks in the areas of medical care, education and road infrastructure in regions of Papua New Guinea,

Governance

The board of directors pays a great deal of attention to **maintaining the various certifications** and the reporting processes in this regard. In this context, there is a well-developed complaints procedure for the various stakeholders, which can be consulted on the sustainability section of the SIPEF website (www.sipef.com/hq/sustainability/grievances-sipef-group/).

Moreover, the board of directors includes at lease one director with specific **ESG expertise**.

More information about sustainability is available in the annual report (available from April 30, 2020) and the sustainability report of SIPEF and on the website www.sipef.com/hq/sustainability.

Other participations

In addition to the 5 participations described above, the renewed ESG approach has also been explained to the other participations. This policy is being followed up at the level of participations for the time being. Best practices have often already been identified.

The ESG strategy of **Extensa** is in line with its mission to develop and anchor new multifunctional city districts through responsible co-creation. This strategy focuses on the sustainable development goals of 'SDG 7 Affordable and Clean Energy', 'SDG 11 Sustainable Cities and Communities' and 'SDG 12 Responsible Consumption and Production'. Extensa wants to set an example in this by focusing on the circular economy for the new city districts it is developing.

The Gare Maritime project at Tour & Taxis in Brussels excels in this approach. During the renovation, the re-use of building materials (such as cobblestones and bluestone) contributes to a fully circular construction. In addition, the natural ventilation in the central hall and the heating and cooling using geothermal energy and photovoltaic panels ensure the renewable production of electricity. Rainwater recovery and re-use ensure the irrigation of the 10 large inner gardens. In co-creation with various stakeholders - investors, tenants, residents, event organizers, contractors and suppliers - Extensa promotes eco-dynamic entrepreneurship aimed at responsible production and consumption, well-being and craftsmanship. Local partnerships also strengthen social cohesion with the neighbourhood (e.g. the Brussels Circus School and the Brussels theatre group Ras El Hanout).

The Cloche d'Or urban expansion project in Luxembourg also confirms Extensa's ESG strategy. This new urban district was anchored economically and ecologically by the connection to the co-generation city network (combined production of heat and electricity), the construction of a 15 hectare park and the extension of the public transport network to the site. The entire development was awarded a Platinum DGNB sustainability certificate.

More information about sustainability is available in the annual report of Extensa and on the website www.extensa.eu.

As a real estate investor, **Leasinvest Real Estate** aims for a solid return on its real estate projects and for good relationships with all stakeholders, thanks to the sustainable development of assets in Luxembourg, Belgium and Austria. Long-term growth is pursued by innovation in every aspect of the organisation. The ultimate goal is to sustainably increase the value of the real estate portfolio, thanks to additional and more stable cash flows.

Using a materiality matrix, and working together with its stakeholders, Leasinvest has identified the ESG topics that are most material with regard to its activities. It thereby looks for the greatest impact for each specific asset, rather than taking a general approach that applies to all assets.

In recent years, Leasinvest has decided to subject its assets to the BREEAM certification. BREEAM thereby assesses the social, ecological and economic sustainability performance of the assets. This enables Leasinvest to monitor the desired performance of buildings and to communicate with the various stakeholders on the basis of an international standard. For example, Leasinvest's experience with BREEAM and the continued drive to optimise the performance of each asset has led to the development of the Montoyer 14 building in Brussels. The structure of the building, with approximately 4,000 m² of state-of-the-art office space, will largely consist of wood, in order to reduce the environmental impact. In addition, it is equipped with the latest technologies and innovations, enabling Leasinvest and its tenants to monitor performances at any time in order to optimise them.

More information about sustainability is available in the annual report of Leasinvest Real Estate and on the website www.leasinvest.be.

The mission of **Anima Care** is the corporate social responsibility in the care sector. Passionate about caring for life, the company guarantees a pleasant and cared-for stay of its residents. The quality of living and care are the main concern. Anima Care aims for a continuous improvement of the quality of its service provision and work processes. Anima Care wants to offer its employees an exciting working environment, where there is a climate of respect and trust, and where everyone enjoys and is proud of caring for the residents of the residential care centres. In 2020, Anima Care will start a large-scale survey of its employees, together with the Great Place to Work Institute. The results of this survey will have an impact on the future HR policy. All this leads to an organisation aiming at permanent excellence in the provision of service to its residents.

Anima Care also takes measures to reduce its impact on the environment. In many cases, the company is both the owner and the developer of the buildings in which it operates its care centres. 8 of the 22 care centres are entirely new construction sites that were recently developed by Anima Care. The aim here was to minimise the impact of the operation on the environment, through the use of photovoltaic cells, co-generation, a type D ventilation system (pulsation/extraction with heat exchanger), energy-efficient exterior carpentry, thorough insulation of façades and roofs, and a rainwater recovery system. Every new building has a building management system that optimally controls electricity consumption, heating, cooling, sun blinds and other technical installations.

More information about sustainability at Anima Care is available on the website www.animacare.be.

The **other participations** also pay the necessary attention to ESG. For example, Agidens constructs sustainable systems for its customers, that increase quality, safety and efficiency, and that reduce the use of raw materials. Agidens has also obtained the Level 5 certificate on the CO_2 performance scale. At Mediahuis, an ESG materiality analysis was carried out, and a 5-year action plan was prepared. The main points of attention that are being worked on are the establishment of a positive impact on the society, care for the human capital, the reduction of the impact of production processes on the environment, and the handling of data security and privacy. For several years now, Turbo's Hoet Groep has organized driving lessons for truck drivers aimed at improving their driving behaviour in order to reduce fuel consumption and emissions. Sagar Cements continued to invest in green energy by commissioning two own hydroelectric power stations with a total capacity of 8.8 MW.

More information about these and other ESG initiatives can be found in the activity report of each participation of the AvH group (from p. 66).


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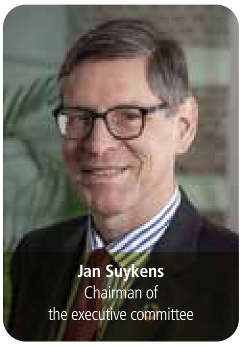
1. Anima Care - Kristallijn
2. Leasinvest - Montoyer 14
3. OncoDNA
4. Biotalys - Field trials
5. Extensa - Gare Maritime wooden construction
6. Turbo's Hoet Academy
7. Green Offshore - SeaMade

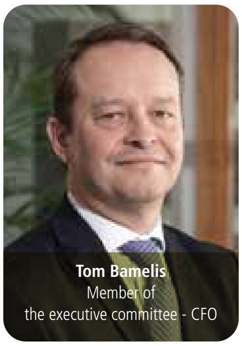
Ackermans & van Haaren

Partners for sustainable growth

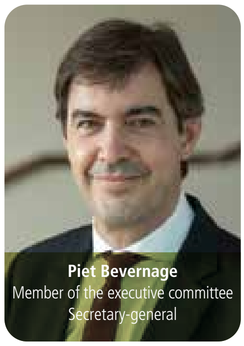
Daily management and staff members

Executive committee

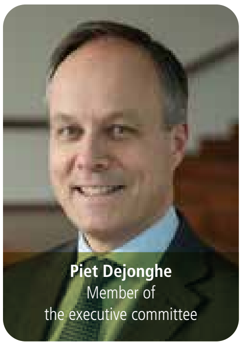

Jan Suykens
Chairman of the executive committee


Tom Bamelis
Member of the executive committee - CFO


John-Eric Bertrand
Member of the executive committee

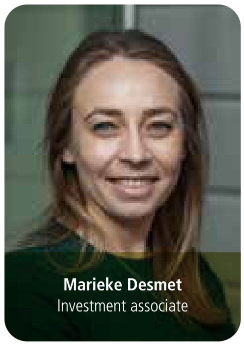

Piet Bevernage
Member of the executive committee
Secretary-general

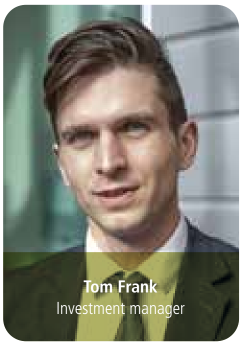

André-Xavier Cooreman
Member of the executive committee

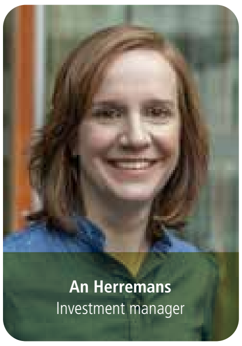

Piet Dejonghe
Member of the executive committee

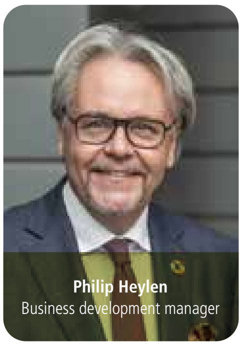

Koen Janssen
Member of the executive committee

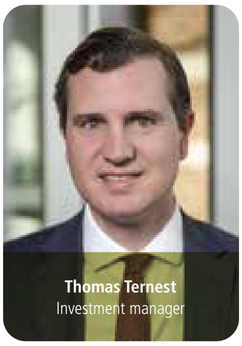
Portfolio management


Marieke Desmet
Investment associate


Tom Frank
Investment manager


An Herremans
Investment manager


Philip Heylen
Business development manager

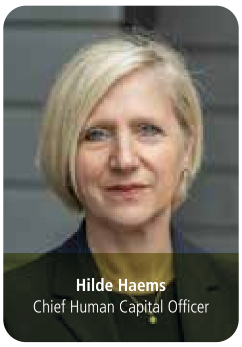

Thomas Ternest
Investment manager


Jens Van Nieuwenborgh
Investment manager

Group services

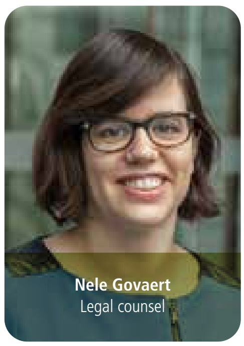
Human resources

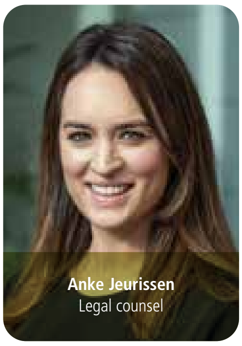

Sonja Goossens
Personnel administration


Hilde Haems
Chief Human Capital Officer

Group services

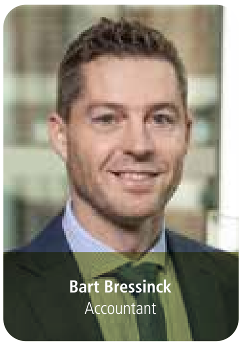
Legal affairs

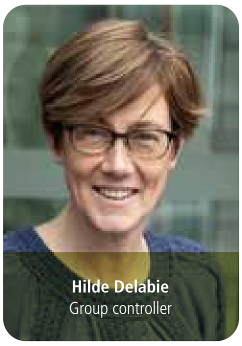

Nele Govaert
Legal counsel


Anke Jeurissen
Legal counsel

Group services

Finance

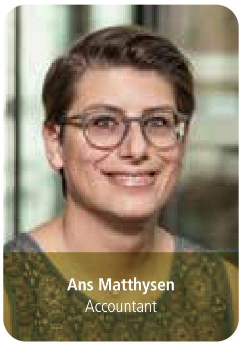

Bart Bressinck
Accountant

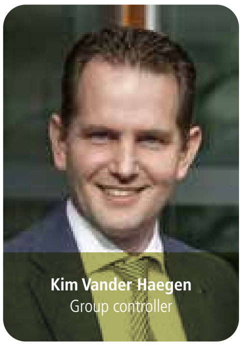

Hilde Delabie
Group controller


Peter Florus
Tax officer


Jean-Claude Janssens
Treasurer


Gilles Huyghebaert
Group controller

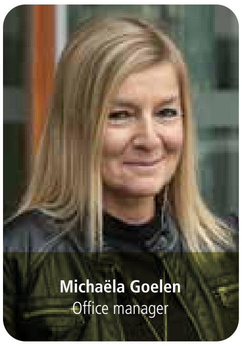

Ans Matthysen
Accountant


Kim Vander Haegen
Group controller

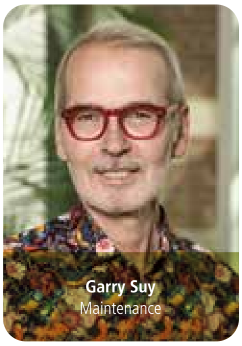

Katia Waegemans
Communication manager

Group services

ICT and Office management


Michaëla Goelen
Office manager


Filip Portael
IT consultant


Garry Suy
Maintenance

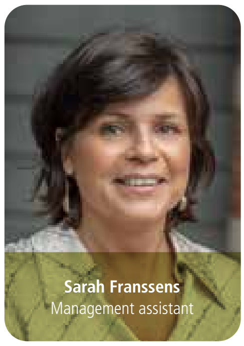
Group services

Administration

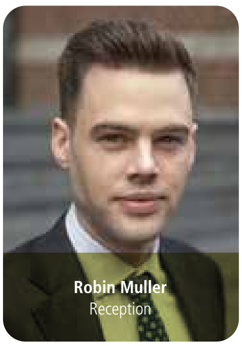

Isabelle Bernaerts
Reception

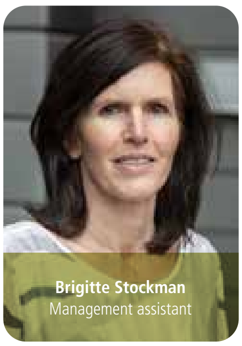

Ann Bex
Management assistant

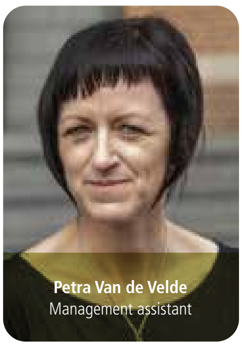

Patricia Bielen
Management assistant


Sarah Franssens
Management assistant


Lydie Makiadi
Management assistant


Robin Muller
Reception


Brigitte Stockman
Management assistant


Petra Van de Velde
Management assistant

Statutory auditor

EY Bedrijfsrevisoren BV, represented by Patrick Rottiers & Wim Van Gasse

ANNUAL REPORT 2019

Activity report 2019

ACKERMANS & VAN HAAREN

Ackermans & van Haaren

Marine Engineering & Contracting

- DEME 61%
- CFE 61%
- Rent-A-Port 80%
- Green Offshore 80%

Private Banking

- Delen Private Bank 79%
- Bank J.Van Breda & C° 79%

Real Estate & Senior Care

- Extensa 100%
- Leasinvest Real Estate 30%
- Anima Care 93%

Energy & Resources

- SIPEF 32%
- Sagar Cements 20%

AvH & Growth Capital

- Agidens[1] 86%
- AXE Investments 48%
- Biolectric Group 60%
- Euro Media Group 23%
- Manuchar 30%
- Mediahuis 13%
- Telemond 50%
- Turbo's Hoet Groep 50%

Non-consolidated

- Biotalys 15%
- HealthQuad I Fund 36%
- Medikabazaar[2] 9%
- OncoDNA[3] 12%

(1) Including participation via AXE Investments
(2) Including participation via HealthQuad I Fund
(3) Fully diluted

31/12/2019


LIEBHERR

Marine Engineering & Contracting

Both DEME and CFE realized lower operating results on an approximately equal (high) turnover, partly due to certain non-recurring elements. New contracts kept their order backlogs at a high level.

Contribution to the AvH consolidated net result

(€ million)	2019	2018	2017
DEME	**73.9**	92.8	94.5
CFE	**13.5**	17.3	17.4
Rent-A-Port	**0.5**	5.3	-4.3
Green Offshore	**4.0**	2.7	-0.2
Van Laere	**-**	-	-16.8
Total	**91.9**	118.1	90.6

DEME | 61%

The Belgian dredging and environmental group DEME is one of the largest and most diversified dredging and marine construction companies in the world.

CFE | 61%

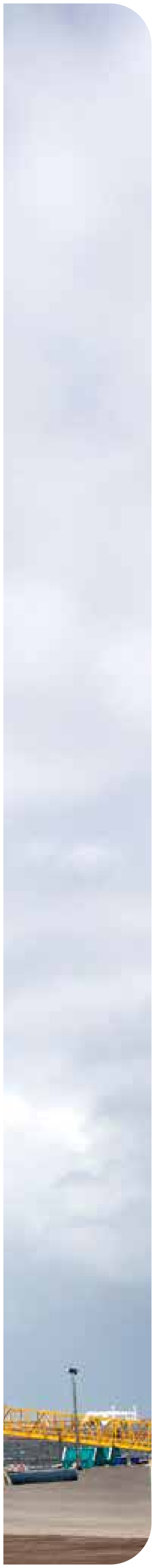
CFE is a listed Belgian industrial construction group active in dredging, environment, offshore and infrastructure (DEME), in contracting and in real estate development.

Rent-A-Port | 80%

Rent-A-Port develops port-related industrial zones around the Haiphong harbour in Vietnam.

Green Offshore | 80%

Green Offshore invests in the development and operation of the offshore wind farms Rentel and SeaMade.



Luc Vandenbulcke | Hugo Bouvy | Philip Hermans | Eric Tancré | Theo Van De Kerckhove | Els Verbraecken

Shareholding percentage AvH: 61%

DEME

DEME is one of the largest marine construction companies in the world. Starting from its core activities, dredging and civil works on water, the group has developed complementary 'offshore' activities in the field of renewable energy, oil and gas, as well as soil and sludge remediation and the harvesting of aggregates and minerals.

Financial overview 2019

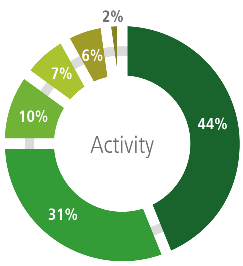
DEME realized a turnover of 2,622.0 million euros in 2019, virtually equalling the high level of 2018 (2,645.8 million euros).

In its traditional dredging activity, DEME reported a turnover increase of approx. 10% to 1,084.5 million euros. This represented 41% of the total turnover of DEME. The turnover of DEME Offshore decreased to 1,141.1 million euros, which includes a substantial volume of procurement. With 44% of DEME's total turnover, DEME Offshore is still the main segment. The three major infrastructure projects (Terneuzen lock, RijnlandRoute and Blankenburg connection) that DIMCO, DEME's infra subsidiary, is carrying out in the Netherlands produced a substantial turnover increase, while the environmental and other activities remained on about the same level.

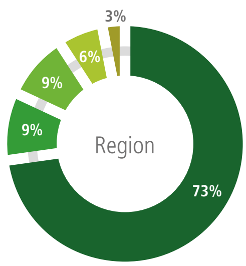
Over the full year 2019, DEME achieved an EBITDA of 437.0 million euros, resulting in a margin of 16.7% (2018: 17.3%). Besides the changing composition of the turnover, this margin was also influenced by several factors. The increased competition in the activities of DEME Offshore led to lower margins, while, as had been announced earlier, the installation vessel Innovation was out of service for several months due to a (planned) major overhaul. Additionally, an impairment loss of 10.8 million euros was recognized due to the insolvency of Senvion, for which DEME Offshore carried out maintenance works on offshore wind farms, while in the dredging segment a technically complex project in India weighed on the profitability. Finally, all research and development costs (13.2 million euros) that were incurred in 2019 with regard to the deep-sea harvesting of minerals were expensed.

DEME's order backlog amounted to 3,750 million euros at year-end 2019, compared to 4,010 million euros at year-end 2018. The Fehmarnbelt project (700 million euros) for the construction of the world's longest submerged road and rail tunnel between Denmark and Germany has not yet been included in this order backlog pending final permits; likewise, the expected projects in Taiwan are not included either.

Split of turnover



- Offshore
- Capital dredging
- Maintenance dredging
- Infra Marine
- Environmental
- Other



- Europe
- Asia Pacific
- Africa
- Middle East & India
- America

Fleet investment programme

DEME continues to strive for improvements in productivity and environmental performance. This is highlighted in its ambitious multi-year fleet investment programme. DEME invested 434.7 million euros in 2019 (2018: 441.3 million euros).

2019 saw the introduction of a new generation of trailing suction hopper dredgers (TSHD) with the 15,000 m³ 'Bonny River', which has been making its mark on projects throughout Europe. This unique vessel is able to dredge very hard soils and can work in deep waters to an impressive 103 m.

The next generation offshore installation vessel 'Orion' will be delivered in in the first half of 2020 and will head straight to its first project at the Moray East wind farm. 'Orion' combines an exceptionally high transport and load capacity, impressive lifting heights and green technology. The 5,000 tonnes crane can hoist heavy loads over an exceptional radius to an unrivalled height of more than 170 m.

Delivery of the mega cutter (CSD) 'Spartacus' was delayed for several more months (until the end of the third quarter of 2020) by the Dutch shipyard IHC, whose situation is closely monitored. It is the most powerful CSD in the world. 'Spartacus' represents the next step in terms of production rates, pumping power, water depth and unmatched workability. It is also the first CSD that is capable of running on LNG.

> "Thanks to its investment programme, DEME has the most innovative fleet of the sector."
>
> Luc Vandenbulcke, CEO

1. Scheldt River - Elbe - Germany
2. Living Stone and Bonny River - Modular Offshore Grid - Belgium
3. Innovation - SeaMade - Belgium
4. Apollo - Moray East - Scotland
5. Terneuzen Lock

The 8,400 m³ TSHD 'Meuse River', as well as the 2,500 m³ TSHD 'River Thames' will further strengthen the dredging fleet. DEME also has two split barges under construction to deploy alongside 'Spartacus' and other larger cutters.

To be able to offer the total package of services to the offshore wind industry, from installation to maintenance, DEME is investing in its first Service Operation Vessel for maintenance technicians. The vessel features a twin hull and motion-compensated gangway, setting new standards in safety and workability for a vessel of this size.

Operational overview 2019

Dredging and land reclamation

DEME performed a variety of challenging projects in 2019 and secured a series of new contracts across the globe.

In Singapore, most of the marine works for the Tuas Terminal Phase 1 (TTP1) megaproject were concluded. The size of the project is best attested to by the fact that around 2,500 people and 150 vessels, from DEME and from its partners, worked on the project. DEME secured a major contract, in a joint venture, for dredging and land reclamation works for an LNG terminal and a greenfield harbour development in Taiwan.

In Africa, DEME successfully completed the challenging Tema Port expansion project in Ghana. The scope included dredging 2 million m³ of rock. The coastal protection works along the Cotonou shoreline in Benin have also been concluded. DEME has been awarded a contract for deepening works in Congo-Brazzaville and secured three new contracts in Gabon, all in Owendo Port.

In Germany, DEME has been awarded the prestigious Elbe deepening and widening project, confirming its technological expertise in complex dredging and marine engineering projects. DEME will deploy its dual fuel trailing suction hopper dredgers 'Scheldt River' and 'Bonny River', backhoe dredgers and spreader pontoons for the dredging of around 32 million m³ of material. For the modernisation project of the Świnoujście-Szczecin fairway in Poland, dredging works will start in 2020.

A five-year project in La Réunion came to a successful conclusion in 2019. It included dredging, gravel bed installation and backfilling works for the 5,400 m 'Nouvelle Route du Littoral' viaduct. A combination of geotechnical and local climate issues made this a challenging project.

In Russia, DEME has been busy with two major projects. In Taman, two TSHDs were deployed for dredging works in a dry bulk terminal on the Black Sea. For the Utrenniy LNG terminal in the Arctic, the group mobilised several TSHDs and a CSD to fulfil the contract in the limited northern weather window.

The five-year project for the deepening and maintenance of the Canal Martin Garcia between Uruguay and Argentina is in full swing. DEME successfully completed the capital dredging of the project early 2019. The TSHD 'Minerva' was deployed for maintenance work and will be continually busy for the next three years.

In the Middle East, DEME completed two major projects in Qatar, including the Old Doha Port redevelopment and the Gewan Island dredging and land reclamation project. In India, DEME was awarded three new contracts in the seaport of Kakinada and will also perform land reclamation works for a new coastal road in Mumbai.

Closer to home in Belgium, DEME has been awarded a contract for the construction of a new marina in Nieuwpoort. As part of a consortium, the group will perform the dredging works. Also in Belgium, the long-term maintenance dredging contracts on major waterways and along the coast are now combined and run until January 2022.

Offshore

DEME had again a busy year in the renewable energy market with the successful execution of several projects and the award of new contracts.

In Belgium, DEME finalised the foundation installation at the SeaMade offshore wind farm. DEME is responsible for the full Balance of Plant scope, which includes the design, manufacturing and installation of turbine foundations, offshore substations, export and inter-array cables and installation of the turbines.

In another flagship project in the Belgian North Sea, DEME successfully completed the installation of 85 km of subsea export cable well ahead of schedule for Elia's Modular Offshore Grid. This significant achievement demonstrates DEME's expertise in engineering and execution of cable lay projects, and the effectiveness of 'Living Stone's' unique dual lane cable installation system.

In Germany, the foundation installation at the Hohe See and Albatros offshore wind farms was completed.

A consortium including DEME was awarded a major engineering, procurement, construction and installation contract, worth more than 500 million euros, for 80 foundations at the Saint-Nazaire offshore wind farm. It will be the very first offshore wind farm to ever be installed in France. The scope includes the design, fabrication, transport and installation of the steel foundations. The project will deliver rock drilled monopiles, a new and innovative step forward in the offshore wind industry.

At the Hornsea One offshore wind farm in the UK, DEME successfully installed 174 turbines between February and October 2019. The project was executed with an outstanding safety performance. DEME also won a major contract for the 1.4 GW Hornsea Two wind farm where it will transport and install 165 foundations and turbines.

Also in the UK, 'Sea Installer' and 'Sea Challenger' started the installation of 102 turbines at the East Anglia ONE offshore wind farm in June 2019. Having two vessels working in parallel on the project brings huge benefits to the client in terms of preparations, planning and cost efficiency. The newest jack-up vessel 'Apollo' installed 309 pin piles at the Moray East Offshore wind farm. DEME is responsible for the engineering, procurement, construction and installation at the 950 MW wind farm.

The offshore wind industry is no longer confined to the waters of northern Europe alone. In 2019, DEME significantly expanded its footprint in Asia, securing a series of contracts for three offshore wind farm projects in Taiwan. It signed a large-scale Balance of Plant preferred bidder agreement for the Hai Long offshore wind farm. Engineering, procurement, construction and installation of the inter-array cables, export cables, and transport and installation of the turbines are included in the scope. For the Zhong Neng offshore wind farm, the contract includes the transport and installation of 33 jacket foundations, as well as a preferred bidder agreement for the transport and installation of the turbines. DEME was also awarded a contract for the turbine transport and installation scope at the 600 MW Changfang-Xidao offshore wind farm.

In the oil & gas sector, DEME won a major contract in Taiwan for rock placement works for a gas pipeline off the west coast of the country.

DEME was the rock and landfall installation contractor for the important Baltic Connector project, connecting the gas networks between Finland and Estonia. The whole installation was successfully completed in August 2019, which was several months ahead of schedule.

DEME NV

(€ 1,000)	2019	2018	2017
Turnover	**2,621,965**	2,645,780	2,356,014
EBITDA	**437,011**(1)	458,905	455,522
EBIT	**141,146**	196,012	230,506
Net result (group share)	**125,041**	155,570	155,055
Shareholders' equity (group share)	**1,435,482**	1,401,403	1,321,842
Net financial position	**-708,453**(2)	-555,777	-285,657
Balance sheet total	**3,944,779**	3,820,722	3,521,237
Order backlog (€ million)	**3,750**	4,010	3,520
Capex (€ million)	**435**	441	609
Personnel	**5,089**	4,937	4,440

(1) Incl. IFRS16 effect of € 17.0 mio - (2) Incl. IFRS16 effect of € 86.1 mio

Infra

The Netherlands saw three mega-projects getting shape: the RijnlandRoute, New Lock Terneuzen and Blankenburgverbinding. Besides the infraworks, a major dredging and ground works component is included in the projects. These huge infrastructure projects highlight how DEME's core activity lines support, reinforce and generate works for each other. This combined strength ensures the success of these complex projects.

The first tube of the 2.2 km bored tunnel at the RijnlandRoute was completed. The tunnel boring machine is dismantled and taken over the road back to the starting pit to drill the second tube. The sand supply for this mega project was also completed in 2019.

At the New Lock Terneuzen, several milestones were achieved. Works for a temporary canal were finalised, minimising the impact of the works on marine traffic at the existing locks complex. In addition, the construction started of the four lock gates. DEME also supplies the sand for making concrete on site.

At the Blankenburgverbinding, construction started of the 825 m immersed Maasdeltatunnel. Dry earthmoving works are progressing on schedule.

Environmental

DEME has successfully finished the first phase of the 66 ha Blue Gate remediation and infrastructure project in Antwerp. While DEME completed a sediment treatment project at the Ilva Tarranto steel plant in Italy, it won a new contract in Italy for a remediation project at a former chemical plant.

A four-year project to remediate a former refinery site located near Tønsberg (Norway) successfully concluded at the end of 2019. The planning was strictly followed, even though the expected volumes to be remediated almost doubled. The site will ultimately be redeveloped for commercial and residential purposes.

To tackle the increasing problem of river pollution, DEME launched an innovative project to deploy an autonomous marine litter hunter on the river Scheldt in Belgium. The project combines artificial intelligence, virtual reality and autonomous navigation to detect and collect marine litter. A test phase will start in 2020. DEME uses its vast expertise in environmental remediation to cooperate on solutions to tackle the plastic soup.

GSR

In 2019, Global Sea Mineral Resources (GSR), DEME's deep-sea specialist, embarked on an expedition to perform functionality testing of Patania II, a pre-prototype polymetallic nodule collection vehicle. During a test dive, all power and communication to the vehicle was lost. Damage had occurred to a critical cable. Unfortunately, this damage meant that GSR's mission had to be postponed, while the winch and cable are re-engineered. GSR is determined to overcome this hurdle and will return to the Pacific Ocean in 2020.

Concessions

DEME Concessions acquired a concession of Rent-A-Port in the Port of Duqm in Oman, in association with the Port of Antwerp International and the Government of Oman. DEME Concessions and the Port of Antwerp International have a 50% share in the joint venture with the local government.

The offshore wind farm Merkur (396 MW) became operational in the course of 2019. DEME Concessions decided to sell its 12.5 % share in this offshore wind farm. The transaction was signed in early December, with financial close expected in 2020, with an expected capital gain of more than 50 million euros.

As a pioneer in the development, construction and financing of offshore wind farms, DEME wants to make full use of its expertise for the production, transport and storage of hydrogen from renewable energy sources. That is why DEME is joining forces with six other leading players, including the Port of Antwerp and Port of Zeebrugge. The partners will make a joint analysis of the entire hydrogen import and transport chain to map the financial, technical and regulatory aspects of the various components of the logistics chain. DEME also participates in the HYPORT green hydrogen plant in Ostend and in the HYPORT Duqm project in Oman.

Outlook 2020

In an uncertain geopolitical and economic context, DEME projected (pre corona) a modest increase in its turnover for 2020. DEME expects to be able to realize a capital gain of at least 50 million euros on the sale of its 12.5% stake in the German offshore wind project Merkur. Furthermore, DEME saw increased tendering activity, which opened up the prospect of a growth in business over the coming years. At this moment, the impact of the COVID-19 crisis on the world economy makes the evolution of the order backlog and the result for the 2020 period very difficult and uncertain to predict and it makes it impossible to maintain the previous outlook for the year 2020.

Partners for sustainable growth

- To push sustainable value creation forward, DEME continuously challenges itself to develop more sustainable solutions within the portfolio so that the operations become more environmentally friendly.
- DEME identified its key sustainability themes supporting the Sustainable Development Goals of the United Nations, and on which DEME has an economic, environmental or social impact: climate and energy, natural capital, sustainable innovation, waste and resource management, safety, health & well-being, diversity & opportunity, ethical business and local communities.
- More information can be found in the DEME sustainability report 2019.

www.deme-group.com

DEME

Shareholding percentage AvH: 61%

CFE


Piet Dejonghe

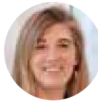

Frédéric Claes

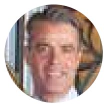

Manu Coppens


Fabien De Jonge


Jacques Lefèvre


Raymund Trost


Valerie Van Brabant


Yves Weyts

CFE is a Belgian industrial group listed on Euronext Brussels, and active in three different lines of business: Dredging, Environment, Offshore and Infrastructure activities (DEME); Contracting, which includes construction, multitechnics and rail/utilities; and finally Real estate development.

Financial overview 2019

CFE (excl. DEME) topped the one billion euros mark in 2019 with a turnover of 1,002.8 million euros (2018: 994.9 million euros).

CFE Contracting reported a 7% turnover increase to 998.7 million euros (2018: 934.6 million euros). This is primarily attributable to construction activity in Flanders and Poland, multitechnics at VMA, and rail & infrastructure at Mobix. The main projects in progress are the Gare Maritime on the Tour & Taxis site, the residential complex Riva in Brussels, the ZNA hospital in Antwerp, and the underground depot for the Brussels metro. In Brussels, Wallonia and Luxembourg, difficult market conditions, characterized by a pressure on prices and higher subcontracting costs, had a negative impact on the turnover and operating result. Apart from a small project that is due for delivery in 2021, all projects in Tunisia are now finished. CFE Contracting achieved a net result of 9.5 million euros compared to 15.2 million euros in 2018. Its order book increased by 5% to 1,386 million euros.

In the Real Estate Development division, the real estate portfolio at year-end 2019 amounted to 143 million euros (2018: 139 million euros). BPI is currently developing some forty projects totalling 545,000 m² (group share), of which 103,000 m² are under construction. The main projects in progress are Ernest The Park, Erasmus Gardens, Les Hauts Prés, Park West and Renaissance (Belgium), Livingstone (Luxembourg) and four residential projects in Poland. The projects Voltaire and Zen Factory (Belgium) and Domaine de l'Europe in Fussbann (Luxembourg) were delivered in 2019. The net result increased to 11.6 million euros (2018: 9.3 million euros).

CFE's 'non-transferred' activity is essentially confined to the construction of the Brussels-South wastewater treatment plant. The project will be delivered in the first quarter of 2021.

In accordance with IFRS 9, all outstanding receivables from the Chadian government have been written off. This accounting treatment does not alter CFE's decision to obtain the settlement of those receivables. Negotiations with the Afreximbank and the Chadian government on this matter are still ongoing.

Operational overview 2019

CFE generally reported a good momentum with a high volume of business and orders, which allowed most subsidiaries to improve their results. For CFE, 2019 was also a year dedicated to innovation, new synergies and digitalization. Several major projects were started up, and the various entities consolidated both

CFE NV (including DEME)

(€ 1,000)	2019	2018	2017
Turnover	**3,624,722**	3,640,627	3,066,525
EBITDA	**451,224**	487,960	500,734
EBIT	**143,615**	213,075	267,157
Net result (group share)	**133,424**	171,530	180,442
Shareholders' equity (group share)	**1,748,703**	1,720,878	1,641,904
Net financial position	**-798,061**	-648,322	-351,909
Balance sheet total	**5,112,632**	4,948,951	4,646,893
Order book (€ million)	**5,183**	5,386	4,851
Personnel	**8,244**	8,598	8,689

“CFE (excl. DEME) topped the one billion euros mark of turnover in 2019.”

Piet Dejonghe, CEO

1. Windekind - Sint-Jans-Molenbeek
2. ZNA hospital - Antwerp
3. Tivoli Green City - Brussels

their market position and their capacity to offer solutions for the future. The commitment to sustainability and innovation resulted in a large number of concrete actions and went hand in hand with the appointment of a Sustainability Officer and a Digital Officer.

Contracting

BPC managed to deliver substantial projects to the satisfaction of its customers, more particularly Agora, City 2 and Tivoli Green City, a residential complex with low environmental impact that emphasizes social diversity. Additionally, several large-scale projects were started up in 2019 such as City Dox, a brand-new district in Anderlecht with residences and services for all generations, and Pôle des Savoirs, a project in Liège for the redevelopment of a site that had been abandoned for 30 years into a hub for digital technology, art and culture. The projects in progress, of which several will be completed in 2020, testify to BPC’s dynamism: hospitals in Brussels and Liège, infrastructure projects such as Charleroi airport, the Jonfosse swimming pool in Liège, the Windekind school in Sint-Jans-Molenbeek, and not forgetting the Grand Poste project in Liège, a creative hotspot that will breathe new life into a whole neighbourhood.

Van Laere, which consolidated its integration in the CFE group, successfully executed a whole series of projects: car parks in Ostend, Brussels, Antwerp and Zaventem; construction and renovation of apartment buildings in Antwerp, Brussels and Flemish Brabant and of the Montoyer offices in Brussels; construction of a police station in Ninove and of a psychiatric centre in Rekem. Van Laere’s customer-driven approach was rewarded with a well-filled order book. **MBG** concentrated its efforts on a number of new projects for the construction of care and residential complexes and on the renovation of apartments and offices. Good results were achieved, such as with the new hospital of the ZNA group in Antwerp-North, the BlueChem project, also on the banks of the river Scheldt, and the renovation of the exterior finish and interior spaces of the Gare Maritime on the Tour & Taxis site in Brussels.

In Poland, **CFE Polska** was particularly busy in the residential sector, in close partnership with BPI Real Estate. Four large-scale residential projects will be completed in 2020: phase 2 of Bulwary Książęce in Wroclaw, Vilda Park in Poznań, and the Barska residence and wolaRE in Warsaw. They involve a total of 706 apartments. The industrial and retail sectors exhibit a similarly dynamic level of activity. In 2019, CFE Polska strengthened its procedures, improved its health and safety policy, and digitalized its working methods. In Luxembourg, **CLE** closed the year on a lower level than expected due to the delayed start of certain projects. Nevertheless, a substantial increase in margin was recorded. There was a lot of investment in innovation, in particular on the building site of the Aurea residential tower block in Differdange, where a lean supply chain was implemented for the supply of materials in order to minimize the logistics on the building site. Two projects were completed: Naos in Belval and Kiem in Kirchberg. Thanks to various projects in progress and the start-up of several projects, a.o. for BPI Real Estate, CLE's volume of business is set to grow over the next few years.

The CFE group has reconfirmed its long-term vision, which is characterized by innovation and sustainability, with its focus on timber construction, more particularly the Cross Laminated Timber solutions (CLT). Through its subsidiary **Laminated Timber Solutions**, CFE Contracting already has extensive and acknowledged experience in the area of timber construction. Digital innovations and the fast transition to building processes that save resources are changing the industry. Closer collaboration, exchange of knowledge throughout the value chain, and a more intensive use of smart technologies, such as the patented CREE construction system for which a licence has been obtained and which allows construction with hybrid concrete and wood modular elements, will enable the group to offer integrated solutions to the challenges presented by urbanization, mobility and sustainability.

The **VMA** cluster is entirely dedicated to combining the various electrical and automation activities with the HVAC and maintenance activities in order to offer complete 'product as a service' solutions. This approach meets a strong market demand and has led to an increase in the number of contracts. Customers are also actively seeking to reduce their CO_2 emissions. For that reason, a new entity has been set up within the BU Building Energy Solutions: VeMAS (VMA Energy Solution). After an analysis of the properties of the building and the technical facilities, VeMAS develops a package of integrated energy measures that lead to an improvement of the energy performance and a reduction of the costs. During the investigation, the implementation of these measures and the maintenance, the results are guaranteed by an ESCO contract (Energy Service Company). Thanks to this turnkey solution, customers can confidently leave their energy management to VeMAS.

In the area of rail and infrastructure, the **Mobix** cluster has developed a more multidisciplinary approach in which the traditional activities are consolidated, regardless of whether they involve the installation of catenaries, signalling systems or rail track works. In 2019, a start was made with the standardization and integration of the five entities of Mobix into one single organization, with the organizational and management changes that this entails. The most important milestone of the year, however, was the start of the LuWa project. This consortium, in which CFE works together with other partners, is tasked with modernizing the public lighting of the whole Walloon road network. This very large-scale project uses new technologies to provide both innovative and sustainable solutions and to lay the foundations for future mobility. By replacing the sodium lamps along 2,700 km of motorways and freeways by LED lamps in combination with brightness control, energy savings of up to 76% can be achieved in the long term.

Real estate development

The residential real estate sector continues to do well, driven by historically low interest rates. The Belgians are investing in real estate, and this is reflected in the results of BPI Real Estate Belgium, of which all completed projects are virtually 100% sold. The office sector is flourishing too. Businesses are competing with each other for talent and are investing in new ways of working. This is borne out by the commercial successes of the Grand Poste and Renaissance projects in Liège and the Wooden project in Luxembourg.

In Poland, demand is sustained, building costs have stabilized, while sale prices are increasing. Two projects won an award: Vilda Park in Poznań won the Silver Award of the Belgian-Polish Chamber of Commerce, and Bulwary Książęce in Wroclaw was voted Best Project. In Luxembourg, BPI realized two major housing projects and consolidated its position as an important market player.

The 2019 financial year closed on a generally positive note with projects such as Erasmus Gardens in Anderlecht, Les Hauts Prés in Ukkel, Ernest the Park in Elsene, Livingstone in Luxembourg city, and Domaine des Vignes along the river Moselle.

In 2019, a new entity was set up called Wood Shapers, a joint venture between BPI Real Estate and CFE Contracting that specializes in real estate development and in design & build projects using wood, the only building material with a positive carbon footprint. The integrated solution offered by Wood Shapers is one of the roads to the future that are being followed by the whole CFE group.

In line with this vision, the Wooden building was developed, which is let on a long lease to Bâloise Luxembourg. This first large wooden office building in the Grand Duchy of Luxembourg is also part of the WELL certification procedure, which prioritizes the well-being of the users. The entire supporting structure of the building is made of wood from sustainably managed PEFC certified forests in the vicinity. For every tree that is felled, one or two new trees are planted. In this way, by the end of the life cycle of the building, the forest will have recovered what had been taken out for the construction project.

Outlook 2020

CFE expects a decline of its revenues, cash flows and results in 2020 as a result of the COVID-19 pandemic, but is not in a position to quantify the financial impact on the group's accounts at this stage. CFE will communicate such impact as soon as it is possible to calculate it.

CFE (excluding DEME): Breakdown by division

(€ million)	Turnover		Net result		Order book	
	2019	2018	**2019**	2018	**2019**	2018
Construction	**733.5**	692.5			**1,016.8**	1,069.1
Multitechnics	**179.6**	170.6			**188.5**	168.4
Rail Infra	**85.6**	71.5			**180.2**	82.8
Contracting	**998.7**	934.6	**9.5**	15.2	**1,385.5**	1,320.3
Real estate development	**59.1**	94.7	**11.6**	9.3	**143.0**	139
Holding, non-transferred activities and eliminations[1]	**-55.0**	-34.4	**-9.1**	-6.6		
Total	**1,002.8**	994.9	**12.0**	17.9		

[1] Including contribution Rent-A-Port (50%) and Green Offshore (50%) to CFE

1. Wooden - Leudelange - Luxembourg (artist impression)
2. BlueChem - Antwerp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Partners for sustainable growth

- CFE Contracting and BPI have decided to refer to the 17 Sustainable Development Goals (SDGs) of the UN to spell out their own sustainability goals. This applies to the actions in connection with the daily activities as well as to the execution of real estate and construction projects. Consultation of the different entities made it possible to identify a number of typical sustainability themes and goals for the business areas of CFE Contracting and BPI, and to link them to the SDGs.

- Each goal was then included in a materiality index, taking into account the relevance to the different stakeholders and the impact on the business. Collating those data made it possible to identify the most relevant SDGs for CFE Contracting and BPI.

- Actions were defined for each of those goals with a high materiality. The effect of those actions will be measured by means of specific KPIs to allow clear internal communication and communication with all stakeholders. This information and numerous practical examples evincing this approach are mentioned in detail in the annual report of the CFE group.

- The priority goals relate to all aspects of sustainability, but in particular to the protection of the general safety and health of all employees, optimization of the transport of materials and waste, and reduction of waste and packaging of materials. They are aimed in particular at ensuring decent working conditions for all employees, promoting the attraction, maintenance and training of talent, establishing strong governance, and fostering innovation at every level of the production chain.

- The human aspect is a central concern of the CFE group. Prevention, awareness building and training are the most important tools to ensure their safety, health and well-being. CFE also takes into account the impact of its projects on society and the environment. Mobility presents a major challenge for the future. For that reason the group is already working on an innovative mobility strategy for the materials and waste as well as for the workforce. Strong governance, supported by a charter and specific procedures, enable to meet those obligations.

www.cfe.be

Steve
Theunissen

Ruben
Baeckelandt

Bruno
Jaspaert

Shareholding percentage AvH: 80%

Rent-A-Port

Rent-A-Port specializes in the worldwide development of port-related industrial zones and port projects.

Rent-A-Port in 2019 refocused on its developments in Vietnam, more particularly the DEEP C Industrial Zones in Haiphong. The land in the first industrial zone, the Dinh Vu Industrial Zone, has already been largely developed and sold. The industrial zones could be further developed partly thanks to the capital increase subscribed by AvH (50%) and CFE (50%). At the same time, strong partners were sought for the two industrial zones in Quang Ninh to help support and speed up the development process. As a result of this and thanks to certain geopolitical developments, a significant increase in land sales is expected for next year.

The DEEP C Industrial Zones are situated next to the new deep-sea port of Lach Huyen near the city of Haiphong, allowing the import and export of products in a cost-effective manner. In 2019, the Zone became directly connected to China and Hanoi by new motorways. There is a continuous power supply to the zones as they are connected to the national and regional power grid. There is also a stable supply of untreated and treated water. The zone’s own ISO (9001 and 14001) certified wastewater treatment plant is operated by sister company DEEP C Blue.

The land in the first industrial zone, the Dinh Vu Industrial Zone, has already been largely developed and sold. Additionally, Rent-A-Port has in recent years acquired important positions through its subsidiaries for the development of additional industrial zones in Haiphong and in the neighbouring province of Quảng Ninh. Rent-A-Port thus has the prospect of the management of more than 3,000 hectares of industrial land near the port of Lach Huyen, the only deep-sea port (-14 metres) in North Vietnam.

In February 2019, a new shareholder agreement was concluded with regard to Infra Asia Investments Ltd (IAI), the company which is developing the industrial zones in the port of Haiphong in Vietnam and in which Rent-A-Port holds a 60% stake. Consequently, IAI and its main subsidiaries are fully consolidated as from 2019. Rent-A-Port expects to expand further in the coming years, thanks to the mature and profitable projects in Vietnam. In August, Rent-A-Port transferred its subsidiaries managing its developments in Oman to DEME Concessions.

At the beginning of 2019, AvH and CFE each purchased an additional 5% of the capital of Rent-A-Port from the co-founders, as a result of which, together, they now own 100% of the capital of this company. As a result, AvH’s beneficial interest in Rent-A-Port increased to 80.46%.

Dinh Vu - Vietnam

Rent-A-Port NV[1]

(€ 1,000)	2019	2018	2017
Turnover	**32,828**	3,180	4,459
EBITDA	**6,416**	-2,338	-4,234
EBIT	**4,063**	-2,403	-4,659
Net result (group share)	**2,172**	7,371	-5,991
Shareholders’ equity (group share)	**64,401**	44,394	36,508
Net financial position	**-42,874**	-15,316	-12,334
Balance sheet total	**238,618**	66,287	55,023

[1] IAI fully consolidated from 2019

Partners for sustainable growth

- Rent-A-Port invests in the generation of renewable energy in its industrial zones and is working on an energy storage project in Belgium. Furthermore, Rent-A-Port stimulates its customers in the industrial zones to invest in renewable energy production (mainly solar panels) or to allow the roofs of their buildings to be used for the installation of solar panels.
- Rent-A-Port also tries as much as possible to use international standards in the installation and operation of the infrastructure (wastewater treatment, pipelines, etc.) in the industrial zones.
- These industrial zones create a lot of local employment and thus contribute to increasing prosperity.

www.rentaport.be

RENT A PORT

Shareholding percentage AvH: 80%

Nathalie Oosterlinck | Geert Dewaele | Christophe De Winter | Mathias Verkest

Green Offshore

Green Offshore invests in the development and operation of the offshore wind farms Rentel and SeaMade.

Green Offshore holds (directly and indirectly) stakes in the Belgian offshore wind farms Rentel (12.5%) and SeaMade (8.75%), as well as a participating interest in the umbrella company Otary (12.5%). AvH has a beneficial interest (direct and indirect participation through CFE) of 80.46% in Green Offshore.

The Rentel offshore wind farm lies approximately 40 km from Ostend and has 42 wind turbines of 7.35 MW. With a total installed capacity of 309 MW, Rentel supplies renewable energy to approximately 300,000 households. During the past year, the wind farm generated almost one TWh green energy.

With a total capacity of 487 MW, SeaMade will be the largest offshore wind farm in Belgium. It comprises the Mermaid and Seastar concession zones in the Belgian North Sea. SeaMade reached its financial close at the end of 2018.

Meanwhile, construction work on the SeaMade offshore wind farm is in full progress. In 2019, all 60 monopile foundations were installed in the two concession zones, and the export cables were laid. In 2020, two offshore substations, which will be connected to the Elia Modular Offshore Grid, will be installed on those foundations, along with 58 wind turbines. The 8.4 MW turbines will be supplied and maintained by Siemens Gamesa; they have a peak height of 193 metres and a rotor span of 167 metres, which is greater than the wingspan of two Airbus 380s. SeaMade is expected to be fully operational by the end of 2020.

Together, Rentel and SeaMade will supply renewable energy to more than 700,000 households, resulting in an annual reduction of 1,200,000 tonnes of CO_2 emissions.

The two wind farms will be operated and maintained from the Otary logistics centre in the port of Ostend.

SeaMade

Green Offshore NV[(1)]

(€ 1,000)	2019	2018	2017
Contribution Rentel and SeaMade[(1)]	3,917	2,555	-
Net result (group share)	4,926	3,352	127
Shareholders' equity (group share)	15,642	19,890	16,627
Net financial position	-11,340	-33,374	-18,430
Balance sheet total	29,575	55,762	35,607

[(1)] Participations in Rentel and SeaMade via equity method

Partners for sustainable growth

- Rentel and SeaMade generate a total capacity of just under 800 MW, producing approximately 2.7 TWh a year. This is a substantial share of the total annual expected offshore production of circa 8 TWh in Belgium, which accounts for 10% of the total electricity consumption, as well as 50% of the binding objective of deriving 13% energy from renewable sources by 2020.
- Otary's offshore wind farms Rentel and SeaMade will together supply renewable energy to more than 700,000 households, resulting in an annual reduction of 1,200,000 tonnes of CO_2 emissions. The realization of SeaMade constitutes - for now - the final stage of the currently available concession zone for offshore wind energy production. This brings the total capacity in the Belgian part of the North Sea at this stage to more than 2,200 MW.

Delen Private Bank

Private Banking

Both Delen Private Bank and Bank J.Van Breda & C° reported a strong year in 2019. With a profit contribution of 127.3 million euros, 2019 was the best year ever for 'Private Banking' in AvH's portfolio.

Thanks to strong commercial volumes, the combined assets entrusted by the clients of Delen Private Bank and Bank J.Van Breda & C° increased to 51.9 billion euros at December 31, 2019 compared with 45.4 billion euros at December 31, 2018 (+14%).

Contribution to the AvH consolidated net result

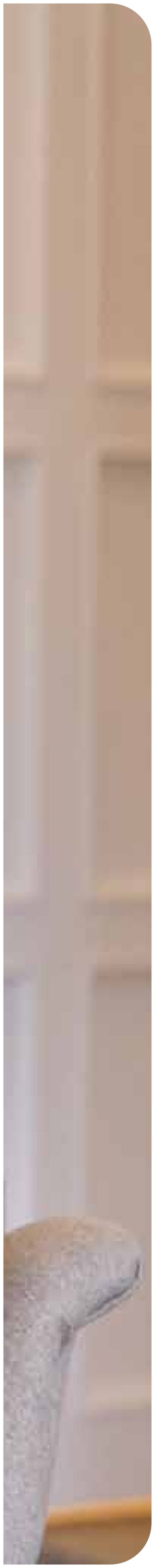
(€ million)	2019	2018	2017
FinAx	**-0.2**	-0.4	-0.9
Delen Private Bank	**93.4**	88.5	83.3
Bank J.Van Breda & C°	**34.1**	33.2	30.8
BDM-Asco	**-**	-	0.7
Total	**127.3**	121.3	113.9

Delen Private Bank | **79%**

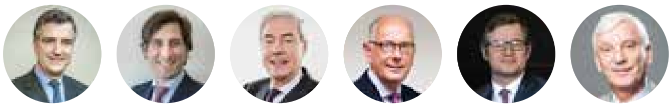
Delen Private Bank focuses on discretionary asset management for private clients.

Bank J.Van Breda & C° | **79%**

Bank J.Van Breda & C° is a specialised advisory bank that focuses exclusively on entrepreneurs and liberal professions.



Shareholding percentage AvH: 79%



René Havaux | Alexandre Delen | Jacques Delen | Paul De Winter | Eric Lechien | Arnaud van Doosselaere

Delen Private Bank

Delen Private Bank focuses on the management and planning of assets of private clients. The group has developed into an established name in Belgium, the Netherlands (Oyens & Van Eeghen) and in the United Kingdom (JM Finn).

Financial overview 2019

Leading position in discretionary management

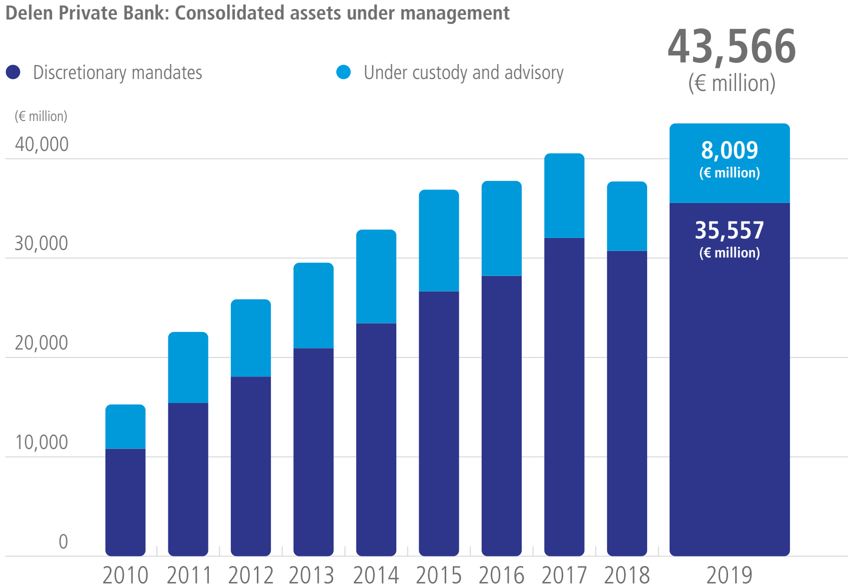
The assets under management of Delen Private Bank group on a consolidated basis (Delen Private Bank, JM Finn, Oyens & Van Eeghen) peaked at a record level of 43,566 million euros at the end of 2019 (2018: 37,713 million euros).

At Delen Private Bank (Belgium, Luxembourg, Switzerland), the assets under management amounted to 31,489 million euros at year-end 2019 (2018: 27,673 million euros). The increase in assets under management is primarily explained by the value increase of the underlying assets. The volatility of the financial markets at the end of 2018 and the beginning of 2019 contributed to a wait-and-see attitude on the part of investors. The gross inflow of assets under management was still considerable, but remained below the record level of the last two years. The inflow of assets at Delen Private Bank – from both existing and new clients – consisted almost exclusively of discretionary asset management. All Belgian branches contributed to this inflow, but with an increasing share from the regional branches. This validates the strategy of opening new branches.

At the British asset management company JM Finn (Delen Private Bank 91.1%), the assets under management reached a record level of 11,448 million euros (9,740 million pound sterling) at year-end 2019 (2018: 9,563 million euros, 8,555 million pound sterling). Here too, the increase was primarily due to the value increase of the assets (expressed in pound sterling). The currency evolution of the pound sterling against the euro (+5.1%) also contributed to this increase.

At Oyens & Van Eeghen (The Netherlands), the assets under management for private clients and foundations amounted to 629 million euros at year-end 2019 (2018: 476 million euros). This increase is the result of the value increase of the assets under management and the acquisition of Nobel Vermogensbeheer in September 2019. On December 31, 2019, about half the assets of clients of Nobel Vermogensbeheer had already been transferred to Oyens & Van Eeghen as planned.

Delen Private Bank: Consolidated assets under management



Customer confidence

A customer satisfaction survey was conducted in the autumn among the Belgian clients. This showed that 94% of the clients were satisfied to highly satisfied with the services of the bank. These positive figures confirm the clients' confidence in the sustainable discretionary asset management and asset planning service offered by Delen Private Bank. Delen Family Services, the new service that allows clients to inventory, analyse and plan their entire assets, was highly acclaimed.

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“The assets under management of Delen Private Bank group on a consolidated basis peaked at a record level.”

René Havaux, CEO

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1. Delen Private Bank - Antwerp
2. Delen Private Bank - Brussels
3. Delen Private Bank - Ghent

Increase of the net result

The average assets under management at Delen Private Bank in 2019 was slightly above the average of 2018. Consequently, the consolidated gross revenues slightly increased to 388.6 million euros compared to 384.3 million euros in 2018). The operating expenses increased only slightly by 0.3% (3.8% decrease excluding JM Finn and Oyens & Van Eeghen).

Delen Private Bank decided in the first quarter of 2019 to curb the cost increase of recent years. With the cooperation of all departments, the bank even managed to reduce its costs. At JM Finn, the increase in costs can be explained by the higher personnel costs and increased expenditure on marketing and IT. The cost-income ratio decreased to 55.3% (43.5% at Delen Private Bank, 85.5% at JM Finn), which is an excellent figure compared to the competition.

The net profit increased to 118.6 million euros in 2019 (compared to 112.4 million euros in 2018). JM Finn’s contribution to the net result of the group was 7.8 million euros (after clients’ depreciation charges and 9% minority interests of 1.6 million euros - in 2018: 7.3 million euros). The contribution of Oyens & Van Eeghen was negative, mainly as a result of the high level of investment in the commercial activity. The branch hired three extra staff members in Amsterdam and opened new branches in the north and south of the country, each with a team of three account managers.

The consolidated shareholders' equity of Delen Private Bank amounted to 809.6 million euros at December 31, 2019, compared to 742.9 million euros at December 31, 2018. The group's Core Tier1 capital (taking into account the intangible assets of 241.0 million euros, of which 47.9 million euros relates to JM Finn clients and 14.5 million euros to Oyens & Van Eeghen and Nobel Vermogensbeheer clients) amounted to 494.4 million euros at the year-end (year-end 2018: 450.1 million euros). Delen Private Bank is more than adequately capitalised, and fully meets the Basel III requirements in terms of shareholders' equity. The Core Tier1 capital ratio of 32.0% is well above the industry average. Delen Private Bank has a solid and easily understandable balance sheet. The cash holdings remain conservatively invested with the National Bank of Belgium, in high-quality government securities, in short-term deposits at high-quality banks, or in high-quality short-term commercial paper of blue-chip companies. The return on the (average) shareholders' equity amounted to 15.3%, a highly satisfactory figure.

Operational overview 2019 by activity

Delen Private Bank (BE, LU, CH)

Delen Private Bank adhered to its traditional investment principles in 2019: to manage the wealth of its clients in a well-considered and alert manner, and to diversify and spread the risks within the limits of their risk profile. Even though 2019 was, on balance, a good year on the stock exchange, temporary price fluctuations caught many investors off-guard. Under such circumstances, it was important to keep a cool head and to stay focused on the long term and on investment themes that offer the sustainable prospect of a promising future. The choice went to companies that attach importance to climate, people and good governance as well as to financial return. This approach underlies the responsible investment philosophy of Delen Private Bank, applied to all portfolios.

At year-end 2019, 82% (25,792 million euros) of the entrusted assets were managed directly under a discretionary management mandate or through the bank's own patrimonial beveks (open-ended investment trusts). Expressed in number of accounts, the share of discretionary management accounts is 94%. This represents more than 27,300 management mandates.

Delen Private Bank made investments for its clients in highly diversified share portfolios. The bond portfolios primarily consisted of conventional bonds, alongside a small share of hybrid bonds. The portfolios are for the most part invested in euros. The stock markets broke new records in 2019. In that context, the bank realized good returns for its clients, ranging from 5% to 27% depending on the risk profile.

Delen Private Bank continues to gain market share in the Belgian private banking niche, also thanks to the strong increase in new private capital. The increased local embedding of the bank is bearing fruit. This encourages Delen Private Bank to continue to invest in staff and infrastructure. A new branch opened in Waterloo in 2019. The extension and renovation works in the headquarters in Antwerp are progressing as expected. Delen Private Bank will open new branches in Antwerp-North (Brasschaat) and Waregem in 2020.

Bank J.Van Breda & C° once again made a significant contribution to the result and represented approximately 25% of the total assets under management. On December 31, 2019, Delen Private Bank managed 6,472 million euros on behalf of clients introduced by the Bank J.Van Breda & C° network. In addition, Delen Private Bank handled the securities administration of Bank J.Van Breda & C° (1,334 million euros).

JM Finn (UK)

The London stock market performed very well, despite the uncertain Brexit context. At JM Finn, the client portfolios, with on average a greater weighting in shares, evolved in a very positive way.

Since the acquisition of JM Finn in 2011, Delen Private Bank increased its direct shareholding to 91.1%. At year-end 2019, JM Finn managed 11,448 million euros (9,740 million pound sterling) of entrusted funds, 80% of which in discretionary management. The level of the assets under management and the expansion of the discretionary management segment confirmed that JM Finn is a healthy company with growth potential. The position of JM Finn in the British onshore asset management market, combined with the dedication and experience of Delen Private Bank, will enable JM Finn to continue to expand and to evolve into a prominent player in the British market.

At the operational level, 2019 was another busy year for JM Finn thanks to the further development of the relationship of trust with its clients and the increase of the efficiency of the organization. The focus was on increasing the business activity, among other aspects by the roll-out of the new asset planning activity and the optimal use of CRM software.

Oyens & Van Eeghen (NL)

Thanks to the acquisition of Oyens & Van Eeghen in 2015, Delen Private Bank strengthened its presence in the Benelux area. In June 2019, Oyens & Van Eeghen was fully integrated in Delen Private Bank, of which it became a branch. In September 2019, Delen Private Bank acquired certain assets under an asset deal

Delen Private Bank

(€ 1,000)	2019	2018	2017
Gross revenues	**388,642**	384,262	366,912
Net result (group share)	**118,609**	112,390	105,836
Shareholders' equity (group share)	**809,625**	742,927	678,792
Assets under management	**43,564,970**	37,712,549	40,544,926
Cost-income ratio	**55.3%**	55.3%	53.7%
Return on equity	**15.3%**	15.8%	16.3%
Core Tier1 capital ratio[1]	**32.0%**	30.9%	29.3%
Personnel (FTE)	**718**	709	676

[1] Core Tier1 = solvency ratio

from Nobel Vermogensbeheer, an independent asset manager in the Netherlands. Nobel Vermogensbeheer and Oyens & Van Eeghen will from now on work together under the name Oyens & Van Eeghen. On August 31, 2019, the assets under management at Nobel Vermogensbeheer amounted to more than 260 million euros. On December 31, 2019, about half the assets of clients of Nobel Vermogensbeheer had already been transferred to Oyens & Van Eeghen according to plan.

At year-end 2019, Oyens & Van Eeghen managed 629 million euros of entrusted funds for private clients, 88% of which in discretionary management. In recent years, the bank increasingly and successfully concentrated on the specialized asset management segment.

Oyens & Van Eeghen benefited from the favourable stock market trends. The strategy of global diversification, an overweight position in shares, and active asset allocation in the portfolios contributed to highly attractive returns for its clients. The management team of Oyens & Van Eeghen implemented this strategy in close consultation with the management team of Delen Private Bank.

At the operational level, 2019 was another year marked by significant developments. New commercial employees were recruited and new branches opened in Valkenburg and Heerenveen. The team of Nobel Vermogensbeheer was integrated in the Amsterdam branch immediately after the asset deal. The expertise, in particular in the area of beveks, and the IT systems developed by Delen Private Bank are very significant contributors to the improvement of the service provision and the increase in efficiency.

Outlook 2020

Delen Private Bank will continue its prudent and sustainable investment philosophy and is convinced that this approach will continue to make the difference in the long term. The global economy was initially expected to grow at a reasonable pace of around 3% in 2020. The corona crisis that broke out in earnest at the end of February has put a stop to this. Apart from the medical consequences and the human suffering, the contagious virus also has an economic impact, not least because governments are taking increasingly drastic precautionary measures such as quarantine, travel bans, cancellation of events, and closure of schools and universities. For now, estimates suggest a negative impact on global growth from 0.5% to 1.5%. At the time of writing of this annual report, it is impossible to predict the final impact of the corona outbreak. What is certain is that the epidemic is weighing heavily on stock market prices and therefore on the returns of clients. The bank is making every effort to protect the health of its clients and staff and to guarantee the continuity of its service.

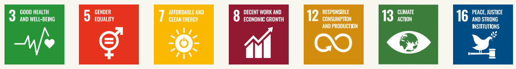
Especially in these uncertain times, the bank maintains its long-term perspective. It sees it as its mission to keep giving its clients peace of mind as much as possible by communicating in a fair and objective manner about current events and the impact on the portfolios. The bank's mantra remains the same: in the long-term perspective, investing in shares offers the best returns, and for that reason a buy-and-hold strategy is recommended. The managers also uphold the principles of responsible asset management: optimal diversification in geographical areas, sectors and companies, an effective risk management, and a sustainable long-term investment philosophy.

Delen Private Bank will continue in 2020 to focus on Estate Planning. Delen Family Services, the inventory and planning tool for the client's entire assets, will play a particularly important role in that respect.

Delen Private Bank, JM Finn and Oyens & Van Eeghen are also making continued efforts to attract new capital, with a focus on those regions where the awareness of the company name is on the rise.

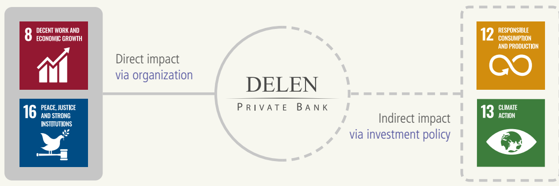
Oyens & Van Eeghen - Amsterdam

Partners for sustainable growth



- Delen Private Bank strongly believes in the importance of value creation through corporate social responsibility. The bank uses its five values - sustainability, prudence, efficiency, family and personal touch - as a guide to chart a sustainable course. Respect for the environment, social responsibility and good governance (ESG) are reflected in the day-to-day management of the organization (direct impact) and in the responsible investment policy (indirect impact). In view of the volume of assets under management that follow the responsible investment criteria, the bank creates an enormous lever for a positive impact on industry.

- The United Nations have set up seventeen global Sustainable Development Goals to be achieved by 2030. The bank strives to meet all those goals. It identifies in particular four SGDs on which it can generate a distinctive impact:



- The direct impact refers to conservation and increase of assets, creation of an attractive work environment, and compliance with anti-corruption and anti-money laundering law.

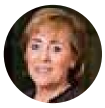
- The indirect impact refers to the bank's responsible investment policy. That policy rests on three pillars: exclusion (of non-sustainable businesses), dialogue as a committed shareholder, and the integration of non-financial (ESG) parameters.

www.delen.be

DELEN
PRIVATE BANK

Shareholding percentage AvH: 79%


Dirk Wouters


Véronique Léonard


Vic Pourbaix


Marc Wijnants

Bank J.Van Breda & C°

Bank J.Van Breda & C° is a specialised advisory bank that focuses exclusively on entrepreneurs and liberal professions. Van Breda Car Finance provides car financing and financial car leasing via car distributors.

Financial overview 2019

Bank J.Van Breda & C° closed 2019 with a record result. Thanks to a strong commercial performance both in banking services for entrepreneurs and liberal professionals and at Van Breda Car Finance, the consolidated net profit increased by 3% to 43.4 million euros (42.2 million euros in 2018).

The commercial volumes (total invested by clients + lending) increased by 12% to 21.3 billion euros in 2019, and confirm the confidence that the clients have in Bank J.Van Breda & C°.

The bank product and costs increased in equal measure, as a result of which the result before taxes increased by 10%. After certain tax effects in 2018, the tax burden increased and the result after tax increased by just 3%.

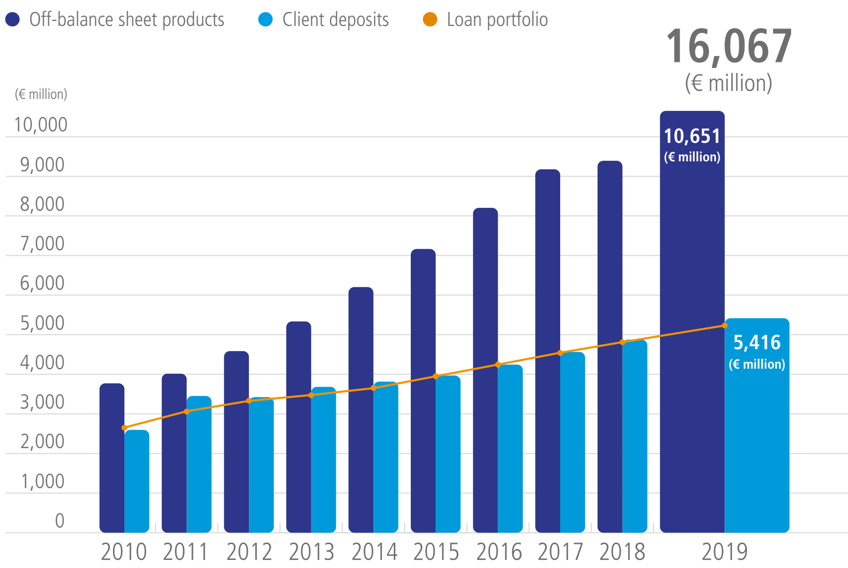
The bank's shareholders' equity increased to 573 million euros, and a 7.7% return on equity (ROE) was realized.

Increase of commercial volumes

Buoyed by the favourable stock market climate, assets invested by clients increased by 1.8 billion euros (+13%) to 16.1 billion euros, of which 5.4 billion euros consisted of off-balance sheet products (+13%) and 10.7 billion euros of client deposits (+11%). For the first time, the off-balance sheet products amounted to more than 10 billion euros. The total loan portfolio increased by 9% to 5.2 billion euros.

The consolidated bank product increased by 4% to 150 million euros, of which 51% interest income and 46% fee income. This result is almost entirely commercially driven, as realized capital gains, dividend income and results of hedging instruments represent less than 1% of the total bank product.

Bank J.Van Breda & C°: Invested by clients



The interest result increased by 1%, with an increase in deposits and lending of 11% and 9% respectively. This is a strong result in times of low interest rates, high competitive pressure on interest rate margins, and taking into account the bank's strategy of prioritizing safety over yield in its investment portfolio.

Thanks to the increase in off-balance sheet client products, the income from fees increased by 8%. The off-balance sheet products are spread over asset management (6,505 million euros, +16%), investment funds (1,226 million euros, +20%), insurance investments (1,923 million euros, +2%) and tax insurance products (997 million euros, +11%).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> “Thanks to a strong commercial performance, Bank J.Van Breda & C° closed 2019 with a record result.“

Dirk Wouters, CEO


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1. Hasselt
2. Aalst
3. Kortrijk
4. Bank J.Van Breda & C°
5. Antwerp
6. Antwerp
7. Antwerp

Happy clients, happy staff members

In the autumn of 2019, in reply to the question "To what extent would you recommend Bank J.Van Breda & C° to other entrepreneurs or liberal professionals?", 61% of the clients gave us a score on the ten-point scale of 9 or 10 ('promoters'), 33% gave 7 or 8 ('passives') and 6% gave a score of 6 or below ('detractors'). This gives the bank an excellent Net Promoter Score (NPS) of 55 (promoters minus detractors). This is one of the best figures in the Belgian banking sector.

In addition to high client satisfaction, Bank J.Van Breda & C° also enjoys high staff satisfaction. From the ´Great Place to Work´ survey that was conducted in December 2019, it appeared that 95% of the staff members consider the bank to be a very good organization to work for. The bank was nominated as 'Best Employer' on March 17, 2020 and finished third (bronze) in the category of companies with more than 500 employees.

The cautious policy has in no way put a brake on credit production. The loan portfolio increased by 9% on a consolidated basis. Impairment losses on loans amounted to just 0.03% of the average loan portfolio, or 1.4 million euros.

The costs increased by 4% to 91.7 million euros. The investment path of recent years has been pursued unabated. The fully integrated proprietary IT platform positions the bank perfectly to fully respond to the opportunities offered by the digitalization. The bank also consistently continues to invest in commercial strength and in the refurbishment and upgrading of branches. The cost-income ratio, however, remained stable at 61%. This makes Bank J.Van Breda & C° still one of the best performing Belgian banks.

Very solid liquidity and solvency

Based on its prudent approach, Bank J.Van Breda & C° always ensures a generous liquidity position. The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) amounted to 140% and 124% respectively, well above the required lower limit of 100%. The Core Tier1 capital ratio stood at 13.1%. The credit portfolio is fully financed through client deposits, so the bank is not dependent on external financing on the international markets.

The shareholders' equity (group share) increased from 550 million euros at year-end 2018 to 573 million euros at year-end 2019. This increase allows the pace of commercial expansion to continue, without compromising on a healthy leverage, which is the main protection for deposit holders. The solvency expressed as shareholders' equity to assets (leverage ratio) was 8.5%, a multiple of the required 3% that will become binding upon publication of the Capital Requirements Regulation 2 (CRR2).

Operational overview 2019 by activity

Bank J.Van Breda & C°

Bank J.Van Breda & C° assists family businesses and liberal professions in the systematic accumulation, management and protection of their assets. The comprehensive approach starts with the professional activity as a motor for their private capital.

The line of steady commercial expansion continued in 2019. Buoyed by a positive stock market climate, the total entrusted assets from entrepreneurs and liberal professions increased by 1.8 billion euros to 15.7 billion euros.

Despite a context of low interest rates, the client deposits increased by 559 million euros (+12%) to a total volume of 5.2 billion euros. The growth is almost entirely from current accounts and savings accounts.

The off-balance sheet products increased by 1.2 billion euros (+13%) to 10.5 billion euros. Of this amount, 6.5 billion euros has been entrusted to Delen Private Bank in the form of asset management.

Bank J.Van Breda & C° NV

(€ 1,000)	2019	2018	2017
Bank product	**149,564**	143,759	141,380
Net result (group share)	**43,362**	42,165	39,081
Shareholders' equity (group share)	**573,343**	549,800	538,718
Balance sheet total	**6,380,896**	5,820,019	5,424,639
Invested by clients	**16,066,871**	14,268,673	13,742,754
Loan portfolio	**5,232,650**	4,797,177	4,528,679
Net loan loss provision	**0.03%**	0.05%	0.04%
Cost-income ratio	**61.3%**	61.0%	59.1%
Return on equity	**7.7%**	7.7%	7.4%
Core Tier1 capital ratio	**13.1%**	13.6%	14.2%
Solvency ratio (RAR)	**14.2%**	15.0%	14.9%
Personnel	**486**	464	471

Thanks in part to the low interest rates and the considerable demand for investment property, and despite the strong competition, the volume of loans to entrepreneurs and liberal professions increased by 405 million euros (+9%) to 4.7 billion euros.

Bank de Kremer, as a division of Bank J.Van Breda & C°, supports its clients in the accumulation, management and protection of their assets. The know-how and experience of Bank J.Van Breda & C° and the due and proper care provided by Delen Private Bank form the solid foundation of Bank de Kremer.

Bank de Kremer aims to respond to the clear need of the Flemish citizen for an overview of, and insight into his financial situation, both at present and at retirement age. For this reason, Bank de Kremer launched a free, anonymous app in 2018, without any obligations, which enables both clients and non-clients to chart their assets. This insight allows for smart financial choices and makes it possible to determine an asset optimisation strategy together with Bank de Kremer.

Van Breda Car Finance

Van Breda Car Finance wants to be the best credit partner for the clients of major independent car dealers.

Until and throughout the summer, the market was characterized by a slight decrease in car registrations. In the autumn, the market recovered and ended the year on virtually the same level as in 2018. In this stagnating car market, Van Breda Car Finance reported a strong commercial performance in 2019. The new production volume increased by 7%, while the portfolio increased by 11% to 457 million euros.

Outlook 2020

The outbreak of the coronavirus early 2020 and the measures that have been taken may influence the financial results and the measurement of certain assets and liabilities.

Although Bank J.Van Breda & C° has a track record of low risk costs, even in an economically turbulent environment, the bank cannot rule out the possibility that the results of 2020 will be impacted.

Partners for sustainable growth

- Bank J.Van Breda & C° opts to systematically and expressly integrate its economic, social and environmental commitment in its corporate policy. The Strategic Development Goals (SDGs) of the United Nations provide a global framework for this. From its specialization in services for entrepreneurs and liberal professions, the bank primarily endorses these three goals: 'Good Health and Well-being' (SDG 3), 'Decent Work and Economic Growth' (SDG 8), and 'Peace, Justice and Strong Institutions' (SDG 16).

- For a bank, sustainability means, in the first place, that it is solvent and that it is always able to meet its commitments without having to rely on society to support it. The banking crisis of 2007-2008 was the acid test. Bank J.Van Breda & C° remained at all times a 'healthy bank' and a 'safe haven'. With a leverage ratio of 8.5% (shareholders' equity to assets) and only 0.03% impairment losses on loans, the bank is still in a very strong position to play its economic and social role to the full today. The bank is not dependent on the financial markets to finance its loan portfolio (97% loans vs. client deposits).

- Bank J.Van Breda & C° protects the wealth that clients have accumulated over the long term - often across several generations. It does so by helping entrepreneurs and liberal professionals to make the right financial choices. This is socially relevant, since entrepreneurs are the engine of our economy. The liberal professions guarantee health care, legal certainty and financial transparency. Together, they make a crucial contribution to our prosperity and well-being.

- Staff satisfaction (95%) and spontaneous recommendation by clients (Net Promoter Score of +55) rank among the best in the Belgian financial sector for several years now. The bank intends to at least maintain, and where possible further strengthen, this pole position. Moreover, the bank is paying more explicit attention to the broader social relevance of its activities. ESG factors (Environment - Social - Governance) play an increasingly important role in the policy on client acceptance, lending, investments, choice of suppliers, and reducing the bank's ecological footprint.

www.bankvanbreda.be


Extensa Group

Real Estate & Senior Care

2019 was a strong year for Extensa, Leasinvest Real Estate and Anima Care. Without taking into account the sale of Residalya, the recurring contribution from 'Real Estate & Senior Care' increased.

Contribution to the AvH consolidated net result

(€ million)	2019	2018	2017
Extensa Group	**29.5**	27.2	29.9
Leasinvest Real Estate	**15.7**	11.9	14.9
Anima Care	**5.0**	4.7	4.4
HPA/Residalya	**-**	21.5[1]	5.1
Total	**50.2**	65.3	54.3

[1] Incl. 21.3 million euros realized on the sale of real estate

Extensa Group | 100%

Extensa is a real estate developer focused on mixed-use projects in Belgium and the Grand Duchy of Luxembourg.

Leasinvest Real Estate | 30%

LRE is a listed company managing high-quality and well-located offices and shopping centers in the Grand Duchy of Luxembourg, Belgium and Austria.

Anima Care | 93%

Anima Care focuses on the up-market segment of accommodation and care for the elderly in Belgium.


Kris Verhellen


Peter De Durpel


Laurent Jacquemart


Ward Van Gorp

Shareholding percentage AvH: 100%

Extensa Group

Extensa is a real estate developer that is primarily focused on mixed-purpose projects in Belgium and the Grand Duchy of Luxembourg.

Financial overview 2019

Extensa Group reported a net result of 29.5 million euros over the 2019 financial year, compared to 27.2 million euros in 2018.

The projects on the Tour & Taxis site in Brussels delivered a net contribution of 6.6 million euros. They include the residential project Riva, the offices in the Gare Maritime, and the management of assets (the Sheds, Maison de la Poste, and the car parks) and associated services.

In Luxembourg, the projects in the Cloche d'Or neighbourhood (Extensa 50%, Promobe 50%) contributed to a net result of 26.0 million euros, about two-thirds of which is from apartment sales.

The above-mentioned figures for Tour & Taxis and Cloche d'Or are after tax and before allocation of overheads.

The balance sheet total evolved from 441.8 million euros at year-end 2018 to 548.8 million euros at year-end 2019, mainly as a result of investments in the continued development of Tour & Taxis. Total shareholders' equity increased from 190.9 million euros to 217.7 million euros.

Operational overview 2019

Tour & Taxis

The Tour & Taxis site in Brussels comprises 76,400 m² of historic buildings, 64,300 m² of new-build offices (Brussels Department of the Environment and the Flemish Administrative Centre Herman Teirlinck) and a new apartment building, Gloria (112 apartments). There is also room for 292,700 m² of new-build projects in accordance with the special zoning plan that was approved in 2017. Planning permission has been granted and construction is now in progress for 93,900 m² of that potential: 50,000 m² of office and retail space in the Gare Maritime, an underground car park with 908 parking places, a residential care centre with 197 beds, and 319 apartments.

In the former Gare Maritime freight station, 50,000 m² of office and retail space is being built, divided over ten wooden modules that harmonize with the historical structure. Not only does the property comply with the latest environmental standards, the project is also an example of circular construction. In October 2019 the first of these modules was brought into use by the tenant Accenture. The other tenants (a.o. Publicis Groupe, BSH, Spaces, Collibra, Universal Music) will move in during the course of 2020. The allotment of the mixed-purpose area on the ground floor (catering businesses, theme shops, culture and entertainment) is in progress. The first public events can be held in the third quarter of 2020.

The new underground car park (908 cars) will open in the second quarter of 2020. Anima Care acquired the right to build a residential care centre (197 beds) above this car park. Extensa also started off-plan sales and construction of the next phase of the residential project Park Lane (319 apartments), of which 232 units will also be constructed in four buildings above the car park.

For technical reasons, the operation of Maison de la Poste (formerly Hôtel de la Poste) was off to a slow start, but will be up to full steam in 2020. The building has a ballroom and foyer on the ground floor, meeting and conference rooms on the upper floors, and a private cinema in the loft.

The available apartments in the Riva project (139 units) are all sold and will be delivered in the first half of 2020. The new 'Suzan Daniel' bridge will be built by Beliris and will open at the beginning of 2021. The government of the Brussels Region instructed the MIVB (Brussels public transport company) to establish a tram connection to the North Station over that bridge as soon as possible.

The heritage buildings on the Tour & Taxis site are the strategic assets under management and at year-end 2019 represented an estimated fair value of 255 million euros (this does not include the Royal Warehouse, which in 2015 became the property of Leasinvest Real Estate).

Cloche d'Or

The Cloche d'Or project (Extensa 50%, Promobe 50%) is meant to create a community where the people in Luxembourg can enjoy all that life has to offer in an ecological and modern environment.

Of the 410,000 m² of new-build potential, a plot of 100,000 m² was sold in 2013 to the Auchan group, which built a shopping centre and apartments on it. The shopping centre, with a wide range of retail, catering and service outlets, is the largest of its kind in the Benelux area and opened in May 2019. The remaining 310,000 m² can be used in a flexible way for offices, housing and retail.

The first residential phase 'îlot A' (72,500 m²) comprises 909 apartments that are almost all sold. Delivery of the last apartments is scheduled for 2020. Off-plan sales of a new residential project ('îlot D Sud', 151 apartments) have started, and

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“The Gare Maritime
on Tour & Taxis
is an example
of circular construction.”

Kris Verhellen, CEO

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1. Picard - Brussels (artist impression)
2. Cloche d’Or - Luxembourg (artist impression)
3. Gare Maritime - Brussels
4. Cloche d’Or - Banco Intesa Sanpaolo (artist impression)
5. Gare Maritime - Brussels
6. Riva and Picard bridge - Brussels (artist impression)

Extensa Group NV

(€ 1,000)	2019	2018	2017
Contribution Tour & Taxis	**6,586**	1,585	16,789
Contribution Cloche d'Or	**26,018**	34,392	27,218
Net result (group share)	**29,475**	27,238	29,920
Shareholders' equity (group share)	**217,654**	190,859	163,606
Net financial position	**-189,386**	-114,345	-100,352
Balance sheet total	**548,782**	441,795	411,968

construction has already begun. This is the first phase of a new residential development on the Cloche d'Or site, totalling 26,800 m².

After a first office building for Alter Domus (10,000 m²) in 2018, the new head office of Deloitte Luxembourg (30,000 m²) was delivered in the first quarter of 2019. The project company was handed over to the ultimate investors, Ethias and Integrale, who had already committed themselves to the transaction in 2017.

Several other office projects are under development (totalling approximately 30,000 m²). The 'Bijou' building (6,000 m²) is under construction while negotiations with prospective tenants are in progress. A 4,300 m² office building has been pre-let to the International Workspace Group, which will operate it under the brand name 'Spaces'. The project company has already been sold off-plan to international investors. The new head office (10,800 m²) of Banca Intesa Sanpaolo is also under construction and will be delivered in 2021.

That leaves 140,000 m² of development potential.

Other developments

Various development projects are currently going through the administrative procedures for executable building permits. The 'Groeningen' project in Kontich (650 houses and apartments) was approved by the authorities, but its execution now depends on the outcome of legal steps instigated by third parties.

In Trnava (Slovakia), Top Development (Extensa 50%) sold the retail park (7,730 m²) with extension possibility. The energy network was already sold in 2018. An agreement in principle was also concluded on the sale by Extensa of its remaining participation to the local partners.

The remaining activities in Istanbul (Turkey) were closed.

Outlook 2020

Also in 2020, the prospects for the current office and residential projects remain promising. However, construction work and the rental and sale transactions will suffer delays as a result of the measures taken to combat COVID-19.

Partners for sustainable growth

- Extensa's ESG strategy is entirely in keeping with its mission of developing and embedding mixed-use urban neighbourhoods through responsible co-creation. This strategy is focused on the following Sustainable Development Goals: 'SDG 7 Affordable and Clean Energy', 'SDG 11 Sustainable Cities and Communities' and 'SDG 12 Responsible Consumption and Production'.
- Extensa is setting a good example by taking large-scale environmental actions. The Gare Maritime project on the Tour & Taxis site stands out in terms of environmental and energy performance. Examples include circular construction, natural ventilation, heating and cooling using geothermal energy, photovoltaic power generation, laminated timber structures, use of recycled materials for footpaths, rainwater collection and planting of large gardens.
- In co-creation with its stakeholders - investors, tenants, residents, event planners, contractors and suppliers - Extensa fosters ecodynamic entrepreneurship with focus on responsible production and consumption, well-being and craftsmanship. Local partnerships improve the social cohesion and community spirit on the site (e.g. the Brussels circus school, the Brussels theatre company Ras El Hanout).

www.extensa.eu

extensa

Shareholding percentage AvH: 30%


Michel
Van Geyte


Tim
Rens

Leasinvest Real Estate

Leasinvest Real Estate (LRE) is a listed regulated real estate company (REIT) that focuses on retail and offices in three countries (the Grand Duchy of Luxembourg, Belgium and Austria).

Financial overview 2019

The results for 2019 showed a marked increase compared to 2018, partly because the 84 million euros that was raised during the capital increase of October 2018 had already been fully invested shortly afterwards.

At year-end 2019, the fair value of the consolidated real estate portfolio, including project developments, amounted to 1.1 billion euros (compared to 1.0 billion euros at year-end 2018). Including the participation in REIT Retail Estates NV, the fair value of the portfolio reached 1.2 billion euros at the end of 2019.

The rental yield amounted to 5.84% at the end of 2019, compared to 6.45% at the end of 2018. The rental income increased sharply to 65.3 million euros (2018: 56.2 million euros), driven by Montoyer 63 and Treesquare which were brought into use during 2018 and contributed for a full year in 2019, the full letting of De Mot, and the properties acquired in 2018 and 2019. The occupancy rate decreased to 90.5% (year-end 2018: 94.3%).

The finance cost decreased from 2.59% at the end of December 2018 to 2.14% at year-end 2019. This is the result of the various restructuring operations in the derivatives portfolio and the cheaper refinancing of the retail bond that matured in October. In November, LRE closed the private placement of bonds with seven-year maturity for an amount of 100 million euros, in replacement of the earlier bond of 75 million euros which matured in October.

The EPRA profit (previously net current result) increased significantly compared with 2018 to 40.5 million euros (6.83 euros per share; 2018: 31.3 million euros, or 6.03 euros per share). The net result for 2019 amounted to 49.9 million euros compared to 38.2 million euros in 2018.

At the end of the 2019 financial year, the shareholders' equity (group share, based on the fair value of the real estate portfolio) amounted to 492.6 million euros (2018: 475.8 million euros). The net asset value per share was 83.1 euros (year-end 2018: 80.3 euros).

The price of the LRE share fluctuated in 2019 between 87 euros and 125.5 euros, and the closing price at the end of the year was 113.0 euros. The gross dividend per share for the 2019 financial year will amount to 5.25 euros, or a gross dividend yield (based on the closing price) of 4.7% (2018 financial year: 5.8%).

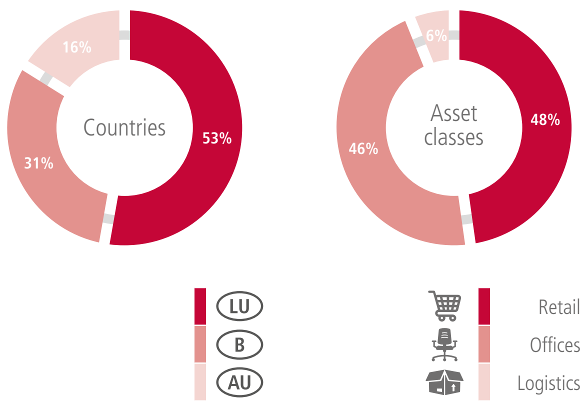
Operational overview 2019

The economic situation in the Grand Duchy of Luxembourg, Belgium and Austria remained at the same level in 2019. LRE focuses on countries with a healthy economy with low unemployment and a high per capita GNP, which show growth.

LRE is still one of the prime foreign property investors in the office and retail market in the **Grand Duchy of Luxembourg**. In 2019, a record rental uptake was recorded in the office market (20% above the five-year average) in combination with an increase in the size of the transactions and a further decrease in the vacancy rate. In the retail market, the five-year average rental uptake more than doubled. This success of the Luxembourg real estate market, however, presents a challenge to keep investing with attractive returns.

LRE was able in 2019 to acquire two more buildings in the EBBC Business Park near the airport by an agreement with Immo Lux Airport. LRE now owns five of the six buildings on this site.

LRE: Real estate portfolio (% based on fair value)



Leasinvest Real Estate Comm. VA

(€ 1,000)	2019	2018	2017
Net result (group share)	49,900	38,194	47,545
Shareholders' equity (group share)	492,577	475,811	382,206
Real estate portfolio (fair value)	1,110,249	1,037,083	902,994
Rental yield (%)	5.84	6.45	6.44
Occupancy rate (%)	90.46	94.26	94.80
Per share (in €):			
Net asset value	83.1	80.3	77.4
Closing price	113.0	87.40	96.00
Gross dividend	5.25	5.10	5.00

LRE also continues to invest in the optimisation of its current real estate portfolio. The new car park of the Knauf shopping centre in Pommerloch, near the Belgian border, is due to open in April 2020 in order to meet the growing demand for parking space. Two new commercial premises of 850 m² are also being added to the existing shopping complex, and will also be delivered in April.

At the Knauf shopping centre in Schmiede, the refurbishment of the interior continued with the complete renovation of the sanitary facilities and the installation of a baby lounge. The large-scale refurbishment works, in combination with an extension of approximately 8,000 m², are carried out in several phases and are currently in progress. The works encompass more shops (including the largest Delhaize supermarket of the Belux area), a new catering concept, experience events and activities for children. This extension is scheduled for delivery at the end of the second quarter of 2021.

In **Belgium**, the **Brussels office market** reported its busiest year of the past decade in terms of rental uptake (+33%). The growing popularity of the co-working concept contributed to this development.

In addition to fully letting the redeveloped Treesquare office building in the Leopold district - with rents of up to 330 euros/m²/year - LRE started the redevelopment of Monteco (Montoyer 14). This project will be LRE's first high-rise building in timber.

In the **Antwerp office market**, LRE was able to let two of the three units of the Hangar 26/27 renovation project (acquired at the end of 2018) at a rent of 165 euros/m²/year, which is more than the current Antwerp prime rent of 150-155 euros/m²/year. There is considerable interest in this iconic building, and promising negotiations are currently in progress. The Danish architectural firm CF Moller has been appointed for the design of a high-quality mixed project, with an extension of the office and retail areas. Special attention will be paid to the accessibility between the private areas and the public area of the quays. The aim is to file a planning application for this project in the second quarter of 2020 with a view to starting construction work during the fourth quarter of 2020.

In **Austria**, an additional 71.8 million euros was invested in two splendidly located retail parks near Vienna. As a result, Austria now represents 16% of the real estate portfolio.

In 2019, two non-strategic assets in Luxembourg and Belgium respectively were divested, and several more rentals (new, expansions and extensions) were concluded in Luxembourg, Belgium and Austria.

Outlook 2020

Without exceptional circumstances, the rental income in 2020 would have been on a similar level as last year. In mid-March, however, governments have taken highly restrictive measures as part of the efforts to contain the COVID-19 crisis in the three countries where LRE is active. Depending on how long these measures remain in place, particularly in the retail segment, this could lead to a substantial decrease in rental income and an increase in rent arrears, since a large number of tenants were obliged to close their stores and are now requesting compensation from LRE as owner of the buildings.

Partners for sustainable growth

- In 2019, LRE used a materiality matrix to identify the most material ESG issues in connection with its real estate activities. This shows that the greatest impact is still to be found in each individual asset, as also emerged from the sustainability audit in 2010. For several years now, LRE has subjected its new and/or existing assets to BREEAM certification (breeam.org).
- New buildings:
  - Montoyer 63 Brussels: Excellent
  - Treesquare Brussels: Excellent
- Existing buildings:
  - Monnet Luxembourg: BREEAM-in-use, Refurbishment Very good
  - The Crescent Anderlecht: Excellent
  - Motstraat Mechelen: Good
- BREEAM certification is requested for the development of the Monteco building at Montoyer 14 in Brussels.
- The ultimate aim is to sustainably increase the value of the real estate portfolio through greater and more stable cash flows.

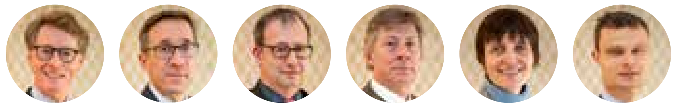
www.leasinvest.be

LEASINVEST REAL ESTATE

“The results for 2019 showed a marked increase compared to 2018.”

Michel Van Geyte, CEO

1. Hangar 26/27 - Antwerp
2. EBBC Business Park - Luxembourg
3. Vösendorf retail park - Austria
4. Montoyer 14 - Brussels
5. Treesquare - Brussels
6. De Mot - Mechelen
7. Knauf Shopping Center Schmiede - Luxembourg (artist impression)



Johan Crijns | Luc Devolder | Olivier Fassin | Frank Foucart | Ingrid Van de Maele | Jeroen Versnick

Shareholding percentage AvH: 93%

Anima Care

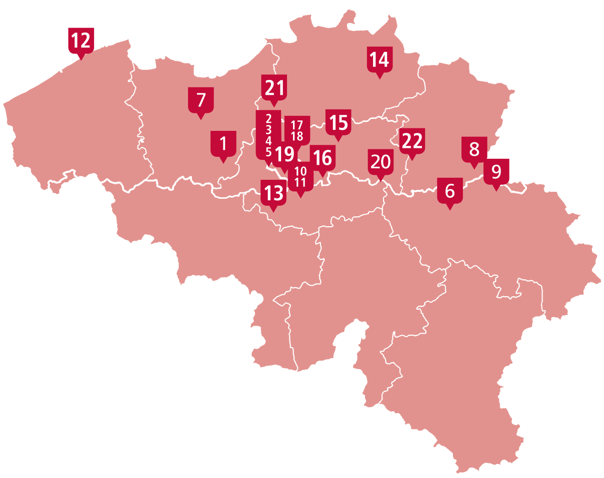
Anima Care specialises in the care and health sector in Belgium, focusing on the up-market segment of residential care for the elderly. In residential senior care, Anima Care invests in both the operational activities and the real estate.

At December 31, 2019, Anima Care had 2,353 beds in operation, of which 1,957 nursing home beds, 137 convalescence beds and 259 service flats, spread over 22 care centres (9 in Flanders, 7 in Brussels, 6 in Wallonia).

Financial overview 2019

Anima Care realized a turnover of 89.3 million euros in 2019. The increase by 5 million euros (+6%) compared to 2018 is among others due to the residential care centres in Aalst and Berlare, which have returned to full capacity utilization following extension and renovation works. Villa 34 and Le Rossignol, which were acquired in October 2019, only contributed to the consolidated results in the last quarter. The improved results of the existing operations were partly offset by the start-up costs of the new-build projects. The EBITDA and net profit in 2019 amounted to 19.5 million euros including an IFRS16 effect of 2.0 million euros (2018: 16.2 million euros) and 5.4 million euros (2018: 5.1 million euros) respectively.

The group's shareholders' equity increased from 59.5 million euros at year-end 2018 to 65.0 million euros at year-end 2019.



Anima Care invested 30.7 million euros, of which the majority in its new-build projects in 2019. These investments led to an increase of the net financial debt from 99.1 million euros at December 31, 2018 to 140.3 million euros (incl. IFRS 16 Leases) at December 31, 2019, and to an increase of the balance sheet total from 204.3 million euros to 244.7 million euros.

Operational overview 2019

Three high-quality new-build projects were completed in 2019. Efforts were made during the realization of those projects to minimize the environmental impact of the development and operation of those care centres, for instance by installing photovoltaic cells, a building management system for an optimal control of electricity consumption, heating, cooling, sun protection and other technical facilities, and a sun protection system.

- In mid-September, the operation of Ark van Noé with 57 beds moved to the new residential care centre Kristallijn in the centre of Grote-Spouwen (Bilzen). Kristallijn obtained permission from the Flemish government to operate at full capacity, or a total of 106 beds, from the first quarter of 2020.
- The Ravelijn care centre in Zoutleeuw was brought into use at the end of September. Ravelijn can accommodate 43 nursing home and short-stay residents, and also has 30 convalescence beds and 20 service flats.
- The new care centre on the Erasmus Gardens site in Anderlecht, with a capacity of 159 nursing home beds and 34 service flats, opened at the end of

1. De Toekomst - Aalst
2. Alegria - Anderlecht
3. Edelweiss - Anderlecht
4. La Roseraie - Anderlecht
5. Home Scheut - Anderlecht
6. Château d'Awans - Awans
7. Kruyenberg - Berlare
8. Kristallijn - Bilzen
9. Les Comtes de Méan - Blegny
10. Le Rossignol - Braine-l'Alleud
11. Villa 34 - Braine-l'Alleud
12. Duneroze - Wenduine
13. Au Privilège - Haut-Ittre
14. Aquamarijn - Kasterlee
15. Atrium - Kraainem
16. Résidence St. James - La Hulpe
17. Arcade - Sint-Lambrechts-Woluwe
18. Neerveld - Sint-Lambrechts-Woluwe
19. Nuance - Vorst
20. Zevenbronnen - Walshoutem
21. Zonnesteen - Zemst
22. Ravelijn - Zoutleeuw

1. Alegria - Anderlecht
2. Ravelijn - Zoutleeuw


1


2

October. The residents of Parc des Princes in Oudergem and of Home Scheut in Anderlecht moved into the new building. The residents of Le Birmingham in Sint-Jans-Molenbeek subsequently moved into the building of Home Scheut.

In mid-January 2020, the first residents of Residentie Eden moved into the new residential care centre Nuance in Vorst, which was built in 2019. Nuance has a capacity of 121 nursing home beds and was built in partnership with Care Property Invest.

At the beginning of October, Anima Care acquired the operation and real estate of Villa 34 and Le Rossignol in Braine-l'Alleud, which have a capacity of 67 and 58 nursing home beds respectively. In 2019, agreements were signed for the construction of new care centres in Oudenaarde and Putte with a capacity of 64 and 98 nursing home beds respectively, along with some twenty service flats at each site.

A planning application was filed in September for a new care centre on the Parc de l'Alliance site in Braine-l'Alleud with a capacity of 129 nursing home beds and 32 service flats. This new-build project will be realized in partnership with AG Real Estate and AXA.

Anima Care NV

(€ 1,000)	2019	2018	2017
Turnover	**89,276**	84,290	75,182
EBITDA	**19,459**	16,211	14,281
EBIT	**10,579**	9,719	6,232
Net result (group share)	**5,382**	5,060	4,799
Shareholders' equity (group share)	**64,981**	59,518	54,295
Net financial position	**-140,337**	-99,127	-85,247
Balance sheet total	**244,723**	204,258	172,929
Personnel	**1,511**	1,416	1,365

Outlook 2020

Following the opening of Nuance in Vorst with 121 nursing home beds and the full capacity utilization of 106 nursing home beds in Kristallijn in Bilzen, Anima Care will have 2,485 beds in operation, of which 2,089 nursing home beds, 137 convalescence beds and 259 service flats, spread over 22 sites.

In February 2020, construction work began on a residential care centre with a capacity of 197 beds on the Tour & Taxis site in Brussels. Once planning permission is obtained, construction work will start on the new care centre with 129 nursing home beds and 32 service flats on the Parc de l'Alliance site in Braine-l'Alleud.

The COVID-19 crisis is putting tremendous pressure on the care staff of the care centres and makes it necessary, more than ever, to focus on offering the residents a high-quality service. The crisis brings extra costs. Furthermore, a prolonged crisis could weigh on the occupancy rates.

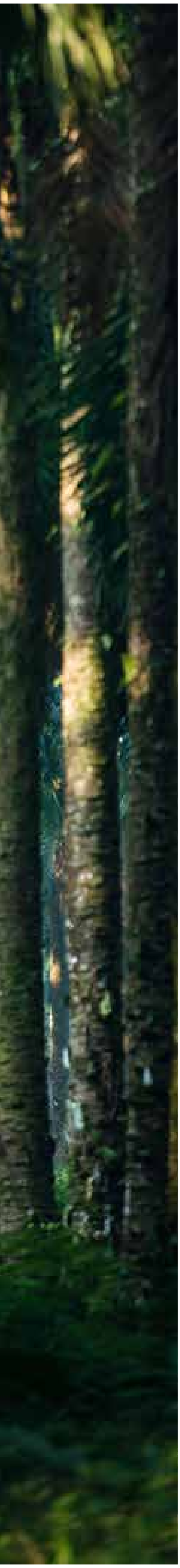
Partners for sustainable growth

- Anima Care is committed to corporate social responsibility and seeks to constantly improve the quality of its service provision and its work processes.
- Measures that benefit its employees and the environment are therefore high on the agenda in 2020. The relevant indicators will also be made measurable.
- Anima Care wants to be a great place to work for its employees, where people have confidence in the management, are proud of their job and enjoy their work.
- In 2020, Anima Care will work together with the Great Place to Work Institute to conduct a large-scale survey of its employees. The results of this survey will influence future HR policy.

www.animacare.be

Anima Care


SIPEF



Energy & Resources

2019 was a bad year for SIPEF: low market prices for palm oil for most of the year, disappointing production volumes and the damage caused by three volcanic eruptions meant that 'Energy & Resources' contributed a loss to AvH in 2019.

Contribution to the AvH consolidated net result

(€ million)	2019	2018	2017
SIPEF	**-2.3**	7.8	15.9[1]
Sagar Cements	**0.8**	-0.1	0.4
Oriental Quarries & Mines	**-**	-	-0.2
Nationale Maatschappij der Pijpleidingen	**-**	-	2.1
Total	**-1.5**	7.7	18.2

[1] Excluding € 19.8 mio non-recurrent remeasurement gain as a result of the acquisition of PT Agro Muko

SIPEF | **32%**

SIPEF specializes in certified sustainable production of tropical agricultural commodities, primarily palm oil.

Sagar Cements | **20%**

Sagar Cements, with headquarters in Hyderabad (India), is a listed cement manufacturer.

Shareholding percentage AvH: 32%

François Van Hoydonck | Charles De Wulf | Thomas Hildenbrand | Robbert Kessels | Johan Nelis

SIPEF

The listed agro-industrial group SIPEF produces sustainable and traceable palm oil that is certified according to the RSPO regulations. SIPEF's other products (rubber, bananas and tea) are certified by The Rainforest Alliance.

SIPEF's core activities are historically situated on the island of Sumatra in Indonesia, where a total of 60,506 hectares spread across different locations have been planted with oil palms and 6,159 hectares with rubber trees, supported by 6 palm oil extraction factories and 3 rubber factories. Cibuni, a high-quality tea plantation of 1,768 planted hectares and an associated factory for the production of black tea, is located on the island of Java, in the hills near Bandung. The Indonesian operations are by far the most important for the group, representing 60.1% of the turnover.

There is a second, albeit smaller, oil palm plantation activity in Papua New Guinea. The oil palm plantations have been steadily expanded to 13,707 hectares of oil palms and 3 extraction mills. By processing the harvests from roughly the same area of oil palms belonging to neighbouring farmers, the palm oil activities in Papua New Guinea generate 29.3% of the turnover.

SIPEF focuses entirely on Southeast Asia. Of the historical African interests, only the production of bananas and tropical flowers in Ivory Coast, which is destined for the European export market, remains, on a total area of 827 planted hectares. These represent 8.9% of the turnover in 2019.

By purchasing shares on the stock exchange, AvH increased its participation from 31.59% at the beginning of the year to 32.33% at the end of the year.

SIPEF: Production

(Tonnes)[1]	2019	2018
	312,514	351,757
	6,326	7,982
	2,331	2,422
	32,849	27,788

[1] Own + outgrowers

Financial overview 2019

SIPEF's total palm oil production decreased in 2019 by 11.2% to 312,514 tonnes, whereas in 2018 the production volume still exceeded 350,000 tonnes. The decrease of the production volumes in Papua New Guinea by 26.9% is primarily the result of a wet rainy season, followed later in the year by three volcanic eruptions of Mount Ulawun. Almost half of the planted hectares were damaged. The oil palm plantations are gradually recovering, but it will take at least two years for them to return to their optimal production conditions. Besides this, the Indonesian plantations also saw a general production decrease (-0.7%).

Due to the large stocks of vegetable oils in the markets and the uncertainty caused by geopolitical tensions, the palm oil price fluctuated around 500 USD throughout 2019, finishing at 830 USD after a sharp increase in the fourth quarter.

Due to a combination of these lower production volumes and the lower palm oil price, the turnover of palm oil decreased by 12.4%. There was also a decrease in turnover for rubber and tea, while higher production volumes led to an increase in turnover for bananas. The total turnover decreased to 248 million USD (-9.8% compared with 2018). After tax and a negative contribution from the participation in Verdant Bioscience (research activities), the net result amounted to -8.0 million USD, compared to a profit of 30.1 million USD in 2018 (including the capital gain of 7.4 million USD on the sale of BDM-Asco).

Operational overview 2019

The production of palm oil fruit bunches fell short of expectations throughout the year for the SIPEF group in Indonesia. After drier-than-normal conditions in the first nine months, the exceptionally capricious weather patterns persisted. October and November were very wet months in North Sumatra. In Bengkulu province, the weather was dry during that period, but was followed by a very wet December. The SIPEF plantations, except for the young plantations in South Sumatra, continued to follow this general annual trend of lower production volumes for the whole of Indonesia.

Thanks to sufficient rainfall in December, the young plantations in South Sumatra still ensured a strong year-end (+31.9% in the fourth quarter). The Dendymarker factory, which processes the entire production of South Sumatra, recorded a remarkable increase in oil extraction ratios thanks to the inflow of young fruit bunches.

1

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> "SIPEF's total palm oil production decreased in 2019 by 11.2%, primarily as a result of a wet rainy season in Papua New Guinea and three volcanic eruptions of Mount Ulawun."
>
> François Van Hoydonck, CEO

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1. Hargy Oil Palms - Papua New Guinea
2. Transport of freshly harvested bunches
3. Young mature palm with unripe fruit bunches

4/5. Harvesting bunches with palm fruits

6. Grafting of young rubber plants - North Sumatra

At the palm oil operations in Papua New Guinea, the annual production of palm oil decreased by 26.9% compared to the same period last year. The volumes were adversely affected by abundant rainfall at the beginning of the year, followed by the exceptional impact of three volcanic eruptions in June, August and October. As a result, 45% of the planted area was covered in varying degrees by a layer of ash and small stones, with peaks of up to 15 cm.

The year began with a solid production and large stocks in Malaysia and Indonesia, as well as in the destination countries, where a lot of palm oil had been purchased at low prices in the fourth quarter of 2018. From the second quarter, the impact of the African swine fever on the Chinese demand for soya also manifested itself in world trade. In combination with the effects of the trade war between China and the US, prices remained generally low on the commodity markets, which further decreased palm oil prices as well.

An increasing demand from the food market and the rapid implementation of a mandatory blending programme for biodiesel in Indonesia and Malaysia, however, led to a substantial reduction of stocks in the second half of the year. This translated into an unexpectedly sharp price increase towards the year-end.

Due to the lower production volumes, as well as the increasing labour costs which in 2019 were not compensated by the depreciation of the local currencies against the USD, the unit production cost prices increased compared to 2018.

SIPEF's expansion plans continue to be focused entirely on the development of additional oil palm plantations in South Sumatra, Indonesia. The 4 concessions that had been acquired previously were expanded by 3 adjoining concessions in 2018, all concentrated in the Musi Rawas region. It is expected that the overall project will be brought to a total of 22,805 hectares of young oil palms over a period of five years. Due to the additional compensation of 1,532 hectares at the end of 2019, it has been possible to already secure a total of 17,074 hectares of agricultural land for development, of which 12,203 hectares have been planted or prepared for planting. This is a net increase of 1,550 hectares compared to the end of 2018.

The continuous expansion of the Musi Rawas projects, in combination with the acquisition of 95% of the PT Dendymarker oil palm plantation in August 2017, represented a major step forward in the development of a new business unit exceeding 32,000 planted hectares. Of the 8,986 hectares acquired through Dendymarker, 2,824 hectares have already been replanted, of which 1,868 in 2019. The rapidly increasing volumes of fruit bunches that are all processed in the Dendymarker extraction mill necessitate an expansion of the processing capacity in 2020 from 20 to 60 tonnes per hour.

Thanks to the continuous expansion in South Sumatra, SIPEF has increased the planted area to 82,967 hectares in the past year. The further completion of the potential expansion on the acquired concessions will take SIPEF to 94,265 planted hectares by 2023. In each further expansion of operations, the sustainability aspects in the context of the Roundtable on Sustainable Palm Oil (RSPO) certification remain the initial requirement, just like keeping the debt ratio of the SIPEF group under control.

Outlook 2020

The outlook for the production in Papua New Guinea has been adjusted downwards by 20%. The more than 3,000 hectares that were covered in ash and stones are only very gradually being restored to production over a period of at least two years.

However, SIPEF is expecting increasing volumes in Indonesia, where the new plantations in South Sumatra are rapidly reaching maturity. Consequently, a more than 10% production increase is projected for the SIPEF group compared to the disastrous year 2019.

The conditions are favourable for the evolution of palm oil prices. Global production will not increase, due to the delayed effect of the drought of mid-2019 and the fact that, in view of the persistently lower prices, the smallholders have fertilized less land. The demand remains high, due to the increasing consumption in the food market as well as the increasing volumes that are being processed worldwide in biodiesel. Meanwhile, stocks have shrunk to a low point.

SIPEF NV

(USD 1,000)	2019	2018	2017
Turnover	**248,310**	275,270	321,641
EBITDA	**47,225**	88,811[1]	125,909[2]
EBIT	**4,940**	50,065[1]	90,261[2]
Net result (group share)	**-8,004**	30,089	139,663[3]
Shareholders' equity (group share)	**628,686**	644,509	634,636
Net financial position	**-164,623**	-121,443	-83,697
Balance sheet total	**943,125**	938,368	907,008

[1] Including capital gain (USD 7.4 mio) on sale of BDM-Asco
[2] Excluding USD 79.3 mio (group share: USD 75.2 mio) remeasurement gain on acquisition of PT Agro Muko
[3] Including USD 75.2 mio remeasurement gain on acquisition of PT Agro Muko

Given the more comfortable price context for palm oil from the end of 2019, supported by a solid basic demand, especially also from the biodiesel market, and the expected stagnation of global production in the next two years, there is the prospect of markedly better results in 2020.

For some weeks now, large parts of the world have been confronted with the consequences of the outbreak of COVID-19. This is causing some logistical complications for the SIPEF group, yet without this adversely affecting the production on the plantations. Nevertheless, SIPEF is reporting a (probably) temporary decrease in the demand for palm oil, which has a negative impact on the market price.

Partners for sustainable growth

- Sustainability is an essential aspect of SIPEF's corporate model. The management of plantations is inextricably linked to respect for the planet and for people. SIPEF undertakes to establish and manage plantations in a safe, responsible and sustainable way with focus on best practices. All palm oil produced by SIPEF meets RSPO's sustainability standards. The group also directly and indirectly creates employment and prosperity in often remote areas.
- SIPEF's ESG policy is reflected in the Responsible Plantation Policy, which is assessed each year by the board of directors, and in which the corporate values are translated into the following principles: 1) no new use of peatlands, 2) no deforestation, and 3) no social exploitation. In 2019, the company published its first annual extensive sustainability report.
- SIPEF chose the following material ESG factors at its level: certification, biodiversity, zero deforestation, zero forest fires, reduction of greenhouse gas emissions, reduction of chemical products use, reduction of water footprint, increase of profitability, decent working conditions, health and well-being, development of local communities, care for the smallholders, and traceability. In this way, SIPEF contributes to the achievement of several SDGs.

www.sipef.com

SIPEF

Shareholding percentage AvH: 20%


Sreekanth Reddy


Prasad Kolluru

Sagar Cements

Sagar Cements is a listed manufacturer of cement, with headquarters in Hyderabad (India). The factories in the states of Telangana and Andhra Pradesh, in the south of India, have a total cement capacity of 5.75 million tonnes per year.

Although the growth of GDP in 2019 (6%) was slightly lower than in 2018, India remains one of the fastest growing economies in the world. Nevertheless, the postponement of government spending on infrastructure development affected the cement industry. Moreover, the exceptional monsoon rains slowed the increase in demand, while the overcapacity on the market persisted. However, capacity utilization is expected to improve steadily.

Sagar Cements increased its turnover over the calendar year 2019 by 8% (in INR), from 11.5 billion INR (142 million euros) in 2018 to 12.4 billion INR (157 million euros) in 2019. This turnover increase is primarily the result of the capacity expansion of the grinding facility in Vizag (from 0.3 million tonnes to 1.5 million tonnes). Sagar also succeeded in slightly reducing its costs per tonne by taking measures to improve energy efficiency and reduce average transportation distances. Sagar's net result over the calendar year 2019 amounted to 5.6 million euros (2018: -0.1 million euros).

In January 2019, Sagar announced its plans to further expand its cement production capacity to 8.25 million tonnes per year through the construction of a 1.5 million tonnes grinding station in East India (Orissa) and a 1 million tonnes cement factory in Central India (Madya Pradesh). The preliminary infrastructure works have already begun, and the two facilities are expected to become operational in the first half of 2021. This is in line with Sagar Cements' strategy of increasing its capacity to 10 million tonnes by 2025, and of further expanding its market reach into regions with a strong potential for growth.


Sagar Cements

This expansion will be financed by a mix of debts and the preferential allocation of convertible warrants for an amount of 2.26 billion INR (28 million euros). AvH is participating in the preferential allocation on a 50/50 basis, together with the Reddy family, and has exercised half of its warrants in 2019. As a result, its interest increased to 19.86%. After the second tranche is exercised (scheduled in May 2020), AvH's interest will increase to 21.85%. The entire operation represents an investment of approx. 14 million euros for AvH.

Sagar Cements LTD

(€ 1,000)	2019	2018	2017
Turnover	**157,173**	142,169	132,132
EBITDA	**26,066**	16,138	19,581
EBIT	**16,552**	8,392	12,512
Net result (group share)	**5,610**	-52	2,482
Shareholders' equity (group share)	**118,594**	96,299	105,346
Net financial position	**-58,578**	-67,069	-59,412
Balance sheet total	**234,080**	218,835	218,002
Exchange rate INR/€			
P&L	**78.73**	80.65	73.96
Balance sheet	**79.94**	80.00	73.53

Partners for sustainable growth

- Following the recent investment in a photovoltaic installation of 1.25 MW, Sagar continued to invest in green energy by commissioning two own hydroelectric power stations with a total capacity of 8.8 MW. At this moment, 20% of Sagar's electricity comes from renewable sources. Sagar wants to increase its renewable energy-sourced electricity consumption to 30% within the next five years and to 50% by 2030.
- Sagar also continued to work on improving its energy efficiency with the expansion of its heat recovery system in the Mattampally plant from 6.4 MW to 8.5 MW and the further reduction of the average transportation distances by an increased capacity utilization of the Vizag plant.

www.sagarcements.in


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AvH & Growth Capital

The good results of most of the participations in 'Growth Capital' were reflected in a profit contribution of 17.6 million euros. This markedly better result brought an end to six more difficult years.

Capital gains increased to 112.9 million euros (including the 105.7 million euros on the sale of Residalya).

Favourable financial markets also had a positive impact on the results of 'AvH & subholdings'.

Contribution to the AvH consolidated net result

(€ million)	2019	2018	2017
Contribution of participations	**17.6**	-6.9	-1.3
AvH & subholdings	**-3.5**	-13.7	-10.6
Capital gains/losses and impairments	**112.9**	-2.2	17.6
Total	**127.0**	-22.8	5.7

Agidens[(2)]	86%	Manuchar	30%
AXE Investments	48%	Mediahuis	13%
Biolectric Group	60%	Medikabazaar[(1),(3)]	9%
Biotalys[(1)]	15%	OncoDNA[(1),(4)]	12%
Euro Media Group	23%	Telemond	50%
HealthQuad I Fund[(1)]	36%	Turbo's Hoet Groep	50%

(1) Not consolidated - (2) Including through AXE Investments - (3) Including through HealthQuad I Fund - (4) Fully diluted

AvH & Growth Capital

AvH makes venture capital available to a limited number of companies with international growth potential. The investment horizon is longer on average than that of the typical private equity providers. The diversified nature of these investments and the healthy balance sheet structures that are pursued in that respect contribute to a spread of the economic and financial risks.

A selective investment policy takes account of a number of social trends, a sustainable growth potential, and realistic long-term business plans. Special attention is paid to the quality of the management team, talent development, operational improvements, innovation, and the development of the turnover. By restricting the number of participations, the AvH team is able to build up an in-depth understanding and help shape the strategy in an informed manner. AvH organizes workshops where the group companies can share best practices.

Despite the volatile economic context, the European M&A market was still characterized in 2019 by a high volume of transactions, fuelled by the size of available funds. As a result of the low interest rate environment, there remained a substantial risk appetite in the search for yield. The volume of corporate lending remained high, while there appeared to be a decrease in the average level of creditworthiness. Private equity funds were reporting a large inflow of fresh capital thanks to excellent past results. Moreover, those funds were increasing in size, covering a wider range of activities and sectors, or were adopting longer investment horizons. Venture capital was becoming more and more attractive as a result of a number of success stories. However, certain controversial cases showed that an underlying profitable business model is required where disruption alone is not enough. Given the size of the available funds and the appearance of new players, such as family offices, businesses were less inclined to go to the stock market. Institutional investors continued to increase their private equity allocation in this context. Valuations remained high and therefore called for great selectivity.

AvH can look back on a busy investment year in 2019. Numerous projects were examined on the basis of social trends or their contribution to sustainability goals. Insofar as necessary, more attention was paid to ESG aspects at the existing participations as well. Several participating interests were taken in a number of relatively young companies, some of which will have to bear substantial development costs for many years yet. Biolectric is a production company of compact biogas installations for cattle farms and water purification stations. Biotalys, formerly AgroSavfe, is active in the development of protein-based food and crop protection products. Medikabazaar is the market leader in India in the supply of medical equipment to hospitals via an online model. Follow-up investments took place in the Indian HealthQuad fund, which also invested in Medikabazaar, and in OncoDNA.

Contribution of the participations

The good performance of most participations ensured that a substantial contribution was made to AvH's results.

Manuchar once again reported good figures as the production division no longer weighs on the profit, despite a context of volatile international trade and exchange rates. Turbo's Hoet Groep again reported a substantial turnover increase and was able to maintain the profit levels of previous years. Telemond sustained the trend of recent years with a substantial profit increase, partly thanks to an increasing turnover. Mediahuis realized a lower result due to a number of restructuring operations in Belgium, characterized by a difficult media market, as well as to the costs associated with the acquisition of the Irish Independent News & Media. Agidens returned to profit following the successful delivery of the large-scale Beatrix lock project in the Netherlands. Typically in an uneven year, Euro Media Group reported a poor result, despite the increase in turnover. Biolectric achieved a strong operational growth in terms of order book, which did not yet translate into net profit due to the major investments made in 2019 in the development of the team. At AXE Investments, an impairment weighed on the net profit. Finally, OncoDNA implemented a successful capital increase and continued its development programme.

1

1. Biolectric
2. Biotalys
3. OncoDNA
4. Manuchar
5. Agidens


2


3


4

5

Net capital gains/losses and impairment losses

At the end of June, AvH finalized the sale of its participation (71.72%) in HPA, the parent company of Residalya, to DomusVi. This transaction provided AvH with cash proceeds of 165 million euros and a capital gain of 105.7 million euros.

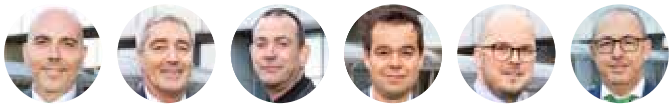
AvH also sold its participation in Henschel Engineering (owner of real estate in Wilrijk that was previously used for industrial purposes by the Telemond group) in the course of 2019. An additional gain was realized on the sale of the participation in Ogeda (transaction of 2017).

AvH & subholdings

The result contribution of AvH & subholdings is traditionally negative, as the proceeds from the participations are reported in the respective segments. This contribution therefore mainly consists of general costs (operating costs), financial results and, where applicable, capital gains/losses on the investment portfolio and results from non-consolidated participations.

The contribution in 2019 was positively impacted by (non-realized) value fluctuations (8 million euros) in the investment portfolio that must be recognized in profit and loss. AvH's investment portfolio predominantly consists of investment funds.

Shareholding percentage AvH: 86%



Geert Stienen | Marc Bocxstael | Arnoud den Hoedt | Jo Janssens | Steven Peeters | Pieter Tilkens

Agidens

Agidens provides advice, automation and maintenance services for five focus markets: Life Sciences, Tank Terminals, Infrastructure, Food & Beverage and Chemicals. The group currently has about 650 employees, spread across Belgium, the Netherlands, France, Switzerland and the USA.

Agidens closed 2019 with a record order intake of more than 90 million euros, a turnover of 92.9 million euros and a net profit of 1.3 million euros. The order book remains well-filled, amounting to approximately 50 million euros.

With its '**20/20 Vision**', Agidens maintains a strong focus on product innovation, recurring operations and the opening up of new markets and customers.

Agidens realized a strong growth in the **Tank Terminals** segment (Oil & Gas). Despite the persistent overcapacity on the market and the impending global recession, Agidens was able to increase its market share by winning a number of strategic projects at key accounts and new customers. The activities in Houston were off to a good start with the conclusion and performance of a first SLA with a key account and by supporting a number of local customers.

Food & Chemicals recorded a 50% growth thanks to a strong strategic focus, a change in the sales approach, and the conclusion of partnerships. The offering in MES (Manufacturing Execution System), a crucial item in the automation of production lines, increased substantially and led to an improvement in market position and profitability.

The **Life Sciences** segment continued its expansion in Western Europe. The development of the thermal and clean room activities and the increasing order book for Managed Services fuelled a further increase in turnover and profitability. A large-scale automation project for a Swiss customer, due for delivery in 2020, lays the foundations for the growth of these activities in the Benelux countries and in Switzerland.

Cold Stabilisation Module (CSM) at the Molson Coors brewery site - Zagreb

The **Infrastructure** segment recorded an increasing demand for its unique expertise in automation in among others tunnels, bridges and locks in Belgium and the Netherlands. The loss-making project in the Netherlands was successfully delivered in accordance with the requirements and within the agreed time limit.

Agidens NV

(€ 1,000)	2019	2018	2017
Turnover	**92,875**	82,550	71,255
EBITDA	**6,297**	-2,996	1,938
Net result (group share)	**1,326**	-6,180	-413
Shareholders' equity (group share)	**16,548**	15,557	21,480
Net financial position	**-16,021**	-4,690	3,969

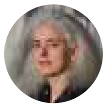
Partners for sustainable growth

- A sustainable ESG policy is one of the priorities of Agidens. The efforts in the area of sustainability were rewarded among others with the Level 5 certification on the CO_2 Performance Ladder and an EcoVadis 2019 CSR Silver Medal.
- Agidens builds sustainable systems for customers to improve quality, safety and efficiency and reduce raw material consumption.
- The continuous pursuit of improvement for all stakeholders and the facilitation of measures that improve the well-being of employees in a spirit of respect, sense of responsibility, open-mindedness and excellence are key points.
- Agidens also has a Code of Business Conduct.

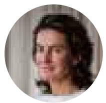
www.agidens.com

Agidens

Christian Leysen



Saskia Lapere



Veerle Peeters

Shareholding percentage AvH: 48%

AXE Investments

The investment company AXE Investments is a joint venture of Anacom (controlled by Christian Leysen) and Ackermans & van Haaren.

As an investment company, AXE Investments has stakes in the IT group Xylos and in Agidens. In addition, AXE Investments also owns part of the Ahlers building on the Noorderlaan in Antwerp. Together, the results from the participation in Xylos and the rental income from the Ahlers building determined the annual result of AXE Investments. In addition, a one-off impairment impacted the net profit in 2019.

Xylos is a leading company in the Belgian ICT landscape, focusing on the digital transformation of its customers. The company offers solutions for change management, the digital workplace and cooperation platforms, Intelligent Cloud and ICT infrastructure. User adoption is always the main concern. Xylos has long experience in the coaching of employees in change processes, a.o. through ICT-related training courses, digital coaches, e-learning (Neo) and online learning platforms (Oase).

The e-learning consultants of Neo create custom-made digital learning experiences. Xylos has also developed a digital knowledge platform around Office tools, called Oase. The platform can be accessed 24/7, everywhere and from every device, and also gives the customer an idea of how the Office tools are being adopted by its staff.

Xylos is also a shareholder of the Internet of Things company Bagaar, which assists and supports its customers from A to Z in their digital transformation: from strategic, customised advice to the development of new (digital) products and services.

AXE Investments NV[1]

(€ 1,000)	2019	2018	2017
Turnover	**630**	634	697
EBITDA	**122**	183	183
Net result (group share)	**-68**	226	1,887
Shareholders' equity (group share)	**14,841**	14,909	15,031
Net financial position	**4,463**	4,073	3,733

[1] The figures of Agidens are not consolidated at the level of AXE Investments.

The Xylos group employs 250 people, and has offices in Brussels, Antwerp, Herentals and Ghent. The contribution of Xylos is recognized in the financial statements of AXE Investments through equity accounting.

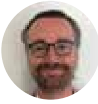
Xylos

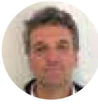
Partners for sustainable growth

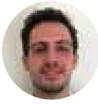
- In 2019, for the second year in a row, Xylos was voted 'Great Place to Work'. It was selected as the fourth best workplace in Belgium, on the basis of a Trust Index© Survey and a Culture Audit© that assesses nine policy areas. It is a reward for its day-to-day dedication to the corporate values of Care, Grow and Passion.
- The experts of Xylos help customers to innovate. The ICT infrastructure and systems are adapted to the new digital technologies to make them more efficient, better attuned to new developments, and also able to transform to agile in the future, with faster time-to-market.

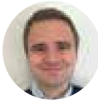
www.axe-investments.com axe investments

Shareholding percentage AvH: 60%


Philippe Jans


Hans Degrande


Laurens De Vos


Klaas Vanhee

Biolectric Group

Biolectric is market leader in the segment of the production and sale of compact biogas installations (11 to 74 kW) intended for cattle and pig farms and water purification stations. Thanks to the anaerobic digestion technique, methane gas from manure and sludge is converted into sustainable electricity and heat, avoiding the emission of harmful greenhouse gases.

Installation Sweden


Biolectric

Biolectric was established in 2011 and has worked hard over the past few years to create a reliable, high-tech and highly cost-competitive product. Biolectric's technology is capable of substantially reducing the ecological footprint of dairy products, thereby contributing to a more sustainable agriculture. So far, Biolectric has installed more than 200 units in 10 countries, including Belgium, France, the Netherlands, Poland, the United Kingdom, Italy and Sweden. The installation of a unit takes on average just three days.

Biolectric sold 56 installations in 2019 (more than 50% increase compared to 2018) and realized a turnover of 5.8 million euros. Besides selling installations to farmers, Biolectric has started offering maintenance contracts and setting up installations at farms while retaining ownership of the installations. 2019 was a year of transition for Biolectric. Biolectric recorded a limited loss (-0.1 million euros) due to the acquisition process and the costs associated with the substantial reinforcement of its production and sales team.

Biolectric NV

(€ 1,000)	2019
Turnover	5,830
EBITDA	75
Net result (group share)	-127
Shareholders' equity (group share)	9,902
Net financial position	-3,323

With the backing of AvH, Biolectric has the ambition to substantially increase the number of installations in Europe and in the meantime further develop its product portfolio. AvH acquired a 60% participation in Biolectric at the beginning of 2019, alongside the founder and CEO, Philippe Jans.

Partners for sustainable growth

- The global livestock population is responsible for about 10% of all greenhouse gas emissions. A solution to the emission of methane gas, a greenhouse gas that is 28 times (even 34 times according to some sources) more harmful than CO_2, will therefore have a huge impact on efforts to control global warming. Biolectric can make a significant contribution to these efforts. By installing one digester, an average Belgian farm can avoid 270 tonnes of CO_2 equivalents of methane gas emissions, which corresponds to the annual emissions from 150 cars. Biolectric's solution thus creates a win-win situation for farming and the environment.

www.biolectric.be

Biolectric

Patrice Sellès · Mark Chadwick · Luc Maertens · Hilde Revets · Mike Stepan

Shareholding percentage AvH: 15%
(not consolidated)

Biotalys

Biotalys, a spin-off of the Flemish Institute for Biotechnology founded in 2013 under the name AgroSavfe, is a fast-growing food and crop protection firm that has developed a unique and versatile technological platform designed for the development of biocontrols.

Biocontrols are new protein-based agents that provide a safe, sustainable and efficient protection for food and crops. Biotalys has developed a product pipeline of efficacious and safe products with new action mechanisms that combine the strong efficacy of chemicals with the safety profile of organic products. This makes them the ideal crop protection products both before and after harvesting.

BioFun 1, the first biofungicide in the pipeline, combats moulds on fruit and vegetables and is being extensively tested in field trials in Europe and the USA. The field trials demonstrate the strong effect of the biofungicide, which can compete with synthetic chemical solutions and also leaves no residues. Biotalys expects to launch BioFun 1 on the American market in 2022, followed by global market introductions.

In the summer of 2019, AvH announced the investment of 10 million euros in Biotalys as part of a capital-raising round totalling 35 million euros. As a result, AvH acquired a 14.6% stake in the capital.

Biocontrols represent a global turnover of approximately three billion euros, out of a total turnover in crop protection of more than 50 billion euros. There are several trends and factors that work strongly in Biotalys' favour: the population growth, the need for efficiency improvement in agriculture, the trend towards healthy and environmentally friendly food, and the ever stricter rules on the use of chemical crop protection products. AvH wants to make an active contribution to the long-term development of Biotalys as a frontrunner in the market of environmentally friendly and sustainable crop protection.

Biotalys

Partners for sustainable growth

- The core activities of Biotalys are focused on the development of sustainable, safe and efficient food and crop protection products. In this way, Biotalys actively contributes to a safe and sustainable food production from the field to the plate. Its unique and patented technological platform has been developed to rapidly generate innovative crop protection products that are highly effective and protect both the food and the environment. The products provide farmers with reliable and cost-effective means to prevent loss of crops while at the same time offering post-harvest protection and reducing food wastage.
- Teamwork, innovation, passion, well-being and responsibility are the values that Biotalys pursues and that form the basis of its corporate culture and business ethics.

"Good for us, good for the planet"

www.biotalys.com

Shareholding percentage AvH: 23%

Patrick van den Berg

François-Charles Bideaux

Euro Media Group

Euro Media Group (EMG) is a key player in the audiovisual technical facilities market in Europe and is present in eight countries.

EMG is active in eight countries: France, Belgium, the Netherlands, United Kingdom, Germany, Italy, Luxembourg and Switzerland.

In 2019 EMG continued its buy & build strategy with the acquisition of Telegenic in the UK and Global Productions in Italy. Both companies are operating mobile production facilities. These UK and Italian acquisitions strengthen EMG's presence in the respective local markets and in Europe in general. EMG also acquired a minority participation in SDN Square, a Belgian company, providing software solutions for IP networks in the media industry. EMG also continued its investment program, in UHD, which is becoming more and more the international and local production standard. In parallel to upgrading its equipment to UHD EMG also invests in remote production centers, and in its OB2020 broadcast truck based around IP production, which allows very flexible and scalable technical set-ups.

In 2019, the activities in Belgium (including Videohouse and DB Video), the UK and The Netherlands were the main contributors to the operating result of EMG. The French activities of EMG almost realized a break-even operating result in 2019. In 2020, EMG will focus on further integration of its Italian operations.

In 2019, the EBITDA decreased to 53.8 million euros and the operating result (EBIT) to 6.7 million euros. This decrease is a result of the lack of major international sport events in 2019 (such as the Winter Olympics and the Football World Cup in 2018). This was partly compensated by the contribution of the 2019 acquisitions as well as EMG's presence on other international events in 2019 such as the Women's World Cup Football in France, University Games in Italy, the Nordic World Ski Championships in Austria and the European elections. There was also a high level of non-operating expenses in 2019, mainly related to the analysis of external growth opportunities. The net result decreased to -9.6 million euros (2018: 0.8 million euros), of which 5.6 million euros attributable to non-recurring expenses and 8.3 million euros non-cash interest on convertible obligations.

Financière EMG

(€ 1,000)	2019	2018	2017
Turnover	**337,541**	306,644	304,220
EBITDA	**53,848**	55,431	54,979
Net result (group share)	**-9,636**	838	-4,566
Shareholders' equity (group share)[1]	**104,240**	103,364	96,460
Net financial position (without convertible bonds)	**-149,373**	-68,001	-70,957

[1] € 100.5 mio convertible bonds, issued by Financière EMG for the benefit of the shareholders of Financière EMG, are included in the shareholders' equity, but not in the net financial position (2018: € 92.9 mio, 2017: € 85.8 mio).

2020 promised to be a particularly busy year for EMG, a.o. with important assignments in the context of major international sporting competitions such as the European Football Championship, the Olympic Games and other events (such as the Eurovision Song Contest). As a result of the COVID-19 crisis, however, EMG is faced with a still increasing number of cancellations and postponement of contracts. This will undoubtedly have a negative impact on the results of 2020. At this moment (mid-March 2020) it is still too early to make a reliable assessment of that impact.

Women's World Cup Football - France

Partners for sustainable growth

- EMG is taking its social and environmental responsibilities seriously. Different environmental initiatives are being rolled-out on energy efficiency (LED lights) and fuel / emission management (investment in Euro 6 trucks, company cars with a limited emission level, less business travel and higher use of videoconferencing).
- Social health and safety trainings get more attention.
- Related to governance, EMG rolled out a Code of Conduct and implemented GDPR as well as the French anti-corruption law Sapin II between 2018 and 2019.

www.euromediagroup.com

Shareholding percentage AvH: 30%

Philippe Huybrechs · Dirk Aerts · Sofie Beernaert · Barry Collard · Matthias De Raeymaeker · Bart De Schutter · Ben De Voecht

Marc Jacobs · Anthony Maas · Bart Troubleyn · Stephan Van den Eynde · Stefan Van Loock

Manuchar

Manuchar is active in the distribution of (mainly) dry bulk chemicals, with focus on emerging markets. Relying on its strong local presence, maritime trade volumes and a solid back office, it is also active in international trading (back-to-back) of steel, plastics, paper and certain other commodities.

2019 was marked by considerable political and economic instability, especially in Latin America, the region that is important for Manuchar. Trade and geopolitical tensions caused a slowdown in industrial production growth and a stagnation of international trade across the world. The steel market in particular was highly volatile. The trade disputes between China and the United States and geographical changes in export capacity had a significant impact on the turnover.

Manuchar's operational results were good despite political and economic instability in the emerging markets. They testify to the resilience of the group and the strength of a wide geographical spread with highly integrated local teams. Virtually all group companies made a positive contribution to the net result. The favourable outcome of a dispute in Brazil also had a beneficial impact on the result. Consequently, Manuchar closed the year with a record result of 28 million USD.

In 2019, the remaining production activities in Mexico (sodium sulphate production) and France (wood activities) were deconsolidated or sold, allowing Manuchar to focus more on its core activities of chemical distribution and international trade in emerging markets.

Manuchar continues to focus on the acquisition of local infrastructure at strategic locations around ports in emerging markets. In 2019, a new site with 30,000 m² storage capacity was opened in Imbituba, Brazil. Manuchar currently has a total storage capacity of 447,000 m², of which 257,000 m² is owned or in concession.

In this way, Manuchar continues to be well-positioned to supply its customers in a competitive way from different continents, in line with its motto: 'We keep your production running, anytime, anywhere'.

Manuchar NV

(USD 1,000 - BGAAP)	2019	2018	2017
Turnover	**1,518,033**	1,691,121	1,399,848
EBITDA	**76,755**	79,389	55,480
Net result (group share)	**28,484**	-10,609	176
Shareholders' equity (group share)	**99,382**	68,450	82,510
Net financial position	**-347,151**	-464,176	-375,430

Igarassu - Brasil

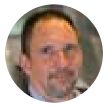
Partners for sustainable growth

- Progress was made in the area of ESG policy too. A global ethics & compliance training programme was rolled out through a central web platform.
- Transparency and reporting were improved in the form of an annual sustainability report that can be consulted on the website.
- At the same time, preparations were made for the introduction of low-sulphur marine fuels to drastically reduce sulphur emissions. This is an important step in reducing the ecological footprint of international trade.

www.manuchar.com

Shareholding percentage AvH: 13%

Gert Ysebaert



Kristiaan De Beukelaer

Paul Verwilt

Mediahuis

Mediahuis is one of the leading media groups in Belgium, the Netherlands and Ireland. The group's 35 news brands supply more than 10 million readers each day with online and printed news.

2019 was a year of further international development for Mediahuis. With the acquisition of the Irish Independent News & Media (among others The Irish Independent, The Sunday Independent and the Belfast Telegraph), Mediahuis took its first steps in the English-speaking market.

Mediahuis continued in 2019 to focus on the digital transformation of its news brands. The efforts made to let news consumers pay for high-quality online journalism paid off. The number of paying readers increased again for the first time in many years, driven by a strong increase in digital subscriptions.

That same digitalization of news consumption made an accelerated restructuring of the print business necessary. The Belgian organization implemented a transformation plan to restore the profitability of its news activities. Thanks to a further decrease of the cost base, the Dutch operations were able to make a solid contribution to the group's result.

Mediahuis and DPG Media joined forces within the market of digital classifieds. Their activities in the Belgian job and recruitment market, i.e. Jobat and Vacature.com respectively, were combined in the joint venture House of Recruitment Solutions (Mediahuis 51%). In the Dutch automotive market, the two players brought the Gaspedaal and AutoTrack brands together in the joint venture Automotive Mediaventions (Mediahuis 49%).

At the end of 2019, Mediahuis acquired 35% of the shares in the US data consultancy firm Mather Economics. For Mediahuis this means a considerable broadening of its portfolio in the fast-growing market of media technology and services.

Mediahuis reported a consolidated turnover of 857.9 million euros in 2019 and, despite significant non-recurring costs as a result of reorganisations and acquisitions, a net result of 14.7 million euros (2018: 28.3 million euros).

Mediahuis NV

(€ 1,000)	2019	2018	2017
Turnover	**857,942**	819,176	641,542
EBITDA	**82,064**	86,114	65,105
Net result (group share)	**14,723**	28,301	14,948
Shareholders' equity (group share)	**324,568**	311,475	281,703
Net financial position	**-277,897**	-161,627	-163,972

Independent News & Media

Partners for sustainable growth

- For Mediahuis, sustainable enterprise is reflected in the unconditional assurance of independent journalism, with solid and relevant media making a positive contribution to people and society.
- The high-quality and widely supported news brands of Mediahuis provide background and in-depth information in a pluralistic and truth-seeking manner.
- Mediahuis news brands miss no opportunity to fuel the debate on sustainable social themes so that readers can form their own opinion on topics that are relevant to them and to our society.

www.mediahuis.be

MEDIAHUIS

Ketan Malkan

Vivek Tiwari

Shareholding percentage AvH: 9%
(not consolidated)

Medikabazaar

Medikabazaar is a groundbreaking B2B online marketplace for medical devices and consumables in India.

The Mumbai-based firm was set up in 2015 by Vivek Tiwari and Ketan Malkan in order to bridge the gap between care providers and product suppliers and so make high-quality healthcare products more accessible. What began as a one-room office has now grown into a network of 18 advanced distribution centres across the country.

The digital catalogue with more than 300,000 products lets hospitals and medical institutions discover, investigate and compare medical devices and consumables. It means they no longer have to request quotations through several channels.

Thanks to the extensive network of suppliers and distributors, the products are available from several locations in India. With its highly efficient last-mile delivery system, Medikabazaar is able to reach hospitals in Tier 2 and Tier 3 cities as well as in remote locations.

Medikabazaar has achieved strong and consistent growth over the past few years. In 2019, Medikabazaar realized a threefold increase in run-rate revenues to 67 million USD per annum.

In November 2019, AvH subscribed to the capital increase (1,131 million INR or 14.3 million euros) of Medikabazaar, together with HealthQuad and the current shareholders. AvH acquired a direct participation of 5.4% in Medikabazaar and has a beneficial interest of 9%, taking into account its participation in the HealthQuad I fund (AvH 36%).

Medikabazaar

HealthQuad I Fund

Shareholding percentage AvH: 36% (not consolidated)

Since 2017, AvH has been a shareholder and member of the investment committee of the HealthQuad I fund, which participates in seven companies in the Indian healthcare sector, including Medikabazaar (11%). HealthQuad I focuses on and has in-depth market knowledge in the fast-growing Indian healthcare sector. The fund invests in growth companies that have the potential to contribute unique and innovative solutions to improve the efficiency, accessibility and quality of the Indian healthcare sector. Focus segments include specialized hospitals, medical devices and technology, IT/software and related services. With the medical background and expertise of the management and its extensive network, HealthQuad adds operational and strategic value to its participations. The HealthQuad I fund is now fully invested, and it is the ambition of the management to launch a second fund in the course of 2020.

www.healthquad.in

HEALTH QUAD

Partners for sustainable growth

- Indian hospitals outside the main urban areas currently only have limited access to the market of high-quality medical devices and consumables. Medikabazaar also gives smaller hospitals and medical practices access to high-quality medical devices in an efficient manner and at transparent prices.
- Medikabazaar makes a significant contribution to the necessary growth of the Indian healthcare sector, driven by the need for adequate medical infrastructure in the context of India's growing population, rising incomes and improved access to health insurance.

www.medikabazaar.com

medikabazaar ...ProCure&Cure

Jean-Pol Detiffe | Thierry Coche | Pierre Flamant | Gregori Ghitti | Myriam Guiral | Jean-Francois Laes | Tanguy Swinnen

Shareholding percentage AvH: 12%
(not consolidated)

OncoDNA

OncoDNA is a Belgian technology company specializing in oncological health care. The company supports the decision-making with regard to the treatment of patients suffering from advanced (metastatic) cancer.

Several milestones were reached in 2019 in the outlining and development of various projects. The international partnership agreement with an American pharmaceutical company is a good example. Additionally, the rollout of OncoKDM ('Knowledge Driven Medicine'), the SaaS platform for cancer data interpretation, to molecular biology laboratories around the world continued. This SaaS solution supports the clinical decision-making and is based on remote algorithmic interpretation. Laboratories can send their data and other test results to OncoKDM and subsequently receive a detailed and full analysis report with therapeutic recommendations which after validation they can share with their oncologists.

Rapid progress was also made in the international acceptance of OncoDNA's DX molecular profiling tests. Those tests result in a theranostic report that is shared on OncoSHARE, the innovative platform for communication, sharing and networking, which currently has more than 20,000 users (oncologists, patients and relatives of the patients).

2019 was also a year in which OncoDNA changed its strategy with the integration of the DX, OncoKDM and pharma segments, which had a clearly positive impact on the business as a whole.

In 2020, emphasis will be on the expansion of the activities on the American market and the further rollout of the OncoKDM platform. The aim is by the end of 2021 to assist 100,000 patients in selecting the treatment that is best suited to their condition and to collect their clinical follow-up data.

OncoDNA raised 19 million euros in series B funds at the beginning of 2020. This will allow the company to support its international growth, accelerate its developments in (bio-)information technology, and attract new staff members. As a result, AvH's shareholding percentage comes to 11.96% (fully diluted).

OncoDNA

Partners for sustainable growth

- OncoDNA takes the view that each cancer is different and that oncologists should therefore have the best clinical decision-making tools. In this way, they can prescribe the best medication for their patients, keep better track of how the cancer evolves, and check how the disease responds to the treatment.

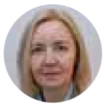
www.oncodna.com

OncoDNA
THE CANCER THERANOSTIC COMPANY


Christopher Maas


Martin Kirschbaum


Tobias Müller


Alicja Ozimek


Grego Peters


Dieter Schneider

Shareholding percentage AvH: 50%

Telemond Group

Telemond Group is a manufacturer of high-grade steel structures and modules for the hoisting, automotive and civil maritime sectors.

Telemond realized a turnover increase of 7% to 98.6 million euros in 2019. The company was able to increase its margins thanks to its persistent focus on innovation and process optimization and the powerful effects of the economies of scale. All segments made a positive contribution to the doubling of the net result.

Telemond's growth was driven by an increase in the market shares and the further diversification of the customer base, in the context of a strong market environment for building equipment. Despite the worldwide downward trend in the manufacturing industry from the second quarter of 2019, the group received a record number of orders.

Besides its commercial and financial achievements, Telemond Group restructured its organization in 2019. The activities are now divided into three business units, each with its own management team and clear strategic goals. Telemond will continue to streamline its activities in order to further strengthen its unique position as world leader in the supply of telescopic and lattice structures. Henschel Engineering Automotive is well positioned for European growth in the supply of loading platforms for light commercial vehicles to OEMs and dealers. It will also focus on the development of new products. Teleyard will seek to utilize Telemond Group's innovation potential in the manufacture of steel structures for the offshore industry.

Telemond, Telehold, Henschel[1]

(€ 1,000)	**2019**	2018	2017
Turnover	**98,575**	92,327	75,814
EBITDA	**12,665**	9,195	6,846
Net result (group share)	**8,194**	4,075	2,474
Shareholders' equity (group share)	**55,735**	52,994	52,246
Net financial position	**-9,792**	-15,415	-13,752

[1] Consortium consolidation

Telemond Group is generally well-placed to further strengthen its competitive position. The group sees innovation at every level - organizational, technical and promotion of digitalization - as a critical success factor.

Telemond

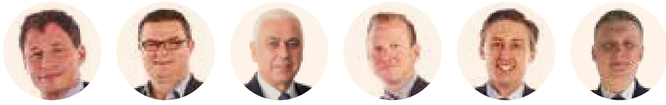
Partners for sustainable growth

- Telemond was able, in a challenging labour market, to attract and retain qualified workers and to keep staff turnover low. The group's dedication to a sustainable HR policy and an effective employer branding made the promised evolution to a forward-looking organization in a traditional industry segment come true.

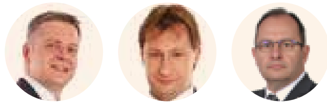
www.telemond.be

TELEMOND

Shareholding percentage AvH: 50%



Piet Wauters | Kristof Derudder | Gheorghe Chita | Bart Dobbels | Filip Matthijs | Sergei Tarasiuk



Peter Tytgadt | Serge Van Hulle | Georgi Zagorov

Turbo's Hoet Groep

Turbo's Hoet Groep (TH) is a leading European truck dealer and leasing company for commercial vehicles. In addition, TH is also one of the major European turbo distributors for the aftermarket.

Turbo's Hoet Groep has 50 branches in 8 countries: Belgium (12), Russia (11), Romania (11), France (9), Bulgaria (4), Belarus (1), Luxembourg (1) and Moldavia (1). The group is one of the biggest DAF dealers worldwide.

The European truck market (+16T) remained stable at 321,000 vehicles in 2019. The more than 17% increase during the first six months was entirely offset by a significant decrease during the second half of the year. Geographically, too, contrasting trends can be seen, with a generally slight increase in the Western European market and a limited decrease in Eastern Europe.

In 2019, TH was able to make progress in further consolidating its strategy of sustainable and profitable international growth. The group achieved a significant increase in its turnover to 602.0 million euros (2018: 532.6 million euros), primarily thanks to the acquisition of 50% of EVW Holding, which with more than 400 employees is the only DAF dealer in Romania (11 dealerships) and Moldavia (1 dealership). For TH this transaction was the largest acquisition since its inception in 2006. In Minsk, a state-of-the-art new-build service point opened in mid-November, the largest in Belarus, and helps TH to sustainably consolidate its position in that country too. The net result remained stable at 10 million euros.

Since February 2020, the first impacts of the COVID-19 crisis have become apparent in large parts of the transport business. Mid-March 2020, several truck manufacturers are shutting down their production lines, and in accordance with the health regulations the servicing activities are being temporary suspended in most of the countries where Turbo's Hoet Groep operates. This will obviously have a negative impact on the profitability in 2020, although it is not yet possible to make a reliable assessment of that impact.

Turbo's Hoet Groep NV

(€ 1,000 - BGAAP)	2019	2018	2017
Turnover	**602,016**	532,647	467,665
EBITDA	**32,423**	30,837	27,837
Net result (group share)	**9,951**	10,136	9,677
Shareholders' equity (group share)	**116,476**	107,154	102,599
Net financial position	**-136,338**	-117,468	-106,440

Minsk - Belarus

Partners for sustainable growth

- TH attaches a large importance to sustainable and ethical enterprise, with respect for the individual and for society. As one of the major European truck dealers, TH endeavours to take the lead in fostering a general change of attitude and awareness raising.
- TH is only a dealer for manufacturers who adhere to the same vision. Those manufacturers have succeeded in the past 10 years in reducing the fuel consumption of their vehicles by around 15%. Over the last 20 years, soot emissions of those vehicles have even been reduced by as much as 95%.
- For several years now, TH has organized driving lessons for truck drivers aimed at improving their driving behaviour in order to reduce fuel consumption and emissions.
- TH continuously monitors its infrastructure and constantly keeps investing in modernization and sustainable innovation. So far, TH's buildings have already been fitted with solar panels with a capacity of 1 MW, generating sustainable green power equivalent to the annual power consumption of nearly 600 households.

www.th-group.eu

TURBOS HOET GROUP

Financial statements 2019

Ackermans & van Haaren

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The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on December 31, 2019, as approved by the European Commission.

Income statement

(€ 1,000)	Note	2019	2018
Revenue		**4,270,398**	**4,458,181**
Rendering of services		89,270	207,745
Lease revenue		10,866	10,239
Real estate revenue		217,181	316,576
Interest income - banking activities		92,243	95,126
Fees and commissions - banking activities		69,131	61,224
Revenue from construction contracts		3,695,290	3,626,080
Other operating revenue		96,416	141,192
Other operating income		**6,609**	**14,290**
Interest on financial fixed assets - receivables		0	7,858
Dividends		6,547	5,677
Government grants		0	0
Other operating income		62	754
Operating expenses (-)		**-3,974,839**	**-4,127,873**
Raw materials and consumables used (-)		-2,263,227	-2,272,906
Changes in inventories of finished goods, raw materials & consumables (-)		59,431	-16,488
Interest expenses Bank J.Van Breda & C° (-)		-24,597	-24,841
Employee expenses (-)	24	-809,938	-842,070
Depreciation (-)		-342,950	-297,044
Impairment losses (-)		-27,225	-40,533
Other operating expenses (-)	25	-600,850	-658,139
Provisions	17	34,516	24,149
Profit (loss) on assets/liabilities designated at fair value through profit and loss		**23,531**	**3,704**
Financial assets - Fair value through P/L (FVPL)	12	18,182	2,974
Investment property	10	5,348	730
Profit (loss) on disposal of assets		**121,899**	**50,421**
Realised gain (loss) on intangible and tangible assets		6,379	7,510
Realised gain (loss) on investment property		-308	0
Realised gain (loss) on financial fixed assets		113,216	42,168
Realised gain (loss) on other assets		2,613	743
Profit (loss) from operating activities		**447,598**	**398,723**
Finance income		**45,586**	**59,867**
Interest income		20,708	10,414
Other finance income		24,878	49,454
Finance costs (-)		**-71,582**	**-99,305**
Interest expenses (-)	18	-35,333	-36,295
Other finance costs (-)		-36,248	-63,010
Derivative financial instruments designated at fair value through profit and loss	20	**-5,370**	**114**
Share of profit (loss) from equity accounted investments	11	**154,952**	**153,853**
Other non-operating income		**4,442**	**716**
Other non-operating expenses (-)		**0**	**0**
Profit (loss) before tax		**575,627**	**513,968**
Income taxes	21	**-61,756**	**-72,195**
Deferred taxes		12,537	6,452
Current taxes		-74,292	-78,647
Profit (loss) after tax from continuing operations		**513,871**	**441,773**
Profit (loss) after tax from discontinued operations		**0**	**0**
Profit (loss) of the period		**513,871**	**441,773**
Minority interests	15	118,971	152,134
Share of the group		394,900	289,639

Earnings per share (€)			
1. Basic earnings per share			
1.1. from continued and discontinued operations		11.92	8.74
1.2. from continued operations		11.92	8.74
2. Diluted earnings per share			
2.1. from continued and discontinued operations		11.89	8.71
2.2. from continued operations		11.89	8.71

[1] We refer to the segment information on pages 149 to 161 for more comments on the consolidated results. For the first time application of IFRS 16 Leases, we refer to Note 1 Valuation rules.

Statement of comprehensive income

(€ 1,000)	2019	2018
Profit (loss) of the period	**513,871**	**441,773**
Minority interests	118,971	152,134
Share of the group	**394,900**	**289,639**
Other comprehensive income	**-51,862**	**1,904**
Items that may be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: bonds - Fair value through OCI (FVOCI)	3,446	44
Taxes	-1,019	-13
	2,426	31
Changes in revaluation reserve: hedging reserves	-55,846	-7,396
Taxes	7,413	603
	-48,434	-6,793
Changes in revaluation reserve: translation differences	7,088	8,816
Items that cannot be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: shares - Fair value through OCI (FVOCI)	-292	-156
Taxes	86	0
	-205	-156
Changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	-16,756	-604
Taxes	4,019	610
	-12,737	6
Total comprehensive income	**462,009**	**443,677**
Minority interests	97,392	149,061
Share of the group	**364,618**	**294,615**

For a breakdown of the item 'Share of the group and Minority interests' in the results, we refer to the segment reporting starting on page 149 of this report.

As a result of the application as of 2018 of the new accounting standard "IFRS 9 Financial Instruments", financial assets are broken down into three categories on the balance sheet. Another consequence of the application of this new standard is that, as of 2018, fluctuations in the fair value of financial assets are reported in the consolidated income statement. The only exception to this rule are the fair value fluctuations in the investment portfolio of Bank J.Van Breda & C° and Delen Private Bank, which in the table above are divided into shares and bonds.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by group companies to hedge against risks. Several group companies have hedged against a possible rise in interest rates. Across the group, the total unrealized loss on hedging instruments, mainly on interest rates and exchange rates, has increased by 48.4 million euros (including minority interests) in 2019. Mainly DEME, Leasinvest Real Estate and Rentel/SeaMade have protected themselves against a change in interest rates. As a result of the evolution of the market interest rates, the market value of these hedges has evolved negatively.

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. In 2019, the euro decreased in value against most relevant currencies, which on balance is reflected in positive translation differences of 7.1 million euros (including minority interests).

With the introduction of the amended IAS 19 accounting standard in 2013, the actuarial gains and losses on certain pension plans are recognized directly in the other comprehensive income. The decrease in the discount rate explains the actuarial losses.

Assets

(€ 1,000)	Note	2019	2018
I. Non-current assets		**10,478,704**	**9,768,821**
Intangible assets	7	**126,902**	**176,802**
Goodwill	8	**331,550**	**339,738**
Tangible assets	9	**2,909,167**	**2,711,097**
Land and buildings		403,032	348,592
Plant, machinery and equipment		1,899,461	1,865,980
Furniture and vehicles		53,457	29,372
Other tangible assets		5,245	4,518
Assets under construction and advance payments		547,971	462,635
Investment property	10	**1,336,093**	**1,137,531**
Participations accounted for using the equity method	11	**1,202,477**	**1,184,765**
Financial fixed assets	12	**254,824**	**296,467**
Financial assets : shares - Fair value through P/L (FVPL)		154,418	113,526
Receivables and warranties		100,406	182,941
Non-current hedging instruments	20	**1,213**	**2,000**
Amounts receivable after one year	12	**194,739**	**185,495**
Trade receivables		0	0
Finance lease receivables	16	183,386	178,971
Other receivables		11,353	6,524
Deferred tax assets	21	**111,004**	**108,297**
Banks - receivables from credit institutions and clients after one year	13	**4,010,736**	**3,626,628**
II. Current assets		**4,782,119**	**4,371,576**
Inventories	14	**458,096**	**332,385**
Amounts due from customers under construction contracts	14	**99,893**	**85,755**
Investments	12	**476,513**	**494,420**
Financial assets : shares - Fair value through P/L (FVPL)		55,717	37,291
Financial assets : bonds - Fair value through OCI (FVOCI)		420,628	456,813
Financial assets : shares - Fair value through OCI (FVOCI)		168	316
Financial assets - at amortised cost		0	0
Current hedging instruments	20	**911**	**451**
Amounts receivable within one year	12	**1,201,722**	**1,449,334**
Trade debtors		938,560	1,138,482
Finance lease receivables	16	70,706	64,367
Other receivables		192,456	246,485
Current tax receivables	21	**25,927**	**29,516**
Banks - receivables from credit institutions and clients within one year	13	**1,595,849**	**1,424,040**
Banks - loans and advances to banks		141,306	127,693
Banks - loans and receivables (excluding leases)		999,823	936,664
Banks - cash balances with central banks		454,720	359,683
Cash and cash equivalents		**887,985**	**513,588**
Time deposits for less than three months		217,717	56,661
Cash		670,268	456,927
Deferred charges and accrued income		**35,221**	**42,088**
III. Assets held for sale	5	**40,724**	**25,067**
Total assets		**15,301,547**	**14,165,464**

For more details regarding the impact of the first time application of IFRS 16 Leases, we refer to Note 1 Valuation rules.

The breakdown of the consolidated balance sheet by segment is shown on page 152-153 of this report. This reveals that the full consolidation of Bank J.Van Breda & C° (Private Banking segment) has a significant impact on both the balance sheet total and the balance sheet structure of AvH. Bank J.Van Breda & C° contributes 6,380.9 million euros to the balance sheet total of 15,301.5 million euros, and although this bank is solidly capitalized with a Core Tier 1 ratio of 13.1%, its balance sheet ratios, as explained by the nature of its activity, are different from those of the other companies in the consolidation scope. To improve the readability of the consolidated balance sheet, certain items from the balance sheet of Bank J.Van Breda & C° have been summarized in the consolidated balance sheet.

Equity and liabilities

(€ 1,000)	Note	2019	2018
I. Total equity		**4,681,834**	**4,357,996**
Equity - group share		**3,456,109**	**3,176,447**
Issued capital		**113,907**	**113,907**
Share capital		2,295	2,295
Share premium		111,612	111,612
Consolidated reserves		**3,439,322**	**3,124,841**
Revaluation reserves		**-64,472**	**-34,190**
Financial assets : bonds - Fair value through OCI (FVOCI)		3,469	1,569
Financial assets : shares - Fair value through OCI (FVOCI)		41	228
Hedging reserves		-43,889	-13,529
Actuarial gains (losses) defined benefit pension plans		-23,019	-14,996
Translation differences		-1,074	-7,462
Treasury shares (-)	22	**-32,648**	**-28,111**
Minority interests	15	**1,225,725**	**1,181,549**
II. Non-current liabilities		**3,100,095**	**2,435,214**
Provisions	17	**45,541**	**80,048**
Pension liabilities	26	**75,990**	**62,904**
Deferred tax liabilities	21	**164,694**	**191,983**
Financial debts	18	**1,906,344**	**1,340,204**
Bank loans		1,466,076	1,120,304
Bonds		204,152	143,356
Subordinated loans		37,422	18,916
Finance and operational leases (incl. IFRS 16)		151,984	53,927
Other financial debts		46,710	3,700
Non-current hedging instruments	20	**96,874**	**59,203**
Other amounts payable after one year		**31,429**	**32,543**
Banks - non-current debts to credit institutions. clients & securities	19	**779,224**	**668,329**
Banks - deposits from credit institutions		0	0
Banks - deposits from clients		729,872	594,294
Banks - debt certificates including bonds		0	0
Banks - subordinated liabilities		49,352	74,035
III. Current liabilities		**7,519,619**	**7,372,201**
Provisions	17	**37,701**	**50,760**
Pension liabilities	26	**331**	**358**
Financial debts	18	**625,560**	**672,919**
Bank loans		279,208	214,864
Bonds		49,969	275,826
Subordinated loans		13,216	4,580
Finance and operational leases (incl. IFRS 16)		42,707	9,924
Other financial debts		240,460	167,724
Current hedging instruments	20	**10,563**	**12,569**
Amounts due to customers under construction contracts	14	**169,751**	**224,540**
Other amounts payable within one year		**1,569,197**	**1,734,272**
Trade payables		1,305,836	1,487,232
Advances received on construction contracts		861	1,270
Amounts payable regarding remuneration and social security		197,967	189,210
Other amounts payable		64,533	56,559
Current tax payables	21	**59,441**	**56,212**
Banks - current debts to credit institutions. clients & securities	19	**4,946,466**	**4,551,832**
Banks - deposits from credit institutions		27,825	27,634
Banks - deposits from clients		4,650,623	4,232,779
Banks - debt certificates including bonds		241,367	275,208
Banks - subordinated liabilities		26,651	16,211
Accrued charges and deferred income		**100,608**	**68,739**
IV. Liabilities held for sale	5	**0**	**54**
Total equity and liabilities		**15,301,547**	**14,165,464**

Cash flow statement (indirect method)

(€ 1,000)	2019	2018
I. Cash and cash equivalents - opening balance	**513,588**	**637,027**
Profit (loss) from operating activities	447,598	398,723
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-121,899	-50,421
Dividends from participations accounted for using the equity method	62,192	67,565
Other non-operating income (expenses)	4,442	716
Income taxes (paid)	-69,274	-84,563
Non-cash adjustments		
Depreciation	342,950	297,044
Impairment losses	28,628	40,661
Share based payment	-144	-362
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-23,531	-3,704
(Decrease) increase of provisions	-35,823	-21,268
Other non-cash expenses (income)	-2,425	-2,091
Cash flow	**632,713**	**642,299**
Decrease (increase) of working capital	**-41,361**	**-213,822**
Decrease (increase) of inventories and construction contracts	-123,584	-58,347
Decrease (increase) of amounts receivable	211,038	-308,384
Decrease (increase) of receivables from credit institutions and clients (banks)	-530,741	-336,488
Increase (decrease) of liabilities (other than financial debts)	-95,940	96,120
Increase (decrease) of debts to credit institutions. clients & securities (banks)	507,257	379,047
Decrease (increase) other	-9,392	14,230
Cash flow from operating activities	**591,352**	**428,478**
Investments	**-1,040,894**	**-1,103,222**
Acquisition of intangible and tangible assets	-503,154	-505,916
Acquisition of investment property	-212,713	-182,707
Acquisition of financial fixed assets (business combinations included)	-76,049	-52,612
Cash acquired through business combinations	38,212	72,454
New amounts receivable	-22,315	-54,112
Acquisition of investments	-264,875	-380,329
Divestments	**625,524**	**538,011**
Disposal of intangible and tangible assets	14,456	16,027
Disposal of investment property	42,350	3,500
Disposal of financial fixed assets (business disposals included)	202,698	159,945
Cash disposed of through business disposals	-26,483	0
Reimbursements of amounts receivable	96,889	9,241
Disposal of investments	295,615	349,297
Cash flow from investing activities	**-415,370**	**-565,211**
Financial operations		
Interest received	18,708	10,412
Interest paid	-43,749	-40,343
Other financial income (costs)	-11,157	-12,852
Decrease (increase) of treasury shares	-6,108	768
(Decrease) increase of financial debts	389,404	158,592
Investments and divestments in controlling interests	-7,478	48,641
Distribution of profits	-76,741	-73,019
Dividends paid to minority interests	-65,960	-76,820
Cash flow from financial activities	**196,919**	**15,379**
II. Net increase (decrease) in cash and cash equivalents	**372,901**	**-121,355**
Change in consolidation scope or method	0	-2,794
Impact of exchange rate changes on cash and cash equivalents	1,496	709
III. Cash and cash equivalents - ending balance	**887,985**	**513,588**

The first time application of IFRS 16 Leases has no impact on the cash flow statement. A detailed cash flow statement per segment is presented on page 155 of this report. A number of line items have been added to the presentation of the cash flow statement (to make the link with the note on 'Business combinations & disposals' more transparent, among other reasons); accordingly, the 2018 presentation was adapted as well.

Statement of changes in consolidated equity

(€ 1,000)	Issued capital & share premium	Consolidated reserves	Bonds - Fair value through OCI (FVOCI)	Shares - Fair value through OCI (FVOCI)	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Opening balance, 1 January 2018	**113,907**	**2,908,037**	**1,544**	**351**	**-10,204**	**-15,083**	**-15,774**	**-29,828**	**2,952,951**	**1,211,448**	**4,164,398**
Profit		289,639							289,639	152,134	441,773
Unrealised results			24	-123	-3,325	87	8,312		4,976	-3,072	1,904
Total of realised and unrealised results	**0**	**289,639**	**24**	**-123**	**-3,325**	**87**	**8,312**	**0**	**294,615**	**149,061**	**443,677**
Distribution of dividends of the previous financial year		-73,019							-73,019	-76,820	-149,839
Operations with treasury shares								1,716	1,716		1,716
Other (a.o. changes in consol. scope / beneficial interest %)		184							184	-102,141	-101,957
Ending balance, 31 December 2018	**113,907**	**3,124,841**	**1,569**	**228**	**-13,529**	**-14,996**	**-7,462**	**-28,111**	**3,176,447**	**1,181,549**	**4,357,996**

(€ 1,000)	Issued capital & share premium	Consolidated reserves	Bonds - Fair value through OCI (FVOCI)	Shares - Fair value through OCI (FVOCI)	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Ending balance, 31 December 2018	**113,907**	**3,124,841**	**1,569**	**228**	**-13,529**	**-14,996**	**-7,462**	**-28,111**	**3,176,447**	**1,181,549**	**4,357,996**
Impact IFRS 16 - Leases									0		0
Opening balance, 1 January 2019	**113,907**	**3,124,841**	**1,569**	**228**	**-13,529**	**-14,996**	**-7,462**	**-28,111**	**3,176,447**	**1,181,549**	**4,357,996**
Profit		394,900							394,900	118,971	513,871
Unrealised results			1,901	-187	-30,360	-8,023	6,388		-30,282	-21,580	-51,862
Total of realised and unrealised results	**0**	**394,900**	**1,901**	**-187**	**-30,360**	**-8,023**	**6,388**	**0**	**364,618**	**97,392**	**462,009**
Distribution of dividends of the previous financial year		-76,741							-76,741	-65,960	-142,702
Operations with treasury shares								-4,537	-4,537		-4,537
Other (a.o. changes in consol. scope / beneficial interest %)		-3,678							-3,678	12,745	9,067
Ending balance, 31 December 2019	**113,907**	**3,439,322**	**3,469**	**41**	**-43,889**	**-23,019**	**-1,074**	**-32,648**	**3,456,109**	**1,225,725**	**4,681,834**

The note on the unrealised results can be found on page 127 of this report. The impact of the new accounting standard "IFRS 16 Leases" on equity is nil and this is explained in Note 1 Valuation rules.

On June 5, 2019, AvH paid a dividend of 2.32 euros per share.

In 2019, AvH has purchased 65,500 treasury shares in order to hedge options for the benefit of the staff. Over the same period, the beneficiaries of the share option plan exercised options on 36,500 AvH shares. At the end of 2019, options were outstanding for a total of 343,000 AvH shares. In order to hedge these (and future) obligations, AvH owned 363,000 treasury shares on the same date.

In addition, 89,238 AvH shares were purchased and 93,125 shares were sold in the course of 2019 in the context of the contract that AvH entered into with Kepler Cheuvreux in order to support the liquidity of the AvH share. These transactions are initiated entirely autonomously by Kepler Cheuvreux, but, as they take place on behalf of AvH, the net sale of 3,887 AvH shares has an impact on AvH's equity. On December 31, 2019, the number of treasury shares in the portfolio in the context of this liquidity agreement amounts to 5,528.

The item "Other" in the "Minority interests" column arises, among other aspects, from the changes in the AvH consolidation scope (i.e. the sale of Residalya, an increased stake in CFE and Rent-A-Port, and the acquisition of control/full consolidation of Infra Asia Investments). We refer to Explanatory note 6 Segment reporting on page 149 for more details.

The item "Other" in the colomn "Consolidated reserves" includes a.o. the eliminations of results on sales of treasury shares, the impact of the acquisition of minority interests and the impact of the measurement of the purchase obligation on certain shares.

General data regarding the capital

Issued capital

The issued capital amounts to 2,295,277.90 euros. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value. Please refer to page 205 for more details regarding AvH's authorised capital.

Note 1: IFRS valuation rules

Statement of compliance

The consolidated annual accounts are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on 31 December 2019, as approved by the European Commission.

New and amended standards and interpretations
Following new standards and amendments to existing standards published by the IASB, are applied as from January 1, 2019.

- IFRS 16 Leases, effective 1 January 2019
- Amendments to IFRS 9 Financial Instruments - Prepayment features with negative compensation, effective 1 January 2019
- IFRIC 23 Uncertainty over income tax treatments, effective 1 January 2019
- Amendments to IAS 28 Interests in associates and joint ventures - Long term interests in associates and joint ventures, effective 1 January 2019
- Amendments to IAS 19 Employee benefits - Plan Amendment, Curtailment or Settlement, effective 1 January 2019
- Annual improvements to IFRS Standards 2015-2017 cycle, effective 1 January 2019

IFRS 16 Leases
This new standard sets out the principles for the recognition, valuation and provision of information relating to leasing contracts (1/1/2019), and replaces IAS 17. As a result, operating lease and rental obligations (such as real estate leases) appear on the balance sheet.

An asset (the right to use the leased property) and a financial obligation to pay rent are included under the new standard. The only exceptions to this are short-term or low-value lease contracts. The group has applied the simplified transition approach, taking into account the cumulative effect of the first application of the standard as of January 1, 2019 and, consequently, the comparative figures (financial year 2018) were not restated.

In accordance with IFRS 16 C8(b) ii, the Group has opted to value the right to use the asset at an amount equal to the lease obligation, adjusted by the amount of prepaid or current lease payments in respect of that lease, which are included in the balance sheet immediately before the date of first application. As the Group has included the right to use the assets for an amount equal to the lease obligations, there is no impact on the opening balance of equity.

Impact of IFRS 16 Leases

(€ 1,000)	31-12-2018	IFRS 16	01-01-2019
Assets			
Tangible assets	**2,711,097**	**126,790**	**2,837,887**
Land and buildings	348,592	92,876	441,468
Plant, machinery and equipment	1,865,980	5,311	1,871,291
Furniture and vehicles	29,372	28,603	57,974
Other tangible assets	4.518		4,518
Assets under construction and advance payments	462,635		462,635
Investment property	**1,137,531**	**4,659**	**1,142,190**
Total impact - Assets		**131,448**	
Liabilities			
Equity - group share	**3,176,447**	**0**	**3,176,447**
Financial debts	**2,013,123**	**131,448**	**2,144,572**
Non-current financial debts	1,340,204	106,622	1,446,826
Current financial debts	672,919	24,826	697,746
Total impact - Liabilities		**131,448**	

(€ 1,000)	
Operating lease commitments (31-12-2018)	**177,435**
- Deduct - short term lease contracts (exemption)	-924
- Deduct - lease contracts of low-value assets (exemption)	-18
- Add - extension and purchase options	0
- Other	-6,831
Total lease liabilities (pre-discount)	**169,661**
Impact discount	-38,213
Lease liability (01-01-2019)	**131,448**

The "Other" heading mainly relates to the elimination of service components of the rental debt (e.g. insurance and maintenance expenses in the lease contracts for cars), as well as to the deduction of contracts signed in 2018 for assets available after January 1, 2019.

(€ 1,000)	2019
Income statement	
- Reversal of rental charges	32,474
- Depreciation	-31,220
Profit (loss) from operating activities (EBIT)	1,254
EBITDA	32,474
Interest expenses	-2,406
Net result	-1,152
Balance sheet	
Right of use (assets)	127,292
Lease debt	133,249

New and amended standards and interpretations, effective after 2019

Certain new standards and amendments to existing standards were issued by the IASB but were not yet effective for the year beginning 1 January 2019, and have not been early adopted. AvH intends to apply these standards and interpretations when they become effective:

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of material, applicable from January 1, 2020
- Amendments to IFRS 3 Business Combinations - Definition of a business combination, applicable from January 1, 2020
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The effective date has not yet been confirmed by IASB
- Amendments to the Conceptual Framework - Amendments to References to the Conceptual Framework in IFRS Standards, applicable from January 1, 2020.

Principles of consolidation

The consolidated annual accounts contain the financial details of the parent AvH, its subsidiaries and jointly controlled companies, as well as the share of the group in the results of the associated companies.

1. Subsidiaries

Subsidiaries are entities which are controlled by the group. Control exists when AvH (a) has power over the subsidiary; (b) is exposed, or has rights, to variable returns from its involvement with the subsidiary; and (c) has the ability to affect those returns through its power over the subsidiary. The participating interests in subsidiaries are consolidated in full as from the date of acquisition until the end of the control.

The financial statements of the subsidiaries have been prepared for the same reporting period as AvH and uniform IFRS valuation rules have been used. All intra-group transactions and unrealised intra-group profits and losses on transactions between group companies have been eliminated. Unrealised losses have been eliminated unless they concern an impairment.

2. Jointly controlled subsidiaries and associated participating interests

Jointly controlled subsidiaries

Companies which are controlled jointly (defined as those entities in which the group has joint control, among others via the shareholders' percentage or via contractual agreement with one or more of the other shareholders and that are considered to be joint ventures) are included on the basis of the equity method as from the date of acquisition until the end of the joint control.

Associated participating interests

Associated participating interests in which the group has a significant influence, more specifically companies in which AvH has the power to participate (without control) in the financial and operational management decisions, are included in accordance with the equity method, as from the date of acquisition until the end of the significant influence.

The equity method

According to the equity method, the participating interests are initially recorded at cost and the carrying amount is subsequently modified to include the share of the group in the profit or loss of the participating interest, as from the date of purchase. The financial statements of these companies are prepared for the same reporting period as AvH and uniform IFRS valuation rules are applied. Unrealised intra-group profits and losses on transactions are eliminated to the extent of the interest in the company.

Intangible fixed assets

Intangible fixed assets with a finite useful life are stated at cost, less accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful economic life is reviewed per annum and this is also the case for any residual value. The residual value is assumed to be zero.

Intangible fixed assets with indefinite useful life, stated at cost, are not amortised but are subject to an impairment test on an annual basis and whenever indications of a possible impairment occur.

Costs for starting up new activities are included in the profit or loss at the time they occur.

Research expenses are taken into profit or loss in the period in which they arise. Development expenses that meet the severe recognition criteria of IAS 38 are capitalised and amortised over the useful life.

The valuation rules applied when accounting for acquisitions of residential care centres are as follows:

- Authorizations and operating licenses that have been acquired are initially recognised in the consolidation at their value in use or fair value at the time of acquisition.
- Executable building permits that have been acquired are initially recognised in the consolidation at their value in use or fair value at the time of acquisition. This only takes into account the potential net capacity expansion.
- These authorization and advanced licences and permits are recognised under intangible assets and amortised over a period of 33 years. If a long lease is concluded, the amortisation period is the same as the term of the long lease. Amortisation starts when the building is provisionally completed and operated. Operating licences are not amortised since in principle they are of unlimited duration.
- In accordance with IAS 36, intangible fixed assets with an indefinite useful life are subject to an annual impairment test by comparing their carrying amount with their recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use.

Goodwill

Goodwill is the positive difference between the cost of the business combination and the share of the group in the fair value of the acquired assets, the acquired liabilities and contingent liabilities of the subsidiary, jointly controlled subsidiary or associated participating interests at the time of the acquisition.

Goodwill is not amortised but is subject to an annual impairment test and whenever indications of a possible impairment have occurred.

Tangible fixed assets

Tangible fixed assets are carried at cost or production cost less accumulated amortisations and any impairments.

Tangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful life is reviewed on a yearly basis and this is also the case for any residual value.

Repair and maintenance expenses for tangible assets are recognized as an expense in the period in which they occur, unless they result in an increase of the future economic benefit of the respective tangible fixed assets, which justifies their capitalisation.

Assets under construction are amortised as from the time they are taken into use.

Government grants are recorded as deferred income and taken into profit as income over the useful life of the asset following a systematic and rational basis.

Impairment of fixed assets

On each closing date, the group verifies whether there are indications that an asset is subject to an impairment. In the event that such indications are present, an estimation is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

The recoverable amount of an asset is defined as the higher of the fair value minus costs to sell (assuming a voluntary sale) and the value in use (based upon the net present value of the estimated future cash flows). Any resulting impairments are charged to the profit and loss account.

Previously recorded impairments, except on goodwill, are reversed through the profit and loss account when they are no longer valid.

Leases

1. Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether a lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is considered a finance lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If the lease agreement contains both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

2. Lessee accounting

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. IFRS 16 replaces IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. Assets and liabilities arising from a lease are initially measured on a present value basis, discounted using the incremental borrowing rate of the lessee. The right-of-use asset is subsequently depreciated and/or impaired when deemed necessary. The right-of-use asset is also adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable, or a change in the reassessment of whether a purchase or extension option is reasonably certain to be exercised (or a termination option curtained not to be exercised). The Group has applied judgement to determine the lease term for lease contracts containing renewal options.

In accordance with the standard on lease contracts, the Group elected to use following exemptions when applying IFRS 16 accounting for:
- short-term leases, i.e. contracts with a duration of less than one year;
- leases for which the underlying asset is of low value;
- intangible assets.

The most important judgements and assumptions in determining the lease asset and liability are as follows:
- The lease payments are discounted using the interest rate implicit in the lease agreement. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee has used judgement to determine its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
- In determining the lease term, management considers all facts and circumstances that create an incentive to exercise an extension option, (or not exercise a termination option). Extension options (or periods after termination options) are only included in the lease term if the lease agreement is reasonably certain to be extended (or not terminated).

Investment property - leased buildings and project developments

These investments cover buildings which are ready to be leased (real estate investments) as well as buildings under construction or being developed for future use as operative real estate investments (project development).

Investment property is measured at fair value through profit or loss. On a yearly basis, the fair value of the leased buildings is determined based upon valuation reports.

Financial instruments

1. Recognition and derecognition of financial instruments

- Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets bought and sold in accordance with standard market conventions are recognized on the transaction date.
- Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred all risks and rewards of ownership of those assets.
- Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires.

2. Classification and measurement of financial assets

When another financial asset is acquired or invested in, the contractual terms determine whether it is an equity instrument or a debt instrument. Equity instruments give entitlement to the remaining interest in the net assets of another entity.

Classification and measurement of debt instruments *(applies specifically to banks)*
Two aspects need to be assessed for debt instruments:
- The business model test is carried out for every group of financial assets that are managed in the same way with regard to cash flow generation:
  - held-to-collect (HTC): by collecting the contractual cash flows over the term to maturity of the assets;
  - held-to-collect & sell (HTC&S): by collecting contractual cash flows as well as by regularly selling the financial assets proper;
  - other: e.g. trading.
- Assessment of the contractual cash flow characteristics or SPPI test is carried out per product group (financial assets with similar cash flow characteristics) or, where necessary, on an individual basis. It is assessed whether the instrument generates cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding (SPPI: solely payments of principal and interest).

The relevant classification and measurement method follows from those assessments:

i) **measured at amortised cost (AC):** debt instruments that pass the SPPI test and are held under an HTC business model.
At initial recognition, they are measured at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently, the effective interest rate method is applied where the difference between the measurement at initial recognition and the repayment value is recognized pro rata temporis in profit or loss on the basis of the effective interest rate.

ii) **fair value measurement with value changes recognized in other comprehensive income (FVOCI):** debt instruments that pass the SPPI test and are held under an HTC&S business model.
On disposal, the cumulative fair value changes are reclassified to profit or loss.

iii) **fair value measurement with value changes recognized in profit or loss (FVPL):** debt instruments that fail the SPPI test and/or are not held under an HTC or HTC&S model must mandatorily be measured in this way.

Irrespective of these assessments, the bank can make an irrevocable election to designate, at initial recognition, a financial asset as measured at FVTPL (fair value option) if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch').

For the aforementioned financial assets that are measured at amortised cost and at fair value with value changes recognized in other comprehensive income, a loss allowance for expected credit losses is required (see section 6. Impairment of financial assets).

Classification and measurement of equity instruments
Equity instruments held for trading must mandatorily be measured at fair value with value changes recognized in profit or loss (FVTPL).

For other equity instruments, the Group can make an irrevocable election, at initial recognition, to measure those instruments at fair value with value changes recognized in other comprehensive income (FVTOCI). This election can be made instrument by instrument (per share). On disposal, the cumulative fair value changes must not be reclassified to profit or loss. Only dividend income may be recognized in profit or loss.

For equity instruments, no loss allowance is required for expected credit losses.

3. Classification and measurement of financial liabilities

For the classification and measurement of financial liabilities, other than derivatives, there are the following possibilities:

- fair value measurement with value changes recognized in profit or loss (FVTPL):
  - if the financial liability is held for trading;
  - if the Group opts for this method (fair value option), more specific regarding Bank J.Van Breda & C°)
- measurement at amortised cost: at initial recognition, they are measured at fair value, less transaction costs that are directly attributable to their issue.

4. Derivative financial instruments

The operational subsidiaries belonging to the AvH-group are responsible for their risk management, such as exchange risk, interest risk, credit risk, commodity risk, etc. The risks vary according to the particular business where the subsidiaries are active and therefore they are not managed centrally at group level. The respective executive committees report to their board of directors or audit committee regarding their hedging policy.

Derivative instruments are initially valued at cost. Subsequently, these instruments are recorded in the balance sheet at their fair value; the changes in fair value are reported in the income statement unless these instruments are part of hedging transactions.

The recognition of derivative instruments is in accordance with IAS 39 Hedge accounting.

Cash flow hedges
The value fluctuations of a derivative financial instrument that complies with the strict conditions for recognition as a cash flow hedge are recorded in other comprehensive income for the effective part. The ineffective part is recorded directly in the profit and loss account. The hedging results are transferred from of 'other comprehensive income' into the profit and loss account at the same moment the hedged transaction has impact on the result.

Fair value hedges
Changes in fair value of a derivative instrument that is formally allocated to hedge the changes of fair value of recorded assets and liabilities, are recognized in the profit and loss account together with the profits and losses caused by the fair value revaluation of the hedged component. The value fluctuations of derivative financial instruments, which do not meet the criteria for fair value hedge or cash flow hedge are recorded directly in the profit and loss account.

5. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments and are recorded on the balance sheet at nominal value.

6. Impairment of financial assets *(applies specifically to banks)*

Under IFRS 9, a loss allowance is made at initial recognition for expected credit losses (ECLs) for:

- financial assets measured at amortised cost;
- debt instruments measured at fair value with value changes recognized in other comprehensive income;
- finance lease receivables;
- loan commitments and financial guarantee contracts.
- for the purpose of determining the loss allowance for expected credit losses, the financial assets are classified in three stages:
  - Stage 1: performing assets, for which at initial recognition a one-year expected credit loss allowance is made based on the probability that events will occur within 12 months that give rise to default;
  - Stage 2: underperforming assets for which a lifetime expected credit loss allowance is made if there has been a significant increase in credit risk since initial recognition;
  - Stage 3: for non-performing assets an estimate is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

Changes in loss allowances are recognized under the item 'Impairment losses' in profit and loss. The loss allowance for expected credit losses is presented:

- as deducted from the gross carrying amount of financial assets that are measured at amortised cost (incl. lease receivables);
- as a loss allowance in other comprehensive income for debt instruments measured at fair value with value changes recognized in other comprehensive income;
- as a loss allowance under obligations resulting from loan commitments and financial guarantee contracts.

The staging in the event of a significant increase (or decrease) in credit risk is done on an individual contract level ('bottom-up' staging) based on certain criteria such as payment arrears, renegotiations, and rating category. The internal credit rating is used for the individual staging of loans. As this is a criterion based on past history, a distinct 'collective staging' logic is used as well to take into account the macroeconomic outlook.

For the bond portfolio, the 'low credit risk exemption' is applied: as long as bonds retain their investment grade rating category, they remain in stage 1. On the basis of the low credit risk at the reporting date it may be concluded that there has been no significant increase in credit risk. Should a bond migrate to a non-investment grade rating category, the bank will either sell the bond or transfer it to stage 2 and determine an appropriate lifetime ECL.

A valuation model calculates the expected credit losses for contracts in stages 1 and 2 in line with the literature on IFRS9 ECL modelling. They are determined without any deliberate optimistic or conservative bias, and are based on all reasonable and substantiated information available by justifiable cost or effort. This includes information about past history, present circumstances and future projections. They also reflect the expected value that the bank deems possible in the foreseeable future.
These one-year expected credit losses and lifetime expected credit losses are calculated for each individual contract on the basis of the future cash flows and the following model parameters:

- PD stands for 'Probability of Default' in a given period. The PD modelling has been set up using migration matrices based on existing internal credit ratings for loans and supplied by rating agency DBRS for the bond portfolio.
- Loss given default (LGD) stands for expected loss in the event of default. The LGD figure is obtained from the 'exposure at default' and the pledged collateral.
- 'Survival Probability' is the probability that a contract is still liable to credit losses. The Survival Probability is determined on the basis of:
  - the probability that a contract has not disappeared from the balance sheet following an earlier default, and
  - the probability that a contract has not yet disappeared from the balance sheet following full early repayment.
  - 'Effective Interest Rate' (EIR) is the effective interest rate at which the losses are discounted. For fixed-rate contracts this is the contractual effective interest rate; for variable-rate contracts, the most recent fixing is used.

On each closing date, the bank investigates whether there are objective indications that a financial asset is becoming non-performing and therefore transfers to stage 3. For this purpose, the bank bases itself on one of the following objectively observable events:

- major financial difficulties at the borrower;
- breach of contract, including failure to meet due dates for principal and/or interest repayments;
- the granting by the bank of certain terms, for economic or legal reasons, which the Group under normal circumstances would not grant to the borrower;
- the likelihood of the borrower going bankrupt or being restructured;
- for bonds, the extinction of an active market due to financial difficulties or other indications threatening the recoverability of the acquisition value;
- objective criteria showing a measurable deterioration of the expected future cash flows from a collective group of financial assets, even though such deterioration cannot be detected on an individual basis, or criteria indicating a deterioration of the creditworthiness or financial capacity of the borrowers of the group, or national or economic circumstances specific to that group of borrowers.

For stage 3 contracts, an estimate is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

The net recoverable amount of an asset is defined as the higher of the following values:

- the net sale price (assuming a voluntary sale), and
- the value in use (based on the present value of the expected future cash flows).

In credit and debt monitoring and the allowance for impairment losses, account is taken of the hedged and unhedged portion of the loan. For doubtful debts, the expected recovery is determined on the basis of the hedged portion and the impairment loss equals 100% of the unhedged portion. For loans in the highest risk category, the impairment loss equals a percentage of the unhedged risk.

Inventories / construction contracts

Inventories are valued at cost (purchase or production cost) or at net realisable value when this is lower. The production cost comprises all direct and indirect costs incurred in bringing the inventories to their completion at balance sheet date and this corresponds with the estimated sales prices in normal circumstances, minus the handling, marketing and distribution costs (net realizable value). Construction contracts are valued according to the Percentage of Completion method whereby the result is recognized in accordance with progress of the works. Expected losses are immediately recognized as an expense.

Capital and reserves

Costs which are related to a capital transaction are deducted from the capital.
The purchase of treasury shares is deducted from equity at purchase price. Subsequent sale or cancellation at a later date does not affect the result. Profits and losses with regard to treasury shares are recorded directly in equity.

Translation differences

Statutory accounts
Transactions in foreign currency are recorded at the exchange rate on the date of the transaction. Positive and negative unrealised translation differences, resulting from the calculation of monetary assets and liabilities at closing rate on balance sheet date, are recorded as income or cost respectively in the profit and loss account.

Consolidated accounts
Based upon the closing rate method, assets and liabilities of the consolidated subsidiary are converted at closing rate, while the income statement is converted at the average rate of the period, which results in translation differences included in the consolidated 'other comprehensive income'.

Provisions

A provision is recognized if a company belonging to the group has a (legal or constructive) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow and the amount of this obligation can be determined in a reliable manner. In the event that the difference between the nominal and discounted value is significant, a provision is recorded for the amount of the discounted value of the estimated expenses. The resulting increase of the provision in proportion to the time is recorded as an interest charge.

Restructuring
Provisions for restructuring costs are only recognized when the group already has a detailed and approved restructuring plan and the planned restructuring has already started or been announced to the relevant staff members. No provisions are made for costs relating to the normal activities of the group.

Guarantees
A provision is made for warranty obligations relating to delivered products, services and contracts, based upon statistical data from the past.

Contingent assets and liabilities

Contingent assets and liabilities are mentioned in the note "Rights and commitments not reflected in the balance sheet", if their impact is important.

Taxes

Taxes concern both current taxes on the result as deferred taxes. Both types of taxes are recorded in the profit and loss accounts except when they relate to components

being part of the equity and therefore allocated to the equity. Deferred taxes are based upon the balance sheet method applied on temporary differences between the carrying amount of the assets and liabilities of the balance sheet and their tax base. The main temporary differences consist of different amortisation percentages of tangible fixed assets, provisions for pensions and carry-forward tax losses.
Deferred tax liabilities are recognized for all taxable temporary differences:

- except when the deferred tax liability arises from the original recognition of goodwill or the initial recording of assets and liabilities in a transaction that is not a business combination and that at the time of the transaction has no impact on the taxable profit;
- except with regard to investments in subsidiaries, joint and associated companies, where the group is able to control the date when the temporary difference will be reversed, and it is not likely that the temporary difference will be reversed in the foreseeable future.

Deferred tax assets are recorded for all deductible temporary differences and on carry-forward tax credits and tax losses that can be recovered, to the extent that it is probable that there will be taxable profits in the near future in order to be able to enjoy the tax benefit. The carrying amount of the deferred tax assets is verified on every balance sheet date and impaired to the extent that it is no longer probable that sufficient taxable profit will be available to credit all or part of the deferred taxes. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Employee benefits

Employee benefits consist of short-term employee benefits, postemployment benefits, other long-term employee benefits, redundancy pay and rewards in equity instruments. The post-employment benefits include the pension plans, life insurance policies and insurance policies for medical assistance. Pension plans with fixed contribution or defined benefit plans are provided through separate funds or insurance plans. In addition, employee benefits consisting of equity instruments also exist.

Pension plans

Defined Contribution Plans
Several subsidiaries within the group have taken out group insurance policies for the benefit of their employees. Since Belgian subsidiaries are obliged to make additional payments if the average return on the employers' contributions and on the employees' contributions is not attained, those plans should be treated as "defined benefit" plans in accordance with IAS19 (Revised).

Defined Benefit Plans
The group has a number of defined benefit pension plans. The costs of the defined benefit pension plans are actuarially determined using the 'projected unit credit' method.
Remeasurements, composed of actuarial gains and losses, the effect of changes to the asset ceiling and the return on plan assets, are directly recognized in the balance sheet; a corresponding amount is credited or charged to retained earnings through other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.
Past service costs are recognized in profit or loss on the effective date of the change or restriction of the pension plan or the date on which the group accounts for reorganization costs, whichever occurs first.
Net interest is calculated by applying the discount rate to the net defined benefit asset or liability and is recognized in consolidated profit or loss.

Employee benefits in equity instruments
On different levels stock option plans exist within the AvH, giving employees the right to buy AvH shares or the shares of some subsidiary at a predefined price. This price is determined at the time when the options are granted and it is based on the market price or the intrinsic value.

The performance of the beneficiary is measured (at the moment of granting) on the basis of the fair value of the granted options and warrants and recognized in profit and loss when the services are rendered during the vesting period.

Revenue recognition (IFRS 15)

Revenue is recognised in accordance with the IFRS standards, taking into account the specific activities of each segment.

Revenue recognition
Revenue is recognised when or as each performance obligation is satisfied, at the amount of the transaction price allocated to that performance obligation. Control of an asset refers to the ability to direct the use of and obtain substantially all the remaining benefits from the asset.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due,the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the Group transferring a good or service to the customer, the Group presents the contract as a contract liability. Revenue is recognised at the fair value of consideration received or receivable.

The main streams of revenue are recognised if it meets the criteria outlined below.

Identifying the separate performance obligations in a contract with a customer
Most of the revenue recognised by the construction companies in the group relates to contracts with customers for the sale of properties and services revenue generated from construction, project management and selling activities. In accounting for these contracts, the Group is required to identify which goods or services are distinct and therefore represent separate performance obligations to which revenue can be assigned.

Management uses judgement to determine whether a promised good or service is distinct by assessing if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and by ascertaining whether the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Determination of transaction prices for revenue recognition
The Group is required to determine the transaction price in respect of each of its contracts with customers. Where consideration is variable due to a performance bonus, the Group estimates the amount of variable consideration to be included in the transaction price. This occurs for a limited number of EPCI contracts in the "Marine Engineering & Contracting" segment, where the multiple performance obligations (procurement activities and installation activities) give rise to a separate revenue recognition pattern.

Allocation of transaction price to performance obligations in contracts with customers
The Group uses the stand-alone selling price of the distinct goods and services underlying each performance obligation to apportion the transaction price to identified performance obligations.

Satisfaction of performance obligations for revenue recognition
The Group assesses each of its customer contracts to determine whether performance obligations are satisfied over time or at a point in time in order to determine when revenue is recognised. For sales of properties under development the Group recognises revenue over time, according to the percentage of completion method, because control transfers over time. Its performance creates an asset that the customer controls as the asset is created. It does not create an asset with alternative use as the Group has an enforceable right to payment for performance completed to date.
For the EPCI contracts, revenue on the procurement activities are recognised at a point in time and the installation activities are recognised over time.

Method of measuring progress of completion of performance obligations and recognition of revenue
For performance obligations satisfied over time, contract revenue is recognized according to the percentage of completion of the contract activity at the closing date by using an input method calculated as the proportion of contract costs at the closing date and the estimated total contract costs. An expected loss on a construction contract is immediately recognized.

Other

Contracts for the sale of properties contain certain warranties covering a period of up to ten years after completion of the property. The Group assessed that these conditions represent 'assurance-type' warranties that are legally required to be provided as quality guarantees and will continue to be accounted for under IAS 37, consistent with its current practice.

A variation may lead to an increase or a decrease in contract revenue. A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract. These contract modifications form typically part of the performance obligation that is partially satisfied at the date of the contract modification, hence the effect is recognised as an adjustment to revenue.

Dividend revenue is recognised when the Group's right to receive the payment is established.

Other revenue is recognised when it is received or when the right to receive payment is established.

IFRS 15 revenue did not have an impact on the customer contracts of the banks.

Discontinued operations

The assets, liabilities and net results of the discontinued operations are reported separately in a single item on the consolidated balance sheet and profit and loss account. The same reporting applies for assets and liabilities held for sale (measured at the lower of its carrying amount and fair value less costs to sell).

Events after balance sheet date

Events may occur after the balance sheet date which provide additional information with regard to the financial situation of the company at balance sheet date (adjusting events). This information allows the adjustment of estimations and a better reflection of the actual situation on the balance sheet date. These events require an adjustment of the balance sheet and the profit and loss account. Other events after balance sheet date are mentioned in the notes if they have a significant impact.

Earnings per share

The group calculates both the basic earnings per share as the diluted earnings per share in accordance with IAS 33. The basic earnings per share are calculated on the basis of the weighted average number of outstanding shares during the period. Diluted earnings per share are calculated according to the average number of shares outstanding during the period plus the diluted effect of the warrants and stock options outstanding during the period.

Segment reporting

AvH is a diversified group which is active in the following core sectors:

1. **Marine Engineering & Contracting** with DEME, one of the largest dredging companies in the world, CFE a construction group with headquarters in Belgium, Rent-A-Port and Green Offshore.

2. **Private Banking** with Delen Private Bank, one of the largest independent private asset managers in Belgium and asset manager JM Finn in the UK and Bank J.Van Breda & C°, a niche-bank for entrepreneurs and liberal professions in Belgium.

3. **Real Estate & Senior Care** with Leasinvest Real Estate, a listed real estate investment trust, Extensa Group, an important land and real estate developer and Anima Care, active in the health & care sector.

4. **Energy & Resources**, SIPEF, an agro-industrial group in tropical agriculture and Sagar Cements.

5. **AvH & Growth Capital** with Sofinim and GIB and their respective Growth Capital participations.

The segment information in the financial statements of AvH is published in line with IFRS 8.

Note 2: subsidiaries and jointly controlled subsidiaries

1. Fully consolidated subsidiaries

Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2019	Beneficial interest % 2018	Minority interest % 2019	Minority interest % 2018
Marine Engineering & Contracting						
CFE (1) (2)	**0400.464.795**	**Belgium**	**60.91%**	**60.45%**	**39.09%**	**39.55%**
DEME (1) (2)	**0400.473.705**	**Belgium**	**60.91%**	**60.45%**	**39.09%**	**39.55%**
Rent-A-Port (2) (3)	**0885.565.854**	**Belgium**	**80.46%**	**72.20%**	**19.54%**	**27.80%**
International Port Engineering and Management (IPEM)	0441.086.318	Belgium	80.46%	72.20%	19.54%	27.80%
Infra Asia Consultancy and Project Management	0891.321.320	Belgium	80.46%	72.20%	19.54%	27.80%
Rent-A-Port Green Energy (4)	0648.717.687	Belgium	53.64%	72.20%	46.36%	27.80%
IPEM Holdings		Cyprus	80.46%	72.20%	19.54%	27.80%
Port Management Development		Cyprus	80.46%	72.20%	19.54%	27.80%
Infra Asia Consultancy		Hong Kong	80.46%	72.20%	19.54%	27.80%
OK SPM FTZ Enterprise		Nigeria	80.46%	72.20%	19.54%	27.80%
Société d'Investissement Portuaire de Guinée (liquidated)		Guinea		50.54%		49.46%
Acquisition of control over Infra Asia Investments (5)						
IPEM Reclamation		Cyprus	48.29%		51.71%	
Rent-A-Port Reclamation		Hong Kong	48.29%	72.20%	51.71%	27.80%
Infra Asia Investment Green Utilities		Hong Kong	48.29%	72.20%	51.71%	27.80%
Infra Asia Investment HK		Hong Kong	48.29%		51.71%	
Warehousing Workshop Worldwide		Hong Kong	43.46%		56.54%	
Deep C Blue (Hong Kong)		Hong Kong	48.29%		51.71%	
IPEM Vietnam		Hong Kong	48.29%		51.71%	
Dinh Vu Industrial Zone jsc		Vietnam	39.71%		60.29%	
Hong Duc Industrial Zone jsc		Vietnam	48.93%		51.07%	
Hai Phong Industrial Park jsc		Vietnam	48.61%		51.39%	
Tien Phong Industrial Zone jsc		Vietnam	48.93%		51.07%	
Deep C Blue Hai Phong Company		Vietnam	48.29%		51.71%	
Hai Phong Warehousing Workshop Worldwide		Vietnam	43.46%		56.54%	
Deep C Management		Vietnam	48.29%		51.71%	
Green Offshore (2)	**0832.273.757**	**Belgium**	**80.46%**	**80.22%**	**19.54%**	**19.78%**
Private Banking						
Bank J.Van Breda & C°	**0404.055.577**	**Belgium**	**78.75%**	**78.75%**	**21.25%**	**21.25%**
Beherman Vehicle Supply	0473.162.535	Belgium	63.00%	63.00%	37.00%	37.00%
Van Breda Immo Consult (6)	0726.963.530	Belgium	78.75%		21.25%	
FinAx (7)	**0718.694.279**	**Belgium**	**100.00%**	**100.00%**		
Real Estate & Senior Care						
Extensa Group	**0425.459.618**	**Belgium**	**100.00%**	**100.00%**		
Extensa	0466.333.240	Belgium	100.00%	100.00%		
Extensa Development	0446.953.135	Belgium	100.00%	100.00%		
Extensa Istanbul (8)	566454 / 514036	Turkey		100.00%		
Extensa Romania	J40.24053.2007	Romania	100.00%	100.00%		
Gare Maritime	0696.803.359	Belgium	100.00%	100.00%		
Grossfeld Developments (9)	2012.2448.267	Luxembourg	100.00%	100.00%		
Grossfeld Immobilière (10)	2001.2234.458	Luxembourg		100.00%		

(1) The annual report of CFE, a listed company, contains the list of subsidiaries. DEME is a wholly-owned subsidiary of CFE.

(2) The purchase of 118,000 CFE shares (+0.47%) on the stock market in 2019 led mechanically to AvH's higher beneficial interest in DEME, Rent-A-Port and Green Offshore.

(3) In the first quarter of 2019, AvH and CFE each increased their stake in Rent-A-Port from 45% to 50%. Together they now own 100% of the capital of this company.

(4) In April 2019 an external shareholder acquired 33.33% of the shares of Rent-A-Port Green Energy by means of a capital increase.

(5) AvH Infra Asia Investment Ltd, with Rent-A-Port (60%) and partner IPEI (40%) as shareholders, encompasses the development of various concessions in Vietnam, and, in the past, was included in the consolidated financial statements of Rent-A-Port according to the equity method, due to the joint control. As a result of a new shareholders' agreement that was entered into between Rent-A-Port and IPEI early in 2019, Rent-A-Port acquired exclusive control over Infra Asia Investment Ltd (IAI), resulting in full consolidation as of 2019.

(6) Van Breda Immo Consult was set up in 2019 by Bank J.Van Breda & C° to advise entrepreneurs and liberal professionals on property investment.

(7) AvH has, through its 100% subsidiary FinAx, a direct 78.75% stake in Delen Private Bank and Bank J.Van Breda & C°.

(8) The deconsolidation of Extensa Istanbul is part of the process of phasing out the operations in Turkey.

(9) Under the shareholder agreement, Extensa has a beneficial interest of only 50% in the results of this company.

(10) Grossfeld Immobilière has become a jointly controlled subsidiary (50%) and is therefore reclassed to p. 143.

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2019	Beneficial interest % 2018	Minority interest % 2019	Minority interest % 2018
Real Estate & Senior Care (continued)						
Implant	0434.171.208	Belgium	100.00%	100.00%		
RFD	0405.767.232	Belgium	100.00%	100.00%		
RFD CEE Venture Capital	801.966.607	The Netherlands	100.00%	100.00%		
Project T&T	0476.392.437	Belgium	100.00%	100.00%		
T&T Public Warehouse	0863.093.924	Belgium	100.00%	100.00%		
T&T Parking	0863.091.251	Belgium	100.00%	100.00%		
T&T Tréfonds	0807.286.854	Belgium	100.00%	100.00%		
T&T Services	0628.634.927	Belgium	100.00%	100.00%		
T&T Douanehotel	0406.211.155	Belgium	100.00%	100.00%		
Beekbaarimmo	19.992.223.718	Luxembourg	100.00%	100.00%		
T&T Food Experience (ex-UPO Invest)	0473.705.438	Belgium	100.00%	100.00%		
Vilvolease	0456.964.525	Belgium	100.00%	100.00%		
Leasinvest Real Estate (1)	**0436.323.915**	**Belgium**	**30.01%**	**30.01%**	**69.99%**	**69.99%**
Leasinvest Real Estate Management (1)	**0466.164.776**	**Belgium**	**100.00%**	**100.00%**		
Anima Care (2)	**0469.969.453**	**Belgium**	**92.50%**	**92.50%**	**7.50%**	**7.50%**
Anima Care Vlaanderen	0698.940.725	Belgium	92.50%	92.50%	7.50%	7.50%
Gilman	0870.238.171	Belgium	92.50%	92.50%	7.50%	7.50%
Engagement	0462.433.147	Belgium	92.50%	92.50%	7.50%	7.50%
Le Gui	0455.218.624	Belgium	92.50%	92.50%	7.50%	7.50%
Anima Care Wallonie	0428.283.308	Belgium	92.50%	92.50%	7.50%	7.50%
Huize Philemon & Baucis	0462.432.652	Belgium	92.50%	92.50%	7.50%	7.50%
Anima Cura	0480.262.143	Belgium	92.50%	92.50%	7.50%	7.50%
Glamar	0430.378.904	Belgium	92.50%	92.50%	7.50%	7.50%
Zorgcentrum Lucia	0818.244.092	Belgium	92.50%	92.50%	7.50%	7.50%
Résidence Parc des Princes	0431.555.572	Belgium	92.50%	92.50%	7.50%	7.50%
Résidence St. James	0428.096.434	Belgium	92.50%	92.50%	7.50%	7.50%
Château d'Awans	0427.620.342	Belgium	92.50%	92.50%	7.50%	7.50%
Home Scheut	0458.643.516	Belgium	92.50%	92.50%	7.50%	7.50%
Le Birmingham	0428.227.284	Belgium	92.50%	92.50%	7.50%	7.50%
Zandsteen	0664.573.823	Belgium	92.50%	92.50%	7.50%	7.50%
Les Résidences de l'Eden	0455.832.197	Belgium	92.50%	92.50%	7.50%	7.50%
Résidence Arcade	0835.637.281	Belgium	92.50%	92.50%	7.50%	7.50%
La Roseraie	0466.582.668	Belgium	92.50%	92.50%	7.50%	7.50%
Patrium	0675.568.178	Belgium	92.50%	92.50%	7.50%	7.50%
Elenchus Invest	0478.953.930	Belgium	92.50%	92.50%	7.50%	7.50%
Résidence Edelweiss	0439.605.582	Belgium	92.50%	92.50%	7.50%	7.50%
Résidence Neerveld	0427.883.628	Belgium	92.50%	92.50%	7.50%	7.50%
Villa 34	0432.423.822	Belgium	92.50%		7.50%	
Le Rossignol	0432.049.381	Belgium	92.50%		7.50%	
Immo Markant	0537.654.073	Belgium	92.50%		7.50%	
HPA (3)	**0818.090.674**	**Belgium**		**71.72%**		**28.28%**

(1) The management of Leasinvest Real Estate Comm.VA is taken care of by Leasinvest Real Estate Management NV, its statutory manager and a wholly owned subsidiary of Ackermans & van Haaren. The board of directors of Leasinvest Real Estate Management cannot, in line with article 12 of the bylaws, take a decision regarding the strategy of the public regulated real estate company Leasinvest Real Estate without the approval of the majority of the directors appointed on the nomination of Ackermans & van Haaren or its affiliated companies. See the annual report of LRE for an overview of the participations held by the listed company Leasinvest Real Estate.

(2) Anima Care extended its nursing home network with the acquisition of two residential care centres, 'Villa 34' and 'Rossignol', in Eigenbrakel (together 125 nursing home beds) and with 'Immo Markant' as part of the agreement signed for the construction of a new care centre.

(3) In March 2019, AvH and Hervé Hardy, founder and CEO, reached an agreement on the sale of 100% of the share capital of HPA, the parent company of Residalya, to DomusVi. The transaction was completed at the end of June 2019. In the consolidated accounts, the participation in Residalya was transferred to "held for sale" in Q1 2019, and later deconsolidated on June 28, 2019.

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2019	Beneficial interest % 2018	Minority interest % 2019	Minority interest % 2018
Energy & Resources						
AvH Resources India	**U74300DL2001 PTC111685**	**India**	**100.00%**	**100.00%**		
AvH & Growth Capital						
Sofinim	**0434.330.168**	**Belgium**	**100.00%**	**100.00%**		
Sofinim Luxembourg	2003.2218.661	Luxembourg	100.00%	100.00%		
Agidens International	**0468.070.629**	**Belgium**	**86.25%**	**86.25%**	**13.75%**	**13.75%**
Agidens Life Sciences	0411.592.279	Belgium	86.25%	86.25%	13.75%	13.75%
Agidens Infra Automation	0630.982.030	Belgium	86.25%	86.25%	13.75%	13.75%
Agidens Proces Automation	0465.624.744	Belgium	86.25%	86.25%	13.75%	13.75%
Agidens Proces Automation BV	005469272B01	The Netherlands	86.25%	86.25%	13.75%	13.75%
Agidens Life Sciences BV	850983411B01	The Netherlands	86.25%	86.25%	13.75%	13.75%
Agidens Infra Automation BV	856220024B01	The Netherlands	86.25%	86.25%	13.75%	13.75%
Agidens Inc		USA	86.25%	86.25%	13.75%	13.75%
Agidens SAS	10.813.818.424	France	86.25%	86.25%	13.75%	13.75%
Agidens GmbH	76301	Germany	86.25%	86.25%	13.75%	13.75%
Agidens AG	539301	Switserland	86.25%	86.25%	13.75%	13.75%
Argus Technologies	0844.260.284	Belgium	86.25%	86.25%	13.75%	13.75%
Baarbeek Immo	651.662.133	Belgium	86.25%	86.25%	13.75%	13.75%
Biolectric Group (1)	**0422.609.402**	**Belgium**	**60.00%**		**40.00%**	
Biolectric	0879.126.440	Belgium	60.00%		40.00%	
Biolectric Ltd		UK	60.00%		40.00%	
Subholdings AvH						
Anfima	0426.265.213	Belgium	100.00%	100.00%		
Brinvest	0431.697.411	Belgium	99.99%	99.99%	0.01%	0.01%
Profimolux	1992.2213.650	Luxembourg	100.00%	100.00%		

(1) AvH acquired a 60% stake in Biolectric Group in February 2019, with Philippe Jans as CEO. This participation is fully consolidated as of January 1, 2019.

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

2. Jointly controlled subsidiaries accounted for using the equity method - 2019

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2019	Minority interest % 2019	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Infra Asia Investment [(1)]		Vietnam						
Euro Jetty (Hong Kong)		Hong Kong	24.22%	25.78%	14,275	41	0	-99
Deep C Green Energy (Hong Kong)		Hong Kong	24.22%	25.78%	15,888	213	0	-212
Deep C Green Energy (Vietnam)		Vietnam	24.22%	25.78%	3,712	4,042	9,294	-513
Euro Jetty (Vietnam) Company		Vietnam	24.22%	25.78%	3,791	1,324	4,837	1,631
Consortium Antwerp Port [(2)]	0817.114.340	Belgium						
Rent-A-Port Utilities	0846.410.221	Belgium	40.23%	9.77%	1,712	1,949	0	5
C.A.P. Industrial Port Land [(2)]	0556.724.768	Belgium						
Infra Asia Investment Fund	648.714.620	Belgium	40.23%	9.77%	32,176	32,057	8	18
S Channel Management Limited		Cyprus	40.23%	9.77%	0	3	0	87
Rent-A-Port Gulf for Operation and Maintenance (liquidated)		Qatar						
Private Banking								
Delen Private Bank	**0453.076.211**	**Belgium**	**78.75%**		**2,427,506**	**1,617,881**	**388,642**	**118,609**
Real Estate & Senior Care								
Extensa Group								
CBS Development	0831.191.317	Belgium	50.00%		7,223	9,779	0	-2,306
CBS-Invest	0879.569.868	Belgium	50.00%		9,941	3,392	0	-485
Delo 1 [(3)]	2016.2450.523	Luxembourg						
Grossfeld PAP SICAV-RAIF [(4)]	2005.2205.809	Luxembourg	50.00%		215,384	201,103	246	16,377
Grossfeld Immobilière [(4)]	2001.2234.458	Luxembourg	50.00%		11,104	12,762	613	46
Les Jardins d'Oisquercq	0899.580.572	Belgium	50.00%		3,251	4,805	0	-355
Top Development	35 899 140	Slovakia	50.00%		7,041	326	486	2,447
TMT RWP (subs. Top Development) [(5)]	47 144 513	Slovakia						
Energy & Resources								
SIPEF [(6)] (USD 1,000)	**0404.491.285**	**Belgium**	**32.33%**		**943,125**	**314,439**	**248,311**	**-8,004**
AvH & Growth Capital								
Amsteldijk Beheer	**33.080.456**	**The Netherlands**	**50.00%**		**3,315**	**1,250**	**760**	**259**
Manuchar (USD 1,000)	**0407.045.751**	**Belgium**	**30.00%**		**638,584**	**539,202**	**1,518,033**	**28,484**
Turbo's Hoet Groep	**0881.774.936**	**Belgium**	**50.00%**		**356,006**	**239,540**	**602,016**	**9,951**
Telemond Consortium [(7)]		**Belgium**	**50.00%**		**79,155**	**23,420**	**98,575**	**8,194**
Subholdings AvH								
GIB nv	**0404.869.783**	**Belgium**	**50.00%**		**131**	**52,543**	**0**	**-195**

[(1)] Infra Asia Investment Ltd. with Rent-A-Port (60%) and partner IPEI (40%) as shareholders, encompasses the development of various concessions in Vietnam, and, in the past, was included in the consolidated financial statements of Rent-A-Port according to the equity method, due to the joint control. As a result of a new shareholders' agreement that was entered into between Rent-A-Port and IPEI early in 2019, Rent-A-Port acquired exclusive control over Infra Asia Investment Ltd (IAI), with the inclusion of its jointly controlled subsidiaries as a consequence.

[(2)] In August 2019, Rent-A-Port transferred its subsidiaries managing its developments in Oman to DEME Concessions; a transaction without impact on the AvH consolidation.

[(3)] The company Delo 1 was set up in the context of the construction of the building that is pre-let on a long-term lease to Deloitte Luxembourg. This legal entity, owner of the new headquarters of Deloitte Luxembourg, was sold in January 2019.

[(4)] In 2019, Grossfeld PAP emitted real estate certificates to which Extensa subscribed. These real estate certificates give right to a share in the return of the entity. Grossfeld Immobilière has become a jointly controlled subsidiary (50%).

[(5)] In Trnava (Slovakia), Top Development (Extensa 50%) sold its retail park (7,730 m²). The energy network was already sold in 2018. An agreement in principle was also concluded on the sale by Extensa of its remaining participation to the local partners.

[(6)] The shareholders' agreement between the Baron Bracht family and AvH results in joint control of SIPEF. In 2019, AvH increased its shareholding percentage in SIPEF from 31.59% at year-end 2018 to 32.33% at year-end 2019.

[(7)] In Q1 2019, AvH sold its 50% stake in Henschel Engineering NV, a company that no longer has any industrial activities and that owns land and buildings situated in Wilrijk. As a result of this sale, Henschel Engineering is no longer included in the perimeter of the Telemond Consortium, in which AvH still holds 50%, as was the case before.

Note 2: subsidiaries and jointly controlled subsidiaries (continued)

3. Jointly controlled subsidiaries accounted for using the equity method - 2018

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2018	Minority interest % 2018	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Consortium Antwerp Port	0817.114.340	Belgium	43.32%	16.68%	3,888	1,052	1,217	41
Rent-A-Port Utilities	0846.410.221	Belgium	36.10%	13.90%	1,805	2,066	0	-154
C.A.P. Industrial Port Land	0556.724.768	Belgium	36.10%	13.90%	1,331	3	0	-10
Infra Asia Investment Fund	648.714.620	Belgium	36.10%	13.90%	32,132	32,032	3	16
S Channel Management Limited		Cyprus	36.10%	13.90%	0	91	0	-8
Infra Asia Investment subconsolidation (Dinh Vu) (USD 1.000)		Vietnam	43.33%	16.68%	182,432	103,719	30,380	15,420
Rent-A-Port Gulf for Operation and Maintenance WLL		Qatar	35.38%	13.62%	276	192	434	38
Private Banking								
Delen Private Bank	**0453.076.211**	**Belgium**	**78.75%**		**3,200,465**	**2,457,538**	**384,262**	**112,390**
Real Estate & Senior Care								
Extensa Group								
CBS Development	0831.191.317	Belgium	50.00%		18,570	18,070	0	-2,038
CBS-Invest	0879.569.868	Belgium	50.00%		16,818	9,783	700	-42
Delo 1	2016.2450.523	Luxembourg	50.00%		208,785	155,414	0	19,677
Grossfeld PAP	2005.2205.809	Luxembourg	50.00%		72,653	74,749	3,032	-354
Les Jardins d'Oisquercq	0899.580.572	Belgium	50.00%		2,999	4,199	8	-273
Top Development	35 899 140	Slovakia	50.00%		6,039	1,617	1,744	2,588
TMT RWP (subs. Top Development)	47 144 513	Slovakia	50.00%		5,982	5,028	818	-221
Energy & Resources								
SIPEF (USD 1,000)	**0404.491.285**	**Belgium**	**31.59%**		**938,368**	**293,859**	**275,270**	**30,089**
AvH & Growth Capital								
Amsteldijk Beheer	**33.080.456**	**The Netherlands**	**50.00%**		**3,421**	**1,214**	**831**	**272**
Manuchar (USD 1,000)	**0407.045.751**	**Belgium**	**30.00%**		**703,887**	**635,437**	**1,691,121**	**-10,609**
Turbo's Hoet Groep	**0881.774.936**	**Belgium**	**50.00%**		**313,914**	**206,760**	**532,647**	**10,136**
Telemond Consortium		**Belgium**	**50.00%**		**79,261**	**26,267**	**92,327**	**4,075**
Subholdings AvH								
GIB nv	**0404.869.783**	**Belgium**	**50.00%**		**3,690**	**55,907**	**0**	**-202**

4. Main subsidiaries and jointly controlled subsidiaries not included in the consolidation scope

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2019	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
Subholdings AvH								
Pribinvest	2005.2209.421	Luxembourg	78.75%	(1)	4,371	980	0	-46

(1) Investment of negligible significance (valued at cost).

Note 3: associated participating interests

1. Associated participating interests accounted for using the equity method - 2019

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2019	Minority interest % 2019	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port (1)								
Port of Duqm (2)		Oman						
Duqm Industrial Land Company (2)		Oman						
Green Offshore (1) (3)								
Rentel	0700.246.364	Belgium	10.05%	2.45%	1,048,753	965,360	140,326	38,982
SeaMade	0543.401.324	Belgium	7.04%	1.71%	699,826	710,535	0	-48
Otary RS	0833.507.538	Belgium	10.05%	2.45%	81,750	2,355	9,921	12,485
Otary BIS	0842.251.889	Belgium	10.05%	2.45%	53,876	152	0	0
Private Banking								
Bank J.Van Breda & C°								
Informatica J.Van Breda & C°	0427.908.174	Belgium	31.50%	8.50%	4,662	3,445	11,683	5
Energy & Resources								
Sagar Cements (INR million) (4)	**L26942AP-1981PLC002887**	**India**	**19.86%**		**18,711**	**9,231**	**12,374**	**442**
AvH & Growth Capital								
Axe Investments	**0419.822.730**	**Belgium**	**48.34%**		**14,950**	**110**	**630**	**-68**
Financière EMG	**801.720.343**	**France**	**22.51%**		**358,289**	**354,545**	**337,541**	**-9,636**
Mediahuis (5)	**439.849.666**	**Belgium**	**13.51%**		**1,101,907**	**777,339**	**857,942**	**14,723**
Agidens International								
Keersluis Limmel Maintenance BV (MTC)	62058630	The Netherlands	43.12%		320	320	343	0
SAS van Vreeswijk (MTC van Beatrix)	65067096	The Netherlands	17.25%		608	608	1,029	0

(1) The purchase of 118,000 CFE shares (+0.47%) on the stock market in 2019 led mechanically to AvH's higher beneficial interest in DEME, Rent-A-Port and Green Offshore and their affiliates.

(2) In August 2019, Rent-A-Port transferred its subsidiaries managing its developments in Oman to DEME Concessions; a transaction without impact on the AvH consolidation.

(3) The stakes in the offshore wind farms (and the intermediate holdings Otary RS and Otary BIS) are held through Green Offshore, which is a 50/50 investment vehicle of AvH and CFE. AvH has a (transitive) participation of 10.05% in Rentel and 7.04% in SeaMade (under construction and consolidated for the first time in H2 2019). When DEME's interests in Rentel and SeaMade are also taken into account, the (beneficial) interests of AvH amount to 21.6% and 15.1% respectively.

(4) AvH's right to one representative on the Board of Directors of Sagar Cements and a right of veto on changes to aspects including articles of association and purchasing and sales of activities, explain why it is included in the consolidation scope of AvH. Following an extraordinary general meeting of Sagar Cements, 3,100,000 warrants that are convertible into shares were issued in January 2019. AvH India Resources has subscribed to 1,550,000 convertible warrants, and 775,000 of these have already been converted. The beneficial interest of AvH India Resources in Sagar Cements thereby increased to 19.86%.

(5) During the first half of 2019, AvH's shareholding percentage in Mediahuis Partners increased from 26.21% to 26.72%, This evolution is the result of minor changes in the shareholder structure of the company and not of an additional direct investment by AvH. AvH has at the end of 2019 a 49.9% stake in Mediacore, the controlling shareholder (53,5%) in Mediahuis Partners. Mediahuis Partners has a controlling share of 50.57% in Mediahuis. The participation percentage of AvH in Mediahuis is therefore 13.51%.

Note 3: associated participating interests (continued)

2. Associated participating interests not accounted for using the equity method - 2019

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2019	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
AvH & Growth Capital								
Nivelinvest (extended financial year 31-12-2018)	0430.636.943	Belgium	25.00%	[1]	61,565	53,271	861	583
OncoDNA (31-12-2018)	0501.631.837	Belgium	12.26%	[1]	7,496	7,465	[2]	-3,276
Biotalys (31-12-2018)	0508.931.185	Belgium	14.56%	[1]	9,262	6,459	0	-4,571
Transpalux	0582.011.409	France	45.02%	[3]	18,729	13,343	33,390	1,048

[1] Investment of negligible significance (valued at cost).
[2] Abbreviated schedule of the annual accounts.
[3] Unable to present audited figures on time.

3. Associated participating interests accounted for using the equity method - 2018

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2018	Minority interest % 2018	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Port of Duqm (OMR 1,000)		Oman	21.66%	8.34%	44,431	40,838	15,172	-232
Duqm Industrial Land Company (OMR 1,000)		Oman	25.23%	9.72%	6,403	191	1,151	540
Green Offshore								
Otary RS	0833.507.538	Belgium	10.03%	2.47%	82,631	3,493	13,717	1,055
Rentel	0700.246.364	Belgium	10.03%	2.47%	1,124,055	1,027,345	66,366	24,995
Otary BIS	0842.251.889	Belgium	10.03%	2.47%	53,729	0	0	-26
Private Banking								
Bank J.Van Breda & C°								
Informatica J.Van Breda & C°	0427.908.174	Belgium	31.50%	8.50%	5,756	4,543	10,942	5
Energy & Resources								
Sagar Cements (INR million)	**L26942AP-1981PLC002887**	**India**	**17.57%**		**17,507**	**9,803**	**11,466**	**-4**
AvH & Growth Capital								
Axe Investments	**0419.822.730**	**Belgium**	**48.34%**		**14,985**	**76**	**634**	**226**
Financière EMG	**801.720.343**	**France**	**22.51%**		**293,476**	**282,311**	**306,644**	**838**
Mediahuis	**439.849.666**	**Belgium**	**13.25%**		**851,898**	**540,423**	**819,176**	**28,301**
Agidens International								
Keersluis Limmel Maintenance BV (MTC)	62058630	The Netherlands	43.12%		94	94	279	0
SAS van Vreeswijk (MTC van Beatrix)	65067096	The Netherlands	17.25%		604	604	1,011	0

4. Associated participating interests not accounted for using the equity method - 2018

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2018	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
AvH & Growth Capital								
Nivelinvest (extended financial year)	0430.636.943	Belgium	25.00%	[1]				
OncoDNA (31-12-2017)	0501.631.837	Belgium	15.00%	[1]	5,411	4,507	[2]	-3,743

[1] Investment of negligible significance.
[2] Abbreviated schedule of the annual accounts.

Note 4: business combinations and disposals

1. Business disposals - Residalya

(€ 1,000)	impact per 01-01-2019
Intangible assets & goodwill	79,436
Tangible assets	106,396
Cash and cash equivalents	26,596
Other assets	27,657
Total assets	**240,085**
Equity (group share)	80,029
Minority interests	3,019
Current and non-current financial debts	103,949
Other liabilities	53,088
Total equity and liabilities	**240,085**
Total assets (including goodwill from PPA at AvH)	242,653
Total liabilities	-157,037
Minority interests	-3,019
Net assets (100%)	**82,597**
Beneficial interest	71,72%
Net assets - group share	**59,242**
Realised capital gain	105,710
Sales price	**164,952**

In March 2019, AvH and Hervé Hardy, founder and CEO, reached an agreement on the sale of 100% of the share capital of HPA, the parent company of Residalya, to DomusVi. The transaction was completed at the end of June 2019. In the consolidated accounts, the participation in HPA was transferred to "held for sale" in Q1 2019, and later deconsolidated on June 28, 2019.

2. Business combinations

	Infra Asia Investments (USD 1,000)	Biolectric Group (EUR 1,000)	by Anima Care (EUR 1,000)
Goodwill and intangible assets	5,155	11,924	4,481
Tangible assets	19,743	1,100	5,619
Inventory	92,694	938	0
Cash and cash equivalents	38,067	692	867
Other assets	53,423	326	751
Total assets	**209,081**	**14,981**	**11,719**
Equity (group share)	75,855	10,026	6,612
Minority interests	14,460	0	0
Current and non-current financial debts (incl. IFRS 16)	87,863	3,778	2,797
Other liabilities	30,904	1,176	2,311
Total equity and liabilities	**209,081**	**14,981**	**11,719**
Total assets	209,081	14,981	11,719
Total liabilities	-118,766	-4,954	-5,107
Minority interests	-14,460	0	0
Net assets (100%)	**75,855**	**10,026**	**6,612**
Beneficial interest of Rent-A-Port in Infra Asia Investments Ltd	60.02%		
Beneficial interest of AvH in Rent-A-Port per 01-01-2019	72.20%		
Beneficial interest of AvH	**43.33%**	**60.00%**	
Net assets - share AvH	**32,870**		
Purchase price	**0**	**6,016**	**6,612**

Acquisition of control over Infra Asia Investments Ltd

Infra Asia Investment Ltd, with Rent-A-Port (60%) and partner IPEI (40%) as shareholders, develops various concessions in Vietnam, and, in the past, was included in the consolidated financial statements of Rent-A-Port according to the equity method, due to the joint control. As a result of a new shareholders' agreement that was entered into between Rent-A-Port and IPEI in early 2019, Rent-A-Port acquired exclusive control over Infra Asia Investment Ltd (IAI), whose shareholding remained unchanged.

This acquisition of control meets the definition of a business combination (IFRS 3), whereby the assets and liabilities of IAI must be recognised at their fair value, and the historical 60% stake must be (re)measured at fair value.

The assessment of the fair value has led to the conclusion that the fair value of the underlying assets/liabilities is already in line with the current book value of these assets/liabilities in the financial statements of Rent-A-Port.

Acquisition of control over Biolectric Group

At the end of February 2019, AvH acquired a 60% interest in **Biolectric**, alongside founder and CEO Philippe Jans. Biolectric, founded in 2011, is market leader in the production and sale of compact biogas installations (< 100 kW) for cattle and pig farms and water purification stations. Biolectric Group is fully consolidated as of January 1, 2019. The purchase price allocation was finalised in the second half of the year and resulted in the recognition of goodwill of 11.9 million euros.

Business combinations performed by Anima Care

Anima Care expanded its retirement home network with the acquisition of two residential care facilities, Villa 34 and Rossignol in Braine l'Alleud (125 nursing home beds). After allocation of the acquisition price to intangible and tangible assets, the goodwill amounts to 1.4 million euros. The acquisitions took place in October 2019 en therefore only contributed to the consolidated results in the last quarter.

Note 5: Assets and liabilities held for sale

The **assets held for sale** amounted to 40.7 million euros at year-end 2019 and include DEME's stake in the German offshore wind farm Merkur, Rent-A-Port's stake in a project company which is developing (part of) the land in Vietnam, and a property of Anima Care that is no longer in use. The 'Kennedy' building (Leasinvest Real Estate) and 'Luchthavenlaan' (Extensa) properties which at year-end 2018 were reported as assets held for sale were effectively sold in 2019. On the other hand, the planned disposal of the 45% stake in Transpalux did not go ahead due to lack of financing on the part of the prospective buyer.

Note 6: segment reporting

Segment 1

Marine Engineering & Contracting:

DEME (global integration 60.91%), CFE (global integration 60.91%), Rent-A-Port (global integration 80.46%) and Green Offshore (global integration 80.46%).

In the first quarter of 2019, AvH and CFE each increased their stake in Rent-A-Port from 45% to 50%. Together they now own 100% of the capital of this company.

The purchase of 118,000 CFE shares (+0.47%) on the stock market in 2019 led mechanically to a higher beneficial interest of AvH in DEME (60.91%), Rent-A-Port (80.46%) and Green Offshore (80.46%).

Segment 2

Private Banking:

Delen Private Bank (equity method 78.75%), Bank J.Van Breda & C° (global integration 78.75%) and FinAx (global integration 100%).

Segment 3

Real Estate & Senior Care:

Extensa (global integration 100%), Leasinvest Real Estate (global integration 30%), Leasinvest Real Estate Management (global integration 100%) and Anima Care (global integration 92.5%).

In March 2019, AvH and Hervé Hardy, founder and CEO, reached an agreement on the sale of 100% of the share capital of HPA, the parent company of Residalya, to DomusVi. The transaction was completed at the end of June 2019. In the consolidated accounts, the participation in Residalya was transferred to "held for sale" in Q1 2019, and was deconsolidated on June 28, 2019.

Segment 4

Energy & Resources:

SIPEF (equity method 32.33%), AvH India Resources (global integration 100%) and Sagar Cements (equity method 19.86%).

AvH's stake in SIPEF increased from 31.59 % to 32.33% in 2019.

Following an extraordinary general meeting of Sagar Cements, 3,100,000 warrants that are convertible into shares were issued in January 2019. AvH India Resources has subscribed to 1,550,000 convertible warrants, and 775,000 of these have already been converted. The beneficial interest of AvH India Resources in Sagar Cements thereby increased to 19.86%.

AvH India Resources holds no other participations than in Sagar Cements.

Segment 5

AvH & Growth Capital:

- AvH, Sofinim & subholdings (global integration 100%)
- Participations fully consolidated: Agidens (86.2%) and Biolectric Group (60.0%)
- Participations accounted for using the equity method: Axe Investments (48.3%), Amsteldijk Beheer (50%), Mediahuis Partners (26.7%), Mediahuis (13.5%), MediaCore (49.9%), Financière EMG (22.5%), Manuchar (30.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%)
- Non-consolidated participations: Biotalys (14.56%), Health Quad Fund I (36.24%), Medikabazaar (5.37%), OncoDNA (12.26%) and Transpalux (45%).

AvH acquired a 60% stake in Biolectric Group in February 2019, with Philippe Jans as CEO. This participation is fully consolidated as of January 1, 2019.

In Q1 2019, AvH sold its 50% stake in Henschel Engineering NV, a company that no longer has any industrial activities and that owns land and buildings situated in Wilrijk. As a result of this sale, Henschel Engineering is no longer included in the perimeter of the Telemond Consortium, in which AvH still holds 50%, as was the case before.

During the first half of 2019, AvH's shareholding percentage in Mediahuis Partners increased from 26.21% to 26.72%. This evolution is the result of minor changes in the shareholder structure of the company and not of an additional direct investment by AvH. Mediahuis Partners has a 50.57% stake in Mediahuis. As a result, the transitive interest of AvH in Mediahuis amounts to 13.51%.

In the course of 2019, AvH acquired new participations in Biotalys (formerly AgroSavfe) and Medikabazaar (5.37% directly, along with an indirect interest through Health Quad I Fund).

Note 6: segment information - income statement 2019

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2019
Revenue	**3,731,484**	**172,944**	**264,448**	**33**	**103,520**	**-2,032**	**4,270,398**
Rendering of services			89,221		1,931	-1,883	89,270
Lease revenue		9,270	1,596				10,866
Real estate revenue	59,065		158,116				217,181
Interest income - banking activities		92,243					92,243
Fees and commissions - banking activities		69,131					69,131
Revenue from construction contracts	3,596,586				98,705		3,695,290
Other operating revenue	75,834	2,300	15,514	33	2,884	-149	96,416
Other operating income	**0**	**450**	**5,068**	**0**	**1,867**	**-776**	**6,609**
Interest on financial fixed assets - receivables							0
Dividends		450	5,068		1,029		6,547
Government grants							0
Other operating income					838	-776	62
Operating expenses (-)	**-3,577,267**	**-117,942**	**-164,630**	**-166**	**-117,641**	**2,808**	**-3,974,839**
Raw materials and consumables used (-)	-2,138,039		-77,428		-47,759		-2,263,227
Changes in inventories of finished goods, raw materials & consumables (-)	35,575		23,701		155		59,431
Interest expenses Bank J.Van Breda & C° (-)		-24,597					-24,597
Employee expenses (-)	-655,795	-45,512	-66,811		-41,820		-809,938
Depreciation (-)	-320,853	-7,708	-9,587		-4,802		-342,950
Impairment losses (-)	-25,629	-1,365	-145		-86		-27,225
Other operating expenses (-)	-507,498	-37,046	-34,940	-166	-24,008	2,808	-600,850
Provisions	34,971	-1,714	580		679		34,516
Profit (loss) on assets/liabilities designated at fair value through profit and loss	**0**	**0**	**15,491**	**0**	**8,040**	**0**	**23,531**
Financial assets - Fair value through P/L (FVPL)			10,143		8,040		18,182
Investment property			5,348				5,348
Profit (loss) on disposal of assets	**7,400**	**738**	**49**	**0**	**113,711**	**0**	**121,899**
Realised gain (loss) on intangible and tangible assets	6,135	294	-45		-5		6,379
Realised gain (loss) on investment property			-308				-308
Realised gain (loss) on financial fixed assets	729		403		112,083		113,216
Realised gain (loss) on other assets	536	444			1,633		2,613
Profit (loss) from operating activities	**161,618**	**56,190**	**120,426**	**-133**	**109,497**	**0**	**447,598**
Finance income	**39,600**	**12**	**5,527**	**3**	**1,806**	**-1,361**	**45,586**
Interest income	15,495	12	4,896		1,666	-1,361	20,708
Other finance income	24,104		631	3	140		24,878
Finance costs (-)	**-50,658**	**-1**	**-20,646**	**-1**	**-1,636**	**1,361**	**-71,582**
Interest expenses (-)	-22,098		-13,974		-622	1,361	-35,333
Other finance costs (-)	-28,560	-1	-6,673	-1	-1,014		-36,248
Derivative financial instruments designated at fair value through profit and loss	**0**	**-781**	**-4,589**	**0**	**0**		**-5,370**
Share of profit (loss) from equity accounted investments	**36,551**	**93,406**	**8,824**	**-1,272**	**17,444**		**154,952**
Other non-operating income	**2,042**	**2,400**	**0**	**0**	**0**		**4,442**
Other non-operating expenses (-)	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) before tax	**189,152**	**151,226**	**109,541**	**-1,404**	**127,111**	**0**	**575,627**
Income taxes	**-40,109**	**-15,465**	**-6,010**	**0**	**-171**	**0**	**-61,756**
Deferred taxes	10,735	65	1,649		88		12,537
Current taxes	-50,844	-15,530	-7,659		-259		-74,292
Profit (loss) after tax from continuing operations	**149,043**	**135,761**	**103,531**	**-1,404**	**126,940**	**0**	**513,871**
Profit (loss) after tax from discontinued operations	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) of the period	**149,043**	**135,761**	**103,531**	**-1,404**	**126,940**	**0**	**513,871**
Minority interests	57,128	8,422	53,340	110	-29		118,971
Share of the group	91,915	127,339	50,192	-1,514	126,969		394,900

Comments on the segment information - income statement 2019

The consolidated **revenue** decreased by 187.8 million euros (4%) in 2019 compared to the previous year. This decrease is to be found almost entirely (183.7 million euros) in the "Real Estate & Senior Care" segment. It is the result of, on the one hand, the sale in 2019 of the French senior care group Residalya (which in 2018 had still contributed 123.5 million euros in revenue) and, on the other hand, 75.5 million euros less revenue (primarily lower sales of residential real estate by Extensa). The activities of Leasinvest Real Estate and Anima Care, however, did grow in 2019.

In "Marine Engineering & Contracting", DEME realized a slightly lower turnover (1%) and lower other operating revenue. CFE reported increased turnover from its construction activity, whereas sales from real estate development decreased in 2019. At Rent-A-Port, the stake in Infra Asia Investments is fully consolidated as of 2019 (as opposed to the equity method in previous years). Consequently, the turnover of Rent-A-Port from its development activities in Vietnam is included in the turnover figure as of 2019. In the "Private Banking" segment, increased lending by Bank J.Van Breda & C° failed to translate into a commensurate increase in interest income due to the low interest rate environment. There was a strong increase in commission income, however, and in 2019 it already represented 40% of total revenue.

In the "AvH & Growth Capital" segment, Biolectric Group has also begun in 2019 to make a modest contribution (5.8 million euros) to the revenue. Agidens reported a revenue increase of 12.5%.

The **other operating income** consisted in 2019 primarily of the dividends (5.1 million euros) that Leasinvest Real Estate received on its Retail Estates shares and of 1.0 million euros in dividends on non-consolidated participations and on AvH's investment portfolio.

The **operating expenses** are obviously impacted by the same events and developments as already described above in connection with the revenue. Moreover, DEME's continued investments of recent years in the modernization and expansion of its fleet (a.o. with the vessels Living Stone, Apollo, Omalius and the Medco vessels) and the first time application of IFRS 16 translated into a marked increase (by 39.0 million euros) in depreciation costs. The implementation of the new IFRS 16 accounting standard, as a result of which leases are divided into a financing component and a depreciation component, led to an increase in depreciation cost by 31.2 million euros in AvH's 2019 consolidated financial statements. The impairment losses in 2019 were limited to 27.2 million euros (2018: 40.5 million euros). They consist primarily of impairment losses on receivables at DEME in the amount of 8.6 million euros (amongst others as a result of the Senvion insolvency for 10.8 million euros), at CFE in the amount of 16.9 million euros (including a write-down on old receivables on Chad) and on limited provisions for credit losses at Bank J.Van Breda & C° (1.4 million euros).

CFE was able to reverse 35.5 million euros worth of provisions that had been constituted in previous financial years. Of this amount, 12.9 million euros is a reversal of the provision for contingent liabilities that AvH had constituted following the acquisition of control over CFE at the end of 2013 and that were released in 2019 in view of the fact that CFE accounts for the financial implications of the relevant risks in its own financial statements. An amount of 22.5 million euros relates to net reversals of provisions by CFE in connection with general risks and charges, guarantees and restructuring.

In 2019, the **profit on assets/liabilities designated at fair value through profit and loss** was positive at 23.5 million euros (2018: 3.7 million euros). An amount of 10.1 million euros relates to the fair value valuation at year-end 2019 of the Retail Estates shares that Leasinvest Real Estate holds in portfolio, an 8.0 million euro increase in the value of AvH's investment portfolio, and the remeasurement of investment property of Extensa and Leasinvest Real Estate.

In 2019, AvH realized 121.9 million euros **profit on disposal of assets**. This is for the most part explained by the substantial gain of 105.7 million euros realized on the disposal of the stake in the French retirement home group Residalya. In the "AvH & Growth Capital" segment, the balance is explained by a.o. the gain of 1.9 million euros on the disposal of the 50% participation in Henschel Engineering, a Belgian division of the Telemond group which owns a property in Wilrijk that is no longer used for industrial purposes, and an additional gain of 3.1 million euros on the sale (realized in 2017) of the interest in Ogeda. Gains realized on other assets include a.o. the payment (first part) of 1.6 million euros which AvH received from the Fortis settlement. In the "Marine Engineering & Contracting" segment, DEME realized limited gains on the disposal of a.o. the old vessels Buzzard, Zenne and Atlantico Due.

The balance of **finance income** and **finance costs** turned out 13.4 million euros less negative in 2019. The consolidated net interest expenses were limited to 14.6 million euros (2018: 25.9 million euros). The disappearance of Residalya from the consolidation scope also plays a part in this.

Several group companies use financial instruments to hedge against the impact of interest rate or exchange rate fluctuations. The impact on the results of such **derivative financial instruments designated at fair value through profit and loss** turned out negative at 5.4 million euros in 2019 (2018: 0.1 million euros positive). This is primarily explained by the evolution of the fair value of hedging instruments at Leasinvest Real Estate. Several group companies also have hedging instruments of which the fair value fluctuations are directly recognized in equity, and for which reference is made to the notes on page 127 of this report.

The share of profit from equity accounted investments amounted to 155.0 million euros, which is virtually the same as the previous year (153.9 million euros). This item summarizes the whole contribution to the result from the entities that are not fully consolidated (jointly controlled subsidiaries and associated participating interests). In this regard it should be pointed out that in 2019, as a result of the restructuring of the shareholding structure above Bank J.Van Breda & C° and Delen Private Bank, as was explained in the 2018 annual report, the contribution of Delen Private Bank is recognized directly in equity at 78.75% instead of at 100% followed by a 21.25% adjustment for the minority interest, as was still the case in 2018.

The **other non-operating income** in 2019 resulted from the acquisition of IPEM Reclamation shares by Rent-A-Port and ABK by Bank J.Van Breda & C°.

The **income taxes** amounted to 61.8 million euros for the 2019 financial year (2018: 72.2 million euros). As was already the case in previous years, account must be taken of the profit contribution from equity accounted investments. Their contribution is summarized under one item, after tax. Since the taxes borne by those entities are not visible in AvH's consolidated financial statements, the real tax cost is underestimated. Furthermore, in 2019 a substantial part of the result derived from realized capital gains (such as 105.7 million euros on the sale of Residalya) that are exempt from tax.

Note 6: segment information - assets 2019

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2019
I. Non-current assets	3,263,140	5,003,045	1,728,076	234,027	260,684	-10,267	10,478,704
Intangible assets	94,871	1,680	30,120		231		126,902
Goodwill	177,127	134,247	8,449		11,727		331,550
Tangible assets	2,633,912	52,061	192,993		30,201		2,909,167
Land and buildings	156,881	44,385	179,713		22,053		403,032
Plant. machinery and equipment	1,892,734	2,003	3,535		1,189		1,899,461
Furniture and vehicles	39,821	3,458	4,000		6,179		53,457
Other tangible assets	308	1,038	3,335		563		5,245
Assets under construction and advance payments	544,168	1,177	2,409		217		547,971
Investment property			1,336,093				1,336,093
Participations accounted for using the equity method	151,821	638,067	12,495	234,027	166,067		1,202,477
Financial fixed assets	97,942	1,323	119,651		46,175	-10,267	254,824
Financial assets : shares - Fair value through P/L (FVPL)	5,563		113,376		35,479		154,418
Receivables and warranties	92,379	1,323	6,275		10,696	-10,267	100,406
Non-current hedging instruments		381	832				1,213
Amounts receivable after one year	7,018	161,986	21,842		3,892		194,739
Trade receivables							0
Finance lease receivables		161,986	21,400				183,386
Other receivables	7,018		443		3,892		11,353
Deferred tax assets	100,449	2,564	5,600		2,391		111,004
Banks - receivables from credit institutions and clients after one year		4,010,736					4,010,736
II. Current assets	2,014,225	2,147,323	317,423	231	309,835	-6,918	4,782,119
Inventories	305,713		151,330		1,053		458,096
Amounts due from customers under construction contracts	57,344		31,032		11,517		99,893
Investments	3	420,796			55,713		476,513
Financial assets : shares - Fair value through P/L (FVPL)	3				55,713		55,717
Financial assets : bonds - Fair value through OCI (FVOCI)		420,628					420,628
Financial assets : shares - Fair value through OCI (FVOCI)		168					168
Financial assets - at amortised cost							0
Current hedging instruments	751	160					911
Amounts receivable within one year	960,941	102,809	89,521	11	54,660	-6,220	1,201,722
Trade debtors	886,539	100	29,293		23,772	-1,145	938,560
Finance lease receivables		70,086	620				70,706
Other receivables	74,402	32,623	59,607	11	30,888	-5,075	192,456
Current tax receivables	23,307		1,458		1,163		25,927
Banks - receivables from credit institutions and clients within one year		1,595,849					1,595,849
Banks - loans and advances to banks		141,306					141,306
Banks - loans and receivables (excl. finance leases)		999,823					999,823
Banks - cash balances with central banks		454,720					454,720
Cash and cash equivalents	644,971	18,270	41,008	220	183,517		887,985
Time deposits for less than three months	57,000		4,804		155,913		217,717
Cash	587,970	18,270	36,204	220	27,604		670,268
Deferred charges and accrued income	21,196	9,439	3,074		2,211	-698	35,221
III. Assets held for sale	40,280		444				40,724
Total assets	5,317,645	7,150,368	2,045,942	234,258	570,519	-17,185	15,301,547

(€ 1,000) Segment information - pro forma turnover	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2019
Turnover EU member states	2,810,702	554,955	248,934	27,867	583,640	-1,883	4,224,214
Other European countries	103,813	278		2,083	76,203		182,376
Rest of the world	741,136			73,033	386,014		1,200,182
Total	3,655,651	555,233	248,934	102,983	1,045,856	-1,883	5,606,773

The pro forma turnover comprises the turnover of all participations held by the AvH group, and therefore deviates from the turnover as reported in the legal IFRS consolidation drawn up on the basis of the consolidation scope reported on page 140 to 146. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 6: segment information - equity and liabilities 2019

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2019
I. Total equity	1,815,178	1,331,613	798,452	234,245	502,346		4,681,834
Shareholders' equity - group share	1,086,037	1,211,241	428,478	234,245	496,109		3,456,109
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	1,148,384	1,206,906	440,443	221,350	422,238		3,439,322
Revaluation reserves	-62,348	4,335	-11,965	12,895	-7,388		-64,472
Financial assets : bonds - Fair value through OCI (FVOCI)		3,469					3,469
Financial assets : shares - Fair value through OCI (FVOCI)		41					41
Hedging reserves	-31,693	-9	-12,225	40	-1		-43,889
Actuarial gains (losses) defined benefit pension plans	-22,592	-1,294		-951	1,818		-23,019
Translation differences	-8,063	2,129	260	13,806	-9,205		-1,074
Treasury shares (-)					-32,648		-32,648
Minority interests	729,141	120,372	369,974		6,238		1,225,725
II. Non-current liabilities	1,430,129	850,224	816,504		13,505	-10,267	3,100,095
Provisions	31,765	10,640	2,485		651		45,541
Pension liabilities	70,269	5,539	40		142		75,990
Deferred tax liabilities	105,253		57,818		1,623		164,694
Financial debts	1,202,741	3,231	699,871		10,767	-10,267	1,906,344
Bank loans	937,911		520,465		7,701		1,466,076
Bonds	60,049		144,103				204,152
Subordinated loans	37,414				7		37,422
Finance and operational leases (incl. IFRS 16)	114,131	3,231	31,563		3,060		151,984
Other financial debts	53,236		3,741			-10,267	46,710
Non-current hedging instruments	9,251	40,427	47,196				96,874
Other amounts payable after one year	10,850	11,163	9,095		322		31,429
Banks - debts to credit institutions, clients & securities		779,224					779,224
Banks - deposits from credit institutions							0
Banks - deposits from clients		729,872					729,872
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		49,352					49,352
III. Current liabilities	2,072,339	4,968,531	430,986	13	54,668	-6,918	7,519,619
Provisions	30,564	22	7,020		95		37,701
Pension liabilities		331					331
Financial debts	278,743	2,449	327,785		21,658	-5,075	625,560
Bank loans	199,258		72,899		7,051		279,208
Bonds			49,969				49,969
Subordinated loans	13,208				7		13,216
Finance and operational leases (incl. IFRS 16)	36,471	2,449	2,006		1,781		42,707
Other financial debts	29,805		202,911		12,819	-5,075	240,460
Current hedging instruments	9,356	1,207					10,563
Amounts due to customers under construction contracts	164,999				4,752		169,751
Other amounts payable within one year	1,460,660	11,906	71,078	10	26,688	-1,145	1,569,197
Trade payables	1,240,371	46	52,635	10	13,920	-1,145	1,305,836
Advances received			10		851		861
Amounts payable regarding remuneration and social security	170,407	8,432	8,105		11,023		197,967
Other amounts payable	49,883	3,428	10,328		894		64,533
Current tax payables	49,922	1,253	7,320	4	943		59,441
Banks - debts to credit institutions, clients & securities		4,946,466					4,946,466
Banks - deposits from credit institutions		27,825					27,825
Banks - deposits from clients		4,650,623					4,650,623
Banks - debt certificates including bonds		241,367					241,367
Banks - subordinated liabilities		26,651					26,651
Accrued charges and deferred income	78,093	4,897	17,784		532	-698	100,608
IV. Liabilities held for sale							0
Total equity and liabilities	5,317,645	7,150,368	2,045,942	234,258	570,519	-17,185	15,301,547

Comments on the segment information - balance sheet 2019

The strong commercial dynamic of Bank J.Van Breda & C° already accounts for an increase in the balance sheet total of the consolidated AvH group by 558 million euros. Loans to clients increased further to more than 5 billion euros (+436 million euros), financed by 553.4 million euros worth of additional deposits received from clients.

The "Marine Engineering & Contracting" (+314.7 million euros) and "AvH & Growth Capital" (+194.1 million euros) segments account for the rest of the increase in the balance sheet total. In "Marine Engineering & Contracting", this increase is primarily the result of the full consolidation by Rent-A-Port of its stake in Infra Asia Investments (previously equity method) and of the balance sheet increase at DEME (+118.7 million euros). In "AvH & Growth Capital", the participation in Biolectric Group is fully consolidated with effect from the 2019 financial year, resulting in an increase by 15.7 million euros. Additionally, in 2019 AvH sold its stake in the French retirement home group Residalya for 165 million euros.

The **intangible assets** decreased by 49.9 million euros to 126.9 million euros compared to year-end 2018. This decrease is explained to the amount of 59.9 million euros by the sale of the stake in the French retirement home group Residalya in the first half of 2019. This sale also led to a decrease in **goodwill** by 21.3 million euros. The full consolidation of Biolectric Group (AvH 60%), however, led to the recognition in 2019 of 11.7 million euros goodwill in "AvH & Growth Capital". Anima Care expanded its retirement home network with the acquisition of two residential care facilities, Villa 34 and Rossignol in Braine l'Alleud, whereupon it recognized a limited goodwill. The balance of the increase in intangible assets is virtually entirely accounted for by the first-time full consolidation of Infra Asia Investments by Rent-A-Port.

The increase in **tangible assets** by 198.1 million euros is attributable to the amount of 251.6 million euros to "Marine Engineering & Contracting". Not only did DEME make substantial additional investments in the modernization of its fleet in the course of 2019 (434.7 million euros); the first-time application of IFRS 16 in the 2019 financial year also led to the recognition of a new category of fixed assets at DEME to the amount of 107.0 million euros. The implementation of this new accounting standard across the whole group led to the recognition of assets worth 127.3 million euros at the end of 2019. Furthermore, the disposal of Residalya naturally also led to a decrease of 106.4 million euros, which however is partly offset by 30.7 million euros in additional investments by Anima Care, a.o. in new retirement homes in Anderlecht, Zoutleeuw and Bilzen.

Investment property represented 1,336.1 million euros at year-end 2019, an increase of 198.6 million euros compared to the previous year. Of this increase, 88 million euros is explained by the expansion of the real estate portfolio of Leasinvest Real Estate in Austria and Luxembourg reduced by its divestments, while the rest represents the increase in Extensa's investments, primarily on the Tour & Taxis site (Gare Maritime, Parking Maritime and Hotel de la Poste).

Participations accounted for using the equity method increased by 17.7 million euros compared to last year. Since AvH did not acquire or dispose of any new participations in 2019 that are accounted for using the equity method, the evolution is explained by the results of those participations (154.9 million euros), less the dividends paid by those companies (62.2 million euros). The balance is explained by additional investments (for example in SIPEF and Sagar Cements) and by changes in the consolidation scope (more details on p. 167).

The **financial fixed assets** amounted to 254.8 million euros at year-end 2019, a decrease by 41.6 million euros compared to 2018, despite the acquisition by Leasinvest Real Estate of additional Retail Estates shares, the increase in fair value during the course of 2019 to a total of 113.4 million euros, and the increase in the financial assets of "AvH & Growth Capital" following the investments of 2019 in, a.o., Biotalys, Medikabazaar, Onco DNA, and the reclassification from 'Assets held for sale' of the 45% participation in the French group Transpalux. The decrease is in fact attributable to the repayment in the course of 2019 of financing that had been provided for the construction of the offshore wind farms by Merkur (DEME), Rentel (DEME, AvH, CFE).

The **finance lease receivables** arise from the activities of Van Breda Car Finance ("Private Banking" segment) and of Extensa and Leasinvest Real Estate in "Real Estate & Senior Care". The accounts comprise both a long-term and a short-term component.

The **inventories** increased by 125.7 million euros compared to last year. Of this figure, 108.4 million euros is explained by the full consolidation of Infra Asia Investments by Rent-A-Port as of 2019, as a result of which its landholdings (land) are expressed in the consolidated balance sheet. The rest of the increase is attributable to the increased landholdings of CFE (+28.3 million euros) and the changes in inventories of raw materials at both DEME and CFE.

Investments in "AvH & Growth Capital" increased by 18.5 million euros thanks to fair value increases as well as additional investments. The bond portfolio of Bank J.Van Breda & C° was reduced to 420.6 million euros (2018: 456.8 million euros).

The **cash** and **cash equivalents** increased by 374.4 million euros compared with year-end 2018. AvH has a comfortable cash position, which was further strengthened by 165 million euros from the disposal of its stake in Residalya. In "Marine Engineering & Contracting", the volume of cash increased by 254.2 million euros. DEME substantially increased its drawdowns on loans during 2019, which means that those figures need to be analysed on a net basis.

The **assets held for sale** amounted to 40.7 million euros at year-end 2019 and include DEME's stake in the German offshore wind farm Merkur, Rent-A-Port's stake in a project company which is developing (part of) the land in Vietnam, and a property of Anima Care that is no longer in use. The 'Kennedy' building (Leasinvest Real Estate) and 'Luchthavenlaan' (Extensa) properties which at year-end 2018 were reported as assets held for sale were effectively sold in 2019. On the other hand, the planned disposal of the 45% stake in Transpalux did not go ahead due to lack of financing on the part of the prospective buyer.

The evolution of the **consolidated equity** is explained on page 131.

The **non-current provisions** decreased by 34.5 million euros in 2019. Of this amount, 12.9 million euros represents the release of part of the provision constituted by AvH for contingent liabilities upon the acquisition of CFE in 2013. This release is due to the fact that the corresponding risks have since been accounted for in CFE's own consolidated financial statements or have disappeared. Another 11.0 million euros (2018: 25.1 million euros) relates to project companies of DEME/CFE/Extensa which at year-end 2019 had negative equity.

The **non-current financial debt** of the group increased by 566.1 million euros. The current financial debt, however, decreased by 47.4 million euros, and as was pointed out earlier, the cash and cash equivalents increased by 374.4 million euros. The first-time application of IFRS 16 caused the financial debt to increase by 133.2 million euros on a consolidated basis. The increase in net financial debt is to be found for the most part (165.3 million euros) in "Marine Engineering & Contracting" as a result of the investments by DEME, the full consolidation of Infra Asia Investments by Rent-A-Port, and in general a significant impact of the first-time application of IFRS 16. Besides the cash revenue of 165 million euros, the disposal of Residalya also led to the elimination from the group of a net financial debt of 77.4 million euros.
In February 2019, DEME repaid its bond of 200 million euros and replaced it with conventional bank loans.

Note 6: segment information - cash flow statement 2019

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	**Total 2019**
I. Cash and cash equivalents - opening balance		**9,355**	**62,785**	**409**	**50,293**		**513,588**
Profit (loss) from operating activities	161,618	56,190	120,426	-133	109,497		447,598
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-7,400	-738	-49		-113,711		-121,899
Dividends from participations accounted for using the equity method	12,018	44,525	600	111	4,938		62,192
Other non-operating income (expenses)	2,042	2,400					4,442
Income taxes (paid)	-45,826	-15,530	-7,659		-259		-69,274
Non-cash adjustments							
Depreciation	320,853	7,708	9,587		4,802		342,950
Impairment losses	26,827	1,522	193		86		28,628
Share based payment		-1,398	80		1,174		-144
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-15,491		-8,040		-23,531
(Decrease) increase of provisions	-36,636	1,000	492		-679		-35,823
Other non-cash expenses (income)	-2,146	-1,205			926		-2,425
Cash flow	**431,348**	**94,474**	**108,180**	**-22**	**-1,267**		**632,713**
Decrease (increase) of working capital	**14,384**	**-40,305**	**-10,836**	**0**	**-1,994**	**-2,610**	**-41,361**
Decrease (increase) of inventories and construction contracts	-103,272		-13,973		-6,339		-123,584
Decrease (increase) of amounts receivable	215,782	-13,772	14,420	-8	-2,775	-2,610	211,038
Decrease (increase) of receivables from credit institutions and clients (banks)		-530,741					-530,741
Increase (decrease) of liabilities (other than financial debts)	-94,578	1,720	-9,629	8	6,540		-95,940
Increase (decrease) of debts to credit institutions, clients & securities (banks)		507,257					507,257
Decrease (increase) other	-3,549	-4,769	-1,653		579		-9,392
Cash flow from operating activities	**445,731**	**54,169**	**97,344**	**-23**	**-3,261**	**-2,610**	**591,352**
Investments	**-467,162**	**-263,330**	**-268,447**	**-12,207**	**-30,206**	**458**	**-1,040,894**
Acquisition of intangible and tangible assets	-460,505	-8,324	-32,342		-1,984		-503,154
Acquisition of investment property			-212,713				-212,713
Acquisition of financial fixed assets (business combinations included)	-27,910		-18,028	-12,207	-17,904		-76,049
Cash acquired through business combinations	36,652		867		692		38,212
New amounts receivable	-15,400	-296	-6,232		-846	458	-22,315
Acquisition of investments		-254,710			-10,165		-264,875
Divestments	**112,441**	**294,344**	**44,660**	**0**	**181,806**	**-7,727**	**625,524**
Disposal of intangible and tangible assets	13,889	362	188		17		14,456
Disposal of investment property			42,350				42,350
Disposal of financial fixed assets (business disposals included)	1,663		28,605		172,429		202,698
Cash disposed of through business disposals			-26,483				-26,483
Reimbursements of amounts receivable	96,889				7,727	-7,727	96,889
Disposal of investments		293,982			1,633		295,615
Cash flow from investing activities	**-354,721**	**31,014**	**-223,788**	**-12,207**	**151,600**	**-7,269**	**-415,370**
Financial operations							
Interest received	15,495	12	2,896		1,666	-1,361	18,708
Interest paid	-30,236		-14,252		-622	1,361	-43,749
Other financial income (costs)	-4,169	-1	-6,041	2	-947		-11,157
Decrease (increase) of treasury shares					-6,108		-6,108
(Decrease) increase of financial debts	226,175	-2,890	163,901		-7,661	9,878	389,404
Investments and divestments in controlling interests	6,811				-14,289		-7,478
Distribution of profits					-76,741		-76,741
Dividends paid intra group	-36,916	-68,000	-7,949		112,865		0
Dividends paid to minority interests	-26,692	-5,481	-33,787				-65,960
Cash flow from financial activities	**150,469**	**-76,360**	**104,767**	**2**	**8,163**	**9,878**	**196,919**
II. Net increase (decrease) in cash and cash equivalents	**241,479**	**8,824**	**-21,676**	**-12,228**	**156,502**		**372,901**
Transfer between segments	11,250			12,030	-23,280		0
Impact of exchange rate changes on cash and cash equivalents	1,495	91	-101	9	2		1,496
III. Cash and cash equivalents - ending balance	**644,971**	**18,270**	**41,008**	**220**	**183,517**		**887,985**

Comments on the segment information - cash flow statement 2019

The **cash flow** of the group over the full year 2019 amounted to 632.7 million euros, slightly (1.5%) lower than 642.3 million euros last year.

Nevertheless, the group reported a 48.9 million euros higher **profit from operating activities** in 2019. For comments on the composition of that figure, see the Note on page 151 of this report.

The **reclassification of the profit on disposal of assets to cash flow from divestments** was greater than last year, which is entirely due to the substantial capital gains that were recorded in 'AvH & Growth Capital", primarily on the disposal of the participations in Residalya, Henschel Engineering and Ogeda (positive price adjustment on the transaction of 2017).

During 2019, the group received 62.2 million euros in **dividends from participations accounted for using the equity method**. Although this is 5.4 million euros less than in 2018, it should be pointed out that the participation in Delen Private Bank, following the restructuring of its shareholding, was recognized directly at 78.75% instead of at the full 100% less a minority interest of 21.25%, as was still the case in 2018.

Income taxes in 2019 were responsible for a cash outflow of 69.3 million euros. The decrease (-15.3 million euros) compared to last year is to be found in "Marine Engineering & Contracting" in line with the lower profit from operating activities in this segment, and in "Real Estate & Senior Care" as a result of the deconsolidation of Residalya.

The **non-cash adjustments** are, as a whole, virtually equal to those in 2018: the increased depreciation costs on tangible and intangible assets (+ 45.9 million euros) are offset by a 12.0 million euros lower adjustment for impairment losses, by a 19.8 million euros higher adjustment for profit on assets designated at fair value through profit and loss, and by a 14.6 million euros higher release of provisions.

The **depreciation costs** decreased in "Real Estate & Senior Care" due to the deconsolidation of Residalya. This, however, is amply offset by the increased depreciation costs in the other segments, particularly in "Marine Engineering & Contracting", where DEME's sustained efforts in the expansion and renewal of its fleet translate into 33.0 million euros higher depreciation, which amounted to 295.9 million euros.

Impairment losses in 2019 were limited to 28.6 million euros (2018: 40.7 million euros). Except for the limited impairment loss on loans at Bank J.Van Breda & C° and smaller items in the other segments, those losses are to be found primarily in "Marine Engineering & Contracting". DEME recognized an impairment loss of 8.6 million euros (amongst others as a result of the Senvion insolvency for 10.8 million euros), while CFE reported impairment losses of 16.9 million euros (including a write-down on old receivables on Chad).

The operating results of 2019 comprise 23.5 million euros **profits on assets designated at fair value**: these include 8.0 million euros remeasurement gain on the investment portfolio and on financial assets at AvH & subholdings, 10.1 million euros remeasurement gain (increasing stock market price) on the Retail Estates shares held by Leasinvest Real Estate, 4.1 million euros remeasurement of investment property of Leasinvest Real Estate, while the remainder consists of gains from fair value adjustments on investment property of Extensa.

In 2019, **decrease of provisions** accounts for 35.8 million euros of the operating result. CFE in particular released a total of 22.5 million euros in view of the favourable progress of a lawsuit involving a real estate project; likewise, a provision that had been constituted in previous years for geopolitical risks was reversed. As a result of the impairment losses recorded by CFE in its profit & loss account 2019, an amount of 12.9 million euros had to be released in AvH's consolidated financial statements of the provisions for contingent liabilities that AvH had constituted in 2013 on the acquisition of control over CFE in order to anticipate certain risks it had assessed at the time.

After a vigorous increase by 213.8 million euros in 2018, the **working capital** requirement increased by 41.4 million euros in 2019 as well. Unlike in 2018, this increase was mainly situated in the "Private Banking" segment rather than in "Marine Engineering & Contracting". Bank J.Van Breda & C° indeed reported a particularly strong increase in its commercial volumes in 2019, with on balance the increase in lending slightly exceeding that of deposits received and financing.

The combination of a 9.6 million euros lower cash flow and a 172.5 million euros lower increase in working capital requirement resulted in a markedly higher **cash flow from operating activities** in 2019, which amounted to 591.4 million euros, or a 38% increase compared to last year.

The AvH group maintained its high level of investment in 2019, with a total of 1,040.9 million euros, which is only slightly lower than in the record year 2018 (1,103.2 million euros). It should also be noted that this limited decrease is amply explained by a smaller amount in terms of acquisition of **investments** by Bank J.Van Breda & C° as part of its normal ALM policy.

The **group's acquisition of intangible and tangible assets** remained virtually on the same high level at 503.2 million euros (2018: 505.9 million euros). In 2019 it was again mainly DEME that made substantial investments (434.7 million euros) in the modernization and expansion of its fleet. This amount does not include the sum of 107.0 million euros from leases that are reported in the balance sheet in application (since 2019) of the new IFRS 16 accounting standard. What is included, however, is the 75.5 million euros maintenance and repair costs that are incurred to extend the life of the vessels and are consequently capitalized on the balance sheet in accordance with IAS 16. For Anima Care, too, 2019 was a year of heavy investments (30.7 million euros): besides various minor alterations to several residential care centres, most of this amount went to the three new-build residences in Anderlecht (Erasmus site), Zoutleeuw and Bilzen, which were already brought into use in the last quarter of 2019.

Investment property: Extensa invested 107.7 million euros and Leasinvest Real Estate 105.0 million euros in the expansion of their real estate portfolio. Extensa invested further in the renovation of several historic buildings on the Tour & Taxis site, for the most part in the Gare Maritime complex and the underground car park that belongs to it. Leasinvest Real Estate in 2019 acquired two retail properties near Shopping City Süd in Vösendorf near Vienna in Austria, and also acquired two more office buildings in the EBBC Business Park in Luxembourg.

Additional **financial fixed assets** in "Marine Engineering & Contracting" were acquired by DEME and CFE by investing in the capital of several project companies, and by Rent-A-Port which made additional investments in the development companies of two industrial zones in the vicinity of the port of Haiphong (Vietnam). In "Real Estate & Senior Care", Leasinvest Real Estate acquired a total of 11.4 million euros worth of additional shares in the listed real estate company Retail Estates. AvH increased its participation in SIPEF by acquiring 3.3 million euros worth of additional shares, and also invested an additional 8.9 million euros in Sagar Cements. "AvH & Growth Capital" invested in new participations such as Biolectric, Biotalys and Medikabazaar.

Divestments in 2019 generated 625.5 million euros in cash (2018 : 538.0 million euros). In "Real Estate & Senior Care", Leasinvest Real Estate in 2019 sold its Kennedy building in Luxembourg and the Riverside Business Park in Belgium. The balance of the **disposal of investment property** (totalling 42.4 million euros) related to the sale of a small property by Extensa.

The cash proceeds from the **disposal of financial fixed assets** peaked at 202.7 million euros thanks to the sale by AvH of its participations in primarily Residalya (165.0 million euros), Henschel Engineering (3.5 million euros) and the earn out for Ogeda (3.1 million euros). The sale of the office building developed for Deloitte on the Cloche d'Or site in Luxembourg, which was 50% owned by Extensa through a development company, also contributed to this.

The offshore wind farms Rentel (in Belgium) and Merkur (in Germany) were both operational in 2019. In the development phase of those wind farms, DEME (Rentel and Merkur) and Green Offshore (Rentel) had also provided substantial **financing** that was repaid to a large extent during 2019 from cash flow from operating activities and refinancing. Several real estate development companies in which CFE participates also repaid 13.5 million euros worth of financing.

The **disposal of investments** amounted to 53.7 million euros less than last year. This movement should be seen in conjunction with the acquisition of investments, since both these items relate exclusively to the investment portfolio that Bank J.Van Breda & C° holds in the long term.

The (net) **cash flow from financial activities** amounted to 196.9 million euros in 2019, compared to just 15.4 million euros in 2018. This is primarily explained by the uptake of 389.4 million euros additional financial debts (2018: 158.6 million euros). In this respect it should be pointed out that this increase of financial debt by 389.4 million euros is almost entirely offset by the increase of cash and cash equivalents by 374.4 million euros.

The balance of **interest received** less **interest paid** over the full year 2019 in fact turned out 4.9 million euros less negative than in 2018.

"Marine Engineering & Contracting" accounts for 226.2 million euros of the **increase of financial debts**. DEME took up 254.2 million euros worth of extra financial debts. In "Real Estate & Senior Care", too, the additional investments were reflected in the uptake of extra financing (Extensa 85.0 million euros; Leasinvest Real Estate 62.1 million euros, and Anima Care 18.5 million euros).

Dividends paid to minority interests related to dividends that were paid in 2019 to the minority shareholders of a.o. CFE (23.8 million euros), Bank J.Van Breda & C° (5.5 million euros), Leasinvest Real Esate (18.5 million euros) and participations of Extensa (15.2 million euros).

Evolution of the financial debts (cash & non-cash)

(€ 1,000)	
Financial debts at 31-12-2018	**2,013,123**
Changes in Cashflow statement	389,404
Other adjustments :	
- IFRS 16 Leases (opening balance 2019)	131,448
- IFRS 16 Leases (2019)	30,068
- Changes in consolidation scope - acquisitions	70,911
- Changes in consolidation scope - divestments	-103,949
- Impact of exchange rates	345
- Others	552
Financial debts at 31-12-2019	**2,531,904**

Evolution of the cash position of the AvH group 2015-2019(1)

€ millions	2019	2018	2017	2016	2015
Treasury shares	40.8	34.7	35.5	29.0	28.4
Other investments					
- Portfolio shares	55.7	37.2	40.0	39.0	41.1
- Term deposits	155.9	23.9	1.3	26.2	33.2
Cash	27.0	31.2	49.7	5.3	5.6
Financial debts (commercial paper)	-12.0	-24.0	-46.2	-31.2	-32.0
Net cash position	**267.4**	**102.9**	**80.2**	**68.3**	**76.3**

(1) Includes the cash and financial debts to credit institutions and to financial markets of the consolidated subholdings recorded in the segment 'AvH & Growth Capital' and the cash of GIB (50%) and FinAx/Finaxis. To the extent that the treasury shares are held in portfolio to cover outstanding option obligations, the value of the treasury shares is matched to those obligations.

Note 6: segment information - income statement 2018

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2018
Revenue	**3,757,557**	**167,429**	**448,113**	**13**	**87,057**	**-1,989**	**4,458,181**
Rendering of services	3,180		204,574		1,833	-1,843	207,745
Lease revenue		8,656	1,583				10,239
Real estate revenue	94,696		221,880				316,576
Interest income - banking activities		95,126					95,126
Fees and commissions - banking activities		61,224					61,224
Revenue from construction contracts	3,543,530				82,550		3,626,080
Other operating revenue	116,151	2,423	20,076	13	2,674	-146	141,192
Other operating income	**7,670**	**701**	**4,402**	**0**	**2,712**	**-1,194**	**14,290**
Interest on financial fixed assets - receivables	7,619		110		1,254	-1,124	7,858
Dividends	50	701	4,293		634		5,677
Government grants							0
Other operating income					824	-70	754
Operating expenses (-)	**-3,537,890**	**-116,061**	**-358,598**	**-74**	**-117,308**	**2,059**	**-4,127,873**
Raw materials and consumables used (-)	-2,078,801		-150,385		-43,720		-2,272,906
Changes in inventories of finished goods, raw materials & consumables (-)	-27,361		10,836		38		-16,488
Interest expenses Bank J,Van Breda & C° (-)		-24,841					-24,841
Employee expenses (-)	-637,476	-42,857	-124,631		-37,106		-842,070
Depreciation (-)	-272,495	-4,446	-17,131		-2,972		-297,044
Impairment losses (-)	-19,802	-3,011	-4,438		-13,283		-40,533
Other operating expenses (-)	-528,755	-37,102	-74,007	-74	-20,261	2,059	-658,139
Provisions	26,799	-3,804	1,158		-4		24,149
Profit (loss) on assets/liabilities designated at fair value through profit and loss	**0**	**0**	**6,285**	**0**	**-2,581**	**0**	**3,704**
Financial assets - Fair value through P/L (FVPL)			5,555		-2,581		2,974
Investment property			730				730
Profit (loss) on disposal of assets	**7,879**	**482**	**30,692**	**0**	**11,368**	**0**	**50,421**
Realised gain (loss) on intangible and tangible assets	7,530		-29		9		7,510
Realised gain (loss) on investment property							0
Realised gain (loss) on financial fixed assets	349	-27	30,721		11,125		42,168
Realised gain (loss) on other assets		509			234		743
Profit (loss) from operating activities	**235,215**	**52,551**	**130,894**	**-61**	**-18,752**	**-1,124**	**398,723**
Finance income	**55,233**	**8**	**4,375**	**0**	**339**	**-88**	**59,867**
Interest income	7,501	8	2,661		332	-88	10,414
Other finance income	47,732		1,714		8		49,454
Finance costs (-)	**-71,945**	**0**	**-26,951**	**-6**	**-1,616**	**1,212**	**-99,305**
Interest expenses (-)	-20,638		-16,482		-388	1,212	-36,295
Other finance costs (-)	-51,307		-10,469	-6	-1,228		-63,010
Derivative financial instruments designated at fair value through profit and loss	**0**	**-10**	**124**	**0**	**0**		**114**
Share of profit (loss) from equity accounted investments	**21,910**	**107,089**	**18,860**	**8,040**	**-2,047**		**153,853**
Other non-operating income	**0**	**716**	**0**	**0**	**0**		**716**
Other non-operating expenses (-)	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) before tax	**240,413**	**160,355**	**127,302**	**7,973**	**-22,075**	**0**	**513,968**
Income taxes	**-49,769**	**-11,465**	**-9,618**	**0**	**-1,343**	**0**	**-72,195**
Deferred taxes	91	916	5,774		-328		6,452
Current taxes	-49,860	-12,381	-15,392		-1,015		-78,647
Profit (loss) after tax from continuing operations	**190,644**	**148,890**	**117,685**	**7,973**	**-23,418**	**0**	**441,773**
Profit (loss) after tax from discontinued operations	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) of the period	**190,644**	**148,890**	**117,685**	**7,973**	**-23,418**	**0**	**441,773**
Minority interests	72,563	27,589	52,405	266	-689		152,134
Share of the group	118,081	121,300	65,279	7,707	-22,729		289,639

Note 6: segment information - cash flow statement 2018

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	**Total 2018**
I. Cash and cash equivalents - opening balance	**524,994**	**3,762**	**48,930**	**402**	**58,939**		**637,027**
Profit (loss) from operating activities	235,215	52,551	130,894	-61	-18,752	-1,124	398,723
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-7,879	-482	-30,692		-11,368		-50,421
Dividends from participations accounted for using the equity method	5,825	52,263	1,766	73	7,638		67,565
Other non-operating income (expenses)	0	716					716
Income taxes (paid)	-55,776	-12,381	-15,392	0	-1,015		-84,563
Non-cash adjustments							
Depreciation	272,495	4,446	17,131		2,972		297,044
Impairment losses	19,802	3,148	4,429		13,283		40,661
Share based payment		-1,498	163		973		-362
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-6,285		2,581		-3,704
(Decrease) increase of provisions	-24,250	4,304	-1,126		-196		-21,268
Other non-cash expenses (income)	-3,070	269	-120		830		-2,091
Cash flow	**442,363**	**103,336**	**100,768**	**12**	**-3,054**	**-1,124**	**642,299**
Decrease (increase) of working capital	**-213,714**	**10,645**	**9,511**	**18**	**-26,446**	**6,165**	**-213,822**
Decrease (increase) of inventories and construction contracts	-64,473		10,631		-4,505		-58,347
Decrease (increase) of amounts receivable	-289,957	-28,245	-1,824	19	5,459	6,165	-308,384
Decrease (increase) of receivables from credit institutions and clients (banks)		-336,488					-336,488
Increase (decrease) of liabilities (other than financial debts)	134,724	-2,394	-9,905	-1	-26,304		96,120
Increase (decrease) of debts to credit institutions, clients & securities (banks)		379,047					379,047
Decrease (increase) other	5,993	-1,275	10,608		-1,096		14,230
Cash flow from operating activities	**228,649**	**113,981**	**110,279**	**30**	**-29,500**	**5,041**	**428,478**
Investments	**-450,192**	**-368,096**	**-239,731**	**-7,360**	**-39,780**	**1,937**	**-1,103,222**
Acquisition of intangible and tangible assets	-453,483	-5,867	-43,084		-3,482		-505,916
Acquisition of investment property			-182,707				-182,707
Acquisition of financial fixed assets (business combinations included)	-18,489	-289	-12,990	-7,360	-13,485		-52,612
Cash acquired through business combinations	72,454						72,454
New amounts receivable	-50,674	-236	-950		-4,188	1,937	-54,112
Acquisition of investments		-361,704			-18,625		-380,329
Divestments	**34,152**	**330,654**	**107,664**		**65,541**		**538,011**
Disposal of intangible and tangible assets	15,834		155		38		16,027
Disposal of investment property			3,500				3,500
Disposal of financial fixed assets (business disposals included)	9,564		103,477		46,904		159,945
Cash disposed of through business disposals							0
Reimbursements of amounts receivable	8,755		486				9,241
Disposal of investments		330,654	45		18,598		349,297
Cash flow from investing activities	**-416,039**	**-37,442**	**-132,067**	**-7,360**	**25,760**	**1,937**	**-565,211**
Financial operations							
Interest received	7,501	8	2,659		332	-88	10,412
Interest paid	-23,934		-17,234		-388	1,212	-40,343
Other financial income (costs)	-3,605		-8,196	-6	-1,045		-12,852
Decrease (increase) of treasury shares					768		768
(Decrease) increase of financial debts	136,537		50,704		-20,548	-8,102	158,592
Investments and divestments in controlling interests			52,317		-3,676		48,641
Distribution of profits					-73,019		-73,019
Dividends paid intra group	-36,695	-55,913	-7,410		100,017		0
Dividends paid to minority interests	-24,060	-15,161	-37,600				-76,820
Cash flow from financial activities	**55,745**	**-71,065**	**35,241**	**-6**	**2,442**	**-6,977**	**15,379**
II. Net increase (decrease) in cash and cash equivalents	**-131,646**	**5,474**	**13,452**	**-7,336**	**-1,298**		**-121,355**
Transfer between segments				7,360	-7,360		0
Change in consolidation scope or method	-3,314	119	401				-2,794
Impact of exchange rate changes on cash and cash equivalents	712		2	-17	12		709
III. Cash and cash equivalents - ending balance	**390,746**	**9,355**	**62,785**	**409**	**50,293**		**513,588**

A number of line items have been added to the presentation of the cash flow statement (to make the link with the note on 'Business combinations & disposals' more transparent, among other reasons); accordingly, the 2018 presentation was adapted as well.

Note 6: segment information - assets 2018

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2018
I. Non-current assets	**3,127,131**	**4,554,231**	**1,662,897**	**221,606**	**220,361**	**-17,405**	**9,768,821**
Intangible assets	**89,603**	**1,528**	**85,197**		**475**		**176,802**
Goodwill	**177,127**	**134,247**	**28,363**				**339,738**
Tangible assets	**2,382,353**	**44,401**	**257,420**		**26,923**		**2,711,097**
Land and buildings	77,134	42,203	206,860		22,395		348,592
Plant. machinery and equipment	1,860,603	6	4,474		896		1,865,980
Furniture and vehicles	13,040	294	12,657		3,380		29,372
Other tangible assets	552	1,809	1,905		252		4,518
Assets under construction and advance payments	431,023	89	31,523				462,635
Investment property			**1,137,531**				**1,137,531**
Participations accounted for using the equity method	**194,547**	**585,540**	**32,765**	**221,606**	**150,307**		**1,184,765**
Financial fixed assets	**181,135**	**1,054**	**95,159**		**36,524**	**-17,405**	**296,467**
Financial assets : shares - Fair value through P/L (FVPL)	3,255		91,824		18,447		113,526
Receivables and warranties	177,880	1,054	3,335		18,077	-17,405	182,941
Non-current hedging instruments	**9**	**1,295**	**696**				**2,000**
Amounts receivable after one year	**2,448**	**156,875**	**22,618**		**3,554**		**185,495**
Trade receivables							0
Finance lease receivables		156,875	22,096				178,971
Other receivables	2,448		522		3,554		6,524
Deferred tax assets	**99,909**	**2,663**	**3,147**		**2,578**		**108,297**
Banks - receivables from credit institutions and clients after one year		**3,626,628**					**3,626,628**
II. Current assets	**1,875,800**	**1,992,452**	**362,626**	**412**	**150,736**	**-10,451**	**4,371,576**
Inventories	**181,451**		**150,415**		**519**		**332,385**
Amounts due from customers under construction contracts	**50,943**		**26,042**		**8,770**		**85,755**
Investments	**3**	**457,129**	**113**		**37,175**		**494,420**
Financial assets : shares - Fair value through P/L (FVPL)	3		113		37,175		37,291
Financial assets : bonds - Fair value through OCI (FVOCI)		456,813					456,813
Financial assets : shares - Fair value through OCI (FVOCI)		316					316
Financial assets - at amortised cost							0
Current hedging instruments	**275**	**176**					**451**
Amounts receivable within one year	**1,200,042**	**93,266**	**114,678**		**50,150**	**-8,801**	**1,449,334**
Trade debtors	1,093,581		30,895		15,123	-1,116	1,138,482
Finance lease receivables		63,682	685				64,367
Other receivables	106,461	29,584	83,097		35,028	-7,685	246,485
Current tax receivables	**24,257**	**881**	**3,282**	**4**	**1,092**		**29,516**
Banks - receivables from credit institutions and clients within one year		**1,424,040**					**1,424,040**
Banks - loans and advances to banks		127,693					127,693
Banks - loans and receivables (excl. finance leases)		936,664					936,664
Banks - cash balances with central banks		359,683					359,683
Cash and cash equivalents	**390,746**	**9,355**	**62,785**	**409**	**50,293**		**513,588**
Time deposits for less than three months	28,240	1	4,552		23,868		56,661
Cash	362,506	9,354	58,234	409	26,425		456,927
Deferred charges and accrued income	**28,083**	**7,605**	**5,312**		**2,738**	**-1,649**	**42,088**
III. Assets held for sale			**19,753**		**5,314**		**25,067**
Total assets	**5,002,931**	**6,546,683**	**2,045,277**	**222,018**	**376,412**	**-27,856**	**14,165,464**

(€ 1,000) **Segment information - pro forma turnover**	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2018
Turnover EU member states	2,764,016	547,334	427,574	38,024	691,980	-1,843	4,467,086
Other European countries	54,321	215	463	23,484	78,945		157,428
Rest of the world	823,068	0	0	37,260	401,763		1,262,092
Total	**3,641,406**	**547,549**	**428,037**	**98,769**	**1,172,688**	**-1,843**	**5,886,606**

The pro forma turnover comprises the turnover of all participations held by the AvH group, and therefore deviates from the turnover as reported in the legal IFRS consolidation drawn up on the basis of the consolidation scope reported on page 140 to 146. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 6: segment information - equity and liabilities 2018

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2018
I. Total equity	**1,726,910**	**1,265,115**	**830,804**	**222,012**	**313,154**		**4,357,996**
Shareholders' equity - group share	**1,044,472**	**1,149,019**	**450,091**	**222,012**	**310,853**		**3,176,447**
Issued capital					**113,907**		**113,907**
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	**1,071,973**	**1,147,315**	**457,491**	**212,576**	**235,486**		**3,124,841**
Revaluation reserves	**-27,501**	**1,704**	**-7,400**	**9,436**	**-10,429**		**-34,190**
Financial assets : bonds - Fair value through OCI (FVOCI)		1,569					1,569
Financial assets : shares - Fair value through OCI (FVOCI)		228					228
Hedging reserves	-3,501	-71	-10,281	117	208		-13,529
Actuarial gains (losses) defined benefit pension plans	-15,427	-145	-9	-871	1,455		-14,996
Translation differences	-8,573	123	2,891	10,190	-12,092		-7,462
Treasury shares (-)					**-28,111**		**-28,111**
Minority interests	**682,439**	**116,096**	**380,713**		**2,301**		**1,181,549**
II. Non-current liabilities	**962,984**	**707,047**	**773,470**		**9,118**	**-17,405**	**2,435,214**
Provisions	**66,913**	**8,874**	**2,836**		**1,425**		**80,048**
Pension liabilities	**57,553**	**4,528**	**823**				**62,904**
Deferred tax liabilities	**119,441**		**70,884**		**1,657**		**191,983**
Financial debts	**703,997**		**647,804**		**5,808**	**-17,405**	**1,340,204**
Bank loans	598,767		516,311		5,227		1,120,304
Bonds	29,805		113,552				143,356
Subordinated loans	18,902				14		18,916
Finance leases	37,997		15,363		567		53,927
Other financial debts	18,528		2,578			-17,405	3,700
Non-current hedging instruments	**9,354**	**14,048**	**35,801**				**59,203**
Other amounts payable after one year	**5,725**	**11,268**	**15,322**		**228**		**32,543**
Banks - debts to credit institutions, clients & securities		**668,329**					**668,329**
Banks - deposits from credit institutions							0
Banks - deposits from clients		594,294					594,294
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		74,035					74,035
III. Current liabilities	**2,313,036**	**4,574,521**	**440,950**	**6**	**54,139**	**-10,451**	**7,372,201**
Provisions	**44,205**	**18**	**6,536**				**50,760**
Pension liabilities		**358**					**358**
Financial debts	**357,997**		**296,612**		**25,679**	**-7,367**	**672,919**
Bank loans	137,010		76,480		1,374		214,864
Bonds	200,137		75,689				275,826
Subordinated loans	4,573				7		4,580
Finance leases	8,325		1,301		299		9,924
Other financial debts	7,952		143,141		23,999	-7,367	167,724
Current hedging instruments	**10,990**	**1,546**	**33**				**12,569**
Amounts due to customers under construction contracts	**216,222**		**740**		**7,579**		**224,540**
Other amounts payable within one year	**1,601,027**	**13,764**	**101,105**	**2**	**19,490**	**-1,116**	**1,734,272**
Trade payables	1,412,207	15	66,434	2	9,689	-1,116	1,487,232
Advances received			1,270				1,270
Amounts payable regarding remuneration and social security	150,717	9,892	20,221		8,381		189,210
Other amounts payable	38,103	3,857	13,180		1,420		56,559
Current tax payables	**43,666**	**75**	**11,569**	**4**	**899**		**56,212**
Banks - debts to credit institutions, clients & securities		**4,551,832**					**4,551,832**
Banks - deposits from credit institutions		27,634					27,634
Banks - deposits from clients		4,232,779					4,232,779
Banks - debt certificates including bonds		275,208					275,208
Banks - subordinated liabilities		16,211					16,211
Accrued charges and deferred income	**38,930**	**6,928**	**24,355**		**493**	**-1,967**	**68,739**
IV. Liabilities held for sale			**54**				**54**
Total equity and liabilities	5,002,931	6,546,683	2,045,277	222,018	376,412	-27,856	14,165,464

Note 7: intangible assets

(€ 1,000)	Develop-ment costs	Concessions, patents & licences	Goodwill	Software	Other intangible assets	Advance payments	Total
Movements in intangible assets - financial year 2018							
Intangible assets, opening balance	**861**	**64,207**	**22,726**	**4,581**	**86,206**	**986**	**179,567**
Gross amount	4,207	85,814	22,726	30,200	94,992	986	238,925
Accumulated depreciation (-)	-3,346	-21,607	0	-25,618	-8,317	0	-58,889
Accumulated impairments (-)	0	0	0	0	-469	0	-469
Investments	285	1,126	184	809	66	576	3,039
Additions through business combinations							0
Disposals (-)		-9		-3			-3
Disposals through business disposals (-)		-82					-82
Depreciations (-)	-573	-3,084		-2,311	-223		-6,191
Impairments (-)							0
Foreign currency exchange increase (decrease)		-42		-3			-45
Transfer from (to) other items	139	176		1,319	19	-1,131	521
Other increase (decrease)	-2						-2
Intangible assets, ending balance	**709**	**62,293**	**22,911**	**4,393**	**86,067**	**430**	**176,802**
Gross amount	4,546	85,852	22,911	32,220	94,627	430	240,586
Accumulated depreciation (-)	-3,836	-23,560	0	-27,827	-8,561	0	-63,784
Accumulated impairments (-)	0	0	0	0	0	0	0
Movements in intangible assets - financial year 2019							
Intangible assets, opening balance	**709**	**62,293**	**22,911**	**4,393**	**86,067**	**430**	**176,802**
Gross amount	4,546	85,852	22,911	32,220	94,627	430	240,586
Accumulated depreciation (-)	-3,836	-23,560	0	-27,827	-8,561	0	-63,784
Accumulated impairments (-)	0	0	0	0	0	0	0
Investments	381	1,594	1,284	2,222	291	42	5,812
Additions through business combinations		1	3,427	35	4,469	0	7,932
Disposals (-)							0
Disposals through business disposals (-)		-58,426		-1,496	-7	-20	-59,949
Depreciations (-)	-771	-590		-1,926	-364		-3,650
Impairments (-)							0
Foreign currency exchange increase (decrease)		-6		2	92		88
Transfer from (to) other items		-134		248		-248	-134
Other increase (decrease)							0
Intangible assets, ending balance	**319**	**4,732**	**27,621**	**3,479**	**90,547**	**204**	**126,902**
Gross amount	4,920	28,710	27,621	31,527	100,406	204	193,388
Accumulated depreciation (-)	-4,601	-23,978	0	-28,048	-9,859	0	-66,486
Accumulated impairments (-)	0	0	0	0	0	0	0

The intangible assets decreased by 49.9 million euros to 126.9 million euros compared to year-end 2018. This decrease is explained to the amount of 59.9 million euros by the sale of the stake in the French retirement home group Residalya in the first half of 2019. Nevertheless, the acquisition of control over Infra Asia Investments by Rent-A-Port, of Biolectric Group (by AvH) and of two residential care centres, Villa 34 and Rossignol in Eigenbrakel (by Anima Care), together account for an increase of the intangible assets by 7.9 million euros. See Note 4 Business Combinations and Disposals for more details.

This balance sheet item consists largely of intangible assets (15.2 million euros of trade names and 69.3 million euros of databases) which were reported in the consolidated balance sheet at year-end 2013 following the acquisition of control over DEME. These intangible assets are included in the annual impairment test that AvH performs on the goodwill following the acquisition of control over DEME (at the end of 2013, see page 163).

The other intangible assets arise from the acquisitions of Anima Care and of software developments at Bank J.Van Breda & C°.

Note 8: goodwill

(€ 1,000)	2019	2018
Movements in goodwill		
Goodwill, opening balance	**339,738**	**349,523**
Gross amount - fully consolidated participations	361,634	370,213
Accumulated impairment losses - fully consolidated participations (-)	-21,897	-20,690
Additions through business combinations [1]	13,083	5,987
Disposals through business disposals (-) [1]	-21,270	0
Impairments through profit and loss (-)	0	-5,987
Other increase (decrease)	0	-9,785
Goodwill, ending balance	**331,550**	**339,738**
Gross amount - fully consolidated participations	349,660	361,634
Accumulated impairment losses - fully consolidated participations (-)	-18,110	-21,897

[1] See Note 4 Business combinations and disposals for more details

The goodwill decreased by 8.2 million euros. This decrease is explained to the amount of 21.3 million euros by the sale of the stake in the French retirement home group Residalya in the first half of 2019. The full consolidation of Biolectric Group (AvH 60%), however, led to the recognition in 2019 of 11.9 million euros goodwill in "AvH & Growth Capital". Anima Care expanded its retirement home network with the acquisition of two residential care facilities, Villa 34 and Rossignol in Braine l'Alleud, whereupon it recognized a limited goodwill.

On balance, the goodwill is mainly attributable to FinAx, DEME (following the acquisition of control at year-end 2013), Biolectric Group and to the subsidiaries held by DEME, CFE and Anima Care. It should be pointed out that this does not include the goodwill (clients) of 231.7 million euros in the consolidated balance sheet of Delen Private Bank, as Delen Private Bank is recognized according to the equity method. This goodwill mainly results from the acquisition of Capital & Finance in 2007, JM Finn in 2011, and to a limited extent Oyens & Van Eeghen (end of 2015) and Nobel (end of 2019).

AvH subjects the goodwill on its balance sheet to an impairment test in case of impairment indications and at least annually. This means the goodwill that is reported as such in the consolidated balance sheet under the item 'Goodwill', as well as the goodwill that is contained in the item 'Participations accounted for using the equity method' on the assets side. Each group company of AvH is treated as a distinct cash generating unit (CGU). As part of the impairment test, a fair value is determined for each CGU on the basis of publicly available market valuations (broker reports / market price of listed companies / recent transactions). If after this first step on the basis of a fair value approach it turns out that additional justification is required, a value in use will also be determined from the perspective of AvH based on a discounted cash flow (DCF) model or market multiples. If, after this second step, still no adequate justification can be given for the goodwill in the balance sheet, an 'impairment' will be recognized.

The impairment test that was performed did not give rise to impairment losses.

Note 9: tangible assets

Significant investments (530.4 million euros, including the impact through business combinations), the first-time application of IFRS 16 Leases (131.4 million euros), depreciation charges (-339.3 million euros) and the disposal of Residalya (-106.4 million euros) explain the net increase of 198.1 million euros in the tangible assets.

The **first-time application of IFRS 16 Leases** led at the beginning of 2019 to the recognition of a new category of fixed assets (131.4 million euros) and higher depreciation charges. See Note 1 Valuation Rules for more details.

DEME continued to invest unabated in its fleet, investing 434.7 million euros in 2019 (2018: 441.3 million euros). In 2019, the new trailing suction hopper dredger Bonny River (15,000 m³) was put into operation. The vessel is equipped with a dual fuel engine that can run on both LNG and diesel. In addition to the major repair costs, in particular those for the jack-up vessel Innovation, the investments were primarily related to the four large vessels under construction, notably the Spartacus, the world's most powerful cutter suction dredger, the offshore installation vessel Orion, and the trailing suction hopper dredgers Meuse River and River Thames.
Of the ten vessels ordered in 2015, 2016 and 2018 with a total value of more than 1 billion euros, the vessels Minerva, the Scheldt River, the Gulliver (in partnership), Apollo and the Living Stone were delivered in 2017 and 2018. In 2019, the vessel Bonny River joined the DEME fleet. At December 31, 2019, the remaining committed amount of 173.3 million euros assets under construction will be invested in the upcoming years.

Anima Care made additional investments worth 30.7 million euros and completed three high-quality new-build projects in 2019 :

- In September, 57 residents moved into Kristalllijn (Bilzen). In the first quarter of 2020, 49 additional residential units will brought into use.
- Ravelijn (Zoutleeuw) was also brought into use in September. The centre can accommodate 43 nursing home and short-stay residents, and also has 30 convalescence beds and 20 service flats.
- Alegria (Anderlecht), with a capacity of 159 nursing home beds and 34 service flats, opened on the Erasmus Gardens site at the end of October.

The **disposal of Residalya** led to a decrease of the tangible assets by 106.4 million euros.

Note 9: tangible assets

(€ 1,000)	Land and buildings	Plant. machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction & advance payments	Operating lease as lessor (IAS 17)	Total 2018
I. Movements in tangible assets - financial year 2018							
Tangible assets, opening balance	**479,686**	**1,615,815**	**28,822**	**4,713**	**443,558**	**283**	**2,572,877**
Gross amount	614,612	3,452,446	128,765	14,547	443,558	1,457	4,655,385
Accumulated depreciation (-)	-132,227	-1,836,631	-99,207	-9,834		-1,174	-2,079,073
Accumulated impairments (-)	-2,699		-736				-3,435
Investments	16,505	184,661	12,189	959	282,098		496,413
Additions through business combinations		83,421	424				83,845
Disposals (-)	-7,479	-1,568	-613		-5,725		-15,385
Disposals through business disposals (-)	-143,160	-196	-571		-4,436		-148,364
Depreciations (-)	-19,163	-259,221	-11,300	-1,162		-7	-290,853
Impairments (-)	-2,924						-2,924
Foreign currency exchange increase (decrease)	-303	856	7		24	-49	534
Transfer from (to) other items	7,095	240,721	412	8	-252,884	-227	-4,874
Other increase (decrease)	18,336	1,492	2				19,830
Tangible assets, ending balance	**348,592**	**1,865,980**	**29,372**	**4,518**	**462,635**	**0**	**2,711,097**
Gross amount	481,405	3,934,812	125,865	15,258	462,635		5,019,975
Accumulated depreciation (-)	-129,313	-2,068,832	-95,759	-10,740			-2,304,644
Accumulated impairments (-)	-3,499	0	-734				-4,234
II. Other information							
Finance leases							
Net carrying amount of tangible assets under finance lease	26,590	49,416	2,157				78,163
Tangible assets acquired under finance lease	75	2,825	711				3,611

(€ 1,000)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction & advance payments	Operating lease as lessor (IAS 17)	Total 2019
I. Movements in tangible assets - financial year 2019							
Tangible assets, opening balance	**348,592**	**1,865,980**	**29,372**	**4,518**	**462,635**	**0**	**2,711,097**
Gross amount	481,405	3,934,812	125,865	15,258	462,635		5,019,975
Accumulated depreciation (-)	-129,313	-2,068,832	-95,759	-10,740			-2,304,644
Accumulated impairments (-)	-3,499	0	-734				-4,234
First time application of IFRS 16 Leases	97,534	5,311	28,603				131,448
Investments	50,665	182,096	27,965	2,195	244,647		507,568
Additions through business combinations	5,375	13,940	70	134	3,338		22,856
Disposals (-)	-4,788	-13,382	-731	-112	6,174		-12,839
Disposals through business disposals (-)	-83,292	-1,752	-10,267		-11,308		-106,618
Depreciations (-)	-29,622	-286,495	-21,538	-1,650			-339,305
Impairments (-)			-6				-6
Foreign currency exchange increase (decrease)	117	-331	-200	35	79		-301
Transfer from (to) other items	19,378	134,092	187	-2,334	-157,594		-6,271
Other increase (decrease)	-927		4	2,459			1,537
Tangible assets, ending balance	**403,032**	**1,899,461**	**53,457**	**5,245**	**547,971**	**0**	**2,909,167**
Gross amount	548,677	4,126,733	140,622	15,994	547,971		5,379,997
Accumulated depreciation (-)	-145,252	-2,227,272	-86,424	-10,749			-2,469,698
Accumulated impairments (-)	-393		-741				-1,133
II. Other information							
Finance leases							
Net carrying amount of tangible assets under finance lease	115,376	51,807	36,288				203,471
Tangible assets acquired under finance lease	17,487	8,037	20,878				46,402

Note 10: investment property at fair value

(€ 1,000)	Leased buildings	Operating lease as lessor - IAS 40	Development projects	Assets held for sale	Total
I. Movement in investment property at fair value - financial year 2018					
Investment property, opening balance	**879,691**	**0**	**65,796**	**3,613**	**949,100**
Gross amount	879,691	0	65,796	3,613	949,100
Investments	115,597		67,111		182,707
Additions through business combinations					0
Disposals (-)				-3,613	-3,613
Gains (losses) from fair value adjustments	-700		152	1,278	730
Transfer from (to) other items	37,206		-32,617	18,489	23,078
Other increase (decrease)	5,296			-14	5,282
Investment property, ending balance	**1,037,089**	**0**	**100,442**	**19,753**	**1,157,285**
Gross amount	1,037,089	0	100,442	19,753	1,157,285
I. Movement in investment property at fair value - financial year 2019					
Investment property, opening balance	**1,037,089**	**0**	**100,442**	**19,753**	**1,157,285**
Gross amount	1,037,089	0	100,442	19,753	1,157,285
Investments	108,445		107,822	282	216,550
Additions through business combinations					0
Disposals (-)				-3,276	-3,276
Disposals through business disposals (-)				-42,847	-42,847
Gains (losses) from fair value adjustments	5,875		1,881	-2,407	5,348
Transfer from (to) other items	-28,920		2,827	28,920	2,827
Other increase (decrease)	2,213		-1,582	18	650
Investment property, ending balance	**1,124,702**	**0**	**211,391**	**444**	**1,336,537**
Gross amount	1,124,702	0	211,391	444	1,336,537

(€ 1,000)	Total 2019	Total 2018
Breakdown of real estate revenue in the income statement		
Sale of land parcels	326	5,350
Rental income	71,934	61,349
Other real estate revenue (a.o. real estate promotion revenues)	144,922	249,877
	217,181	**316,576**
Key figures - buildings in portfolio LRE (excluding development projects)		
Rental yield (%)	5.84%	6.45%
Occupancy rate (%)	90.46%	94.26%
Average duration of the leases till first break (# years)	4.28	4.34

With a real estate portfolio (excluding leasing) of 1,092.5 million euros, Leasinvest Real Estate is responsible for 82% of this balance sheet item. The remaining balance comes from Extensa (243.6 million euros of investment property mainly on the Tour & Taxis site in Brussels) and one building held for sale from the retirement home segment.

Leasinvest Real Estate invested 105.0 million euros in the expansion of its real estate portfolio. In 2019, Leasinvest Real Estate acquired two retail properties near Shopping City Süd in Vösendorf near Vienna in Austria, and also acquired two more office buildings in the EBBC Business Park in Luxembourg. The 'Kennedy' building in Luxembourg and the 'Riverside Business Park' in Belgium were sold.

Extensa invested 107.7 million euros, primarily in the renovation of several historic buildings on the Tour & Taxis site, for the most part in the Gare Maritime complex and the underground car park that belongs to it.

Valuation of investment properties

Leasinvest Real Estate uses the following methods to define the fair value according to IFRS 13:

- **Net present value of estimated rental income**
  The fair value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.
- **Discounted cash flow method**
  The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.
- **Residual valuation**
  Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- **Level 1** inputs are quoted prices in active markets for identical assets or liabilities.
- **Level 2** inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).
- **Level 3** inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

The investment properties fall under level 3. The valuations at the end of 2019 were carried out by external parties: Cushman & Wakefield, Stadim (Belux) and Oerag (Austria). The table below provides an overview of the valuation techniques applied per asset class.

Asset class	Fair value 2019 (€ 1,000)	Fair value 2018 (€ 1,000)	Valuation technique	Important input data	31/12/2019 Min-Max (weighted average)	31/12/2018 Min-Max (weighted average)
Retail Grand Duchy of Luxembourg & Belgium	350,718	343,076	Actualization of estimated rental income	a) Estimated rental value spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Remaining duration f) Number m²	a) [9.34 €/m² - 18.46 € /m²] b) [12.74 € /m²] c) [5.58% - 7.35%] d) [6.66%] e) 3.60 years f) 153 245 m²	a) [9.34 €/m² - 18.77 € /m²] b) [12.85 € /m²] c) [5.70% - 7.02%] d) [6.59%] e) 3.74 years f) 153 245 m²
Retail Austria	179,661	106,530	DCF (discounted cash flow)	a) Average weighted estimated rental value b) Capitalization rate spread c) Capitalization rate calculation terminal value after 10y d) Remaining duration e) Number m²	a) [11.45 €/m²] b) [4.97% - 5.59%] c) [5.35%] d) 5.60 years e) 69 533 m²	a) [11.18 €/m²] b) [4.97% - 5.67%] c) [5.26%] d) 6.37 years e) 43 404 m²
Offces Grand Duchy of Luxembourg	264,430	241,860	Actualization of estimated rental income	a) Estimated rental value spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Remaining duration f) Number m²	a) [7.53 €/m² - 49.33 € /m²] b) [22.89 €/m²] c) [4.95% - 7.50%] d) [6.19%] e) 3.20 years f) 48 059 m²	a) [11.54 €/m² - 48.25 € /m²] b) [27.64 €/m²] c) [5.00% - 8.65%] d) [6.27%] e) 3.63 years f) 48 657 m²
Offces Belgium	253,688	268,467	Actualization of estimated rental income	a) Estimated rental value spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Remaining duration f) Number m²	a) [8.27 €/m² - 27.09 €/m²] b) [13.30 €/m²] c) [4.10% - 7.70%] d) [5.72%] e) 6.74 years f) 93 564 m²	a) [8.42 €/m² - 22.02 €/m²] b) [10.64 €/m²] c) [4.10% - 9.35%] d) [6.05%] e) 6.71 years f) 130 013 m²
Logistics	61,752	62,100	DCF (discounted cash flow or net present value of cash-flows at discount rate)	a) Estimated rental value spread b) Average weighted estimated rental value c) Average discount rate d) Economic life e) Remaining duration f) Number m²	a) [4.88 €/m² - 7.70 € /m²] b) [6.17 € /m²] c) 7.25% d) 30 years e) 2.58 years f) 36 402 m²	a) [4.79 €/m² - 7.64 € /m²] b)[6.06 € /m²] c) 7.83% d) 30 years e) 3.25 years f) 33 979 m²
Total (1)	**1,110,249**	**1,022,033**				

(1) Investment property including lease (State Archives building in Bruges - Note 16), while excluding assets held for sale.

Valuation of investment properties (continued)

The rented buildings of **Extensa** (Maison de la Poste, Hôtel des Douanes, Public Warehouse and underground car park) are valued in a similar way at fair value, based on the actualisation of the estimated rental income and the discounted cash-flow method (level 3).

(€ 1.000)	Country	2019	2018
Investment property Extensa			
Events (Maison de la Poste, Public Warehouse, solar panels)	Belgium	33,950	32,720
Parkings Tour&Taxis	Belgium	21,625	21,800
Developments (Hôtel des Douanes, Gare Maritime, Parking Maritime)	Belgium	186,949	77,615
Semi-industrial & other investment property	Belgium	1,040	1,159
Total		**243,564**	**133,295**

Note 11: participations accounted for using the equity method

(€ 1,000)	2019	2018
Participations accounted for using the equity method		
Marine Engineering & Contracting	151,821	194,547
Private Banking	638,067	585,540
Real Estate & Senior Care	12,495	32,765
Energy & Resources	234,027	221,606
AvH & Growth Capital	166,067	150,307
Total	**1,202,477**	**1,184,765**

(€ 1,000)	Equity value	Goodwill allocated	Total 2019	Total 2018
Movements in participations accounted for using the equity method				
Participations accounted for using the equity method: opening balance	**1,119,050**	**65,715**	**1,184,765**	**1,240,746**
Additions	22,108	732	22,840	26,726
Additions through business combinations	0		0	0
Disposals (-)	-29,848		-29,848	-38,226
Disposals through business disposals (-)	0		0	0
Share of profit (loss) from equity accounted investments	154,952		154,952	153,853
Impairments through profit and loss (-)	0		0	0
Foreign currency exchange increase (decrease)	9,145		9,145	4,796
Impact of dividends distributed by the participations (-)	-62,192		-62,192	-67,565
Transfers (to) from other items	-35,813		-35,813	-138,013
Other increase (decrease)	-41,401	28	-41,373	2,449
Participations accounted for using the equity method: ending balance	**1,136,002**	**66,475**	**1,202,477**	**1,184,765**

General evolution

The Participations accounted for using the equity method increased by 17.7 million euros compared to last year. AvH did not acquire or dispose of any new participations in 2019 that are accounted for using the equity method. The evolution is therefore explained by the results of those participations (155.0 million euros), less the dividends paid by those companies (62.2 million euros). The balance is explained by additional investments (for example in SIPEF and Sagar Cements) and by changes in the consolidation scope.

In 2019, AvH increased its participation in SIPEF (+0.74%) and in Sagar Cements (+2.29%). On the other hand, there was the sale by AvH of its 50% participation in Henschel Engineering NV and the sale by Extensa of the company that is owner of the office building let to Deloitte Luxembourg on the Cloche d'Or site in Luxembourg.

In August 2019, Rent-A-Port transferred its subsidiaries managing the developments in Oman to DEME Concessions; a transaction without impact on the AvH consolidation.

The share of profit from equity accounted investments amounted to 155.0 million euros, which is virtually the same as the previous year (153.9 million euros). This item summarizes the whole contribution to the result from the entities that are not fully consolidated (jointly controlled subsidiaries and associated participating interests). In this regard it should be pointed out that in 2019, as a result of the restructuring of the shareholding structure above Bank J.Van Breda & C° and Delen Private Bank, as was explained in the 2018 annual report, the contribution of Delen Private Bank is recognized directly in equity at 78.75% instead of at 100% followed by a 21.25% adjustment for the minority interest, as was still the case in 2018.

In 2019, the profit contributions from the participations again amply exceeded the dividends paid out by them. The decrease in the value of the euro mostly against the US dollar translates into a positive exchange rate impact of 9.1 million euros.

The 'Transfer (to) from other items' is primarily explained by the change in the consolidation scope following the acquisition by Rent-A-Port of control over Infra Asia Investments (previously accounted for using the equity method and now fully consolidated since the beginning of 2019).

The 'Other increase (decrease)' item reflects movements in the equity of the participations, with the negative evolution in 2019 of the cash flow hedges at the participations of DEME and Green Offshore in the Rentel and SeaMade offshore wind farms having the greatest impact. Other movements in the equity of the participations include a.o. the eliminations of results on sales of treasury shares, the impact of the buy-out of minority interests, and the impact of the measurement of the purchase obligation resting on certain shares.

Directly held participations accounted for using the equity method

AvH applies the equity method to the jointly controlled subsidiaries Delen Private Bank (78.75%), SIPEF (32.3%), Amsteldijk Beheer (50%), Manuchar (30.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%). This balance sheet item also comprises the associated interests in Sagar Cements (19.9%), Axe Investments (48.3%), Financière EMG (22.5%) and Mediahuis (13.5%). For a more detailed description of the changes in the scope, see page 149 'Segment reporting'.

Some of the group companies mentioned above are listed on the stock market. If the interests in SIPEF and Sagar Cements were to be valued at the market price at year-end 2019, those companies would represent stock market values of 187.4 million euros and 29.0 million euros respectively. If the stock market value at the end of the year was lower than the consolidated equity method value, other elements were considered in the assessment as to whether an impairment was necessary. This was not the case at the end of 2019.

Indirectly held participations accounted for using the equity method

The full consolidation of CFE, DEME, Rent-A-Port and Green Offshore gives rise to the recognition of their jointly controlled subsidiaries and associated participating interests for a total amount of 151.8 million euros, the main interests being those of DEME in C-Power (6.5%), of DEME/Green Offshore in Rentel (18.9% and 12.5% respectively) and in SeaMade (13.2% and 8.75% respectively), of DEME in Deeprock and GEM/EMW, and the real estate and PPP projects set up by CFE together with partners.

Note 12: financial assets

1. Financial assets and liabilities per category

(€ 1,000)	Fair value		Book value	
	2019	2018	2019	2018
Financial assets				
Financial assets : shares - Fair value through P/L (FVPL)	210,135	150,817	210,135	150,817
Financial assets : bonds - Fair value through OCI (FVOCI)	420,628	456,813	420,628	456,813
Financial assets : shares - Fair value through OCI (FVOCI)	168	316	168	316
Financial assets - at amortised cost	0	0	0	0
Receivables and cash				
Financial fixed assets - receivables and warranties	100,406	182,941	100,406	182,941
Finance lease receivables	272,149	259,573	254,092	243,339
Other receivables	203,809	253,008	203,809	253,008
Trade debtors	938,560	1,138,482	938,560	1,138,482
Time deposits for less than three months	217,717	56,661	217,717	56,661
Cash	670,268	456,927	670,268	456,927
Banks - receivables from credit institutions & clients	5,960,543	5,367,928	5,606,585	5,050,668
Hedging instruments	2,124	2,451	2,124	2,451

(€ 1,000)	Fair value		Book value	
	2019	2018	2019	2018
Financial liabilities				
Financial liabilities valued at amortised cost				
Financial debts				
Bank loans	1,771,425	1,349,576	1,745,284	1,335,169
Bonds	255,305	419,759	254,120	419,182
Surbordinated loans	51,445	23,934	50,637	23,497
Finance leases	196,643	66,585	194,692	63,851
Other financial debts	287,170	171,424	287,170	171,424
Other debts				
Trade payables	1,305,836	1,487,232	1,305,836	1,487,232
Advances received	861	1,270	861	1,270
Amounts payable regarding remuneration and social security	197,967	189,210	197,967	189,210
Other amounts payable	95,962	89,102	95,962	89,102
Banks - debts to credit institutions, clients & securities	5,760,852	5,256,744	5,725,690	5,220,161
Hedging instruments	107,437	71,772	107,437	71,772

(€ 1,000)	2019			2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial assets : shares - Fair value through P/L (FVPL)	176,724		33,411	136,960		13,857
Financial assets : bonds - Fair value through OCI (FVOCI)	420,628			456,813		
Financial assets : shares - Fair value through OCI (FVOCI)			168			316
Financial assets - at amortised cost						
Receivables and cash						
Finance lease receivables			272,149			259,573
Banks - receivables from credit institutions & clients		596,085	5,364,458		487,511	4,880,417
Hedging instruments		2,124			2,451	
Financial liabilities						
Financial debts						
Bank loans		1,771,425			1,349,576	
Bonds	74,542	180,763		350,761	68,998	
Surbordinated loans		51,445			23,934	
Finance leases		196,643			66,585	
Banks - debts to credit institutions, clients & securities		5,760,852			5,256,744	
Hedging instruments		107,437			71,772	

The fair values must be classified in three levels according to the valuation hierarchy of IFRS 13, depending on the type of input used for the valuation of financial instruments. The specific effect of this for **Bank J.Van Breda & C°** is:

- Parameters for **level 1 instruments** are unadjusted quoted prices in active markets for identical assets and liabilities. No valuation technique (model) is used.
  In level 1, we find all financial assets valued at fair value, with incorporation of value changes in the unrealised results with a public listing in an active market.
- Parameters for **level 2 instruments** are prices quoted for similar assets and liabilities in active markets, or data based on or supported by observable market data. A valuation technique (model) is used, based on observable parameters such as:
  - the actual value of the future cashflows (discounted cashflow model)
  - the comparison with the current or recent fair value from another similar instrument
  - the determination of prices by third parties, provided that the price is in line with alternative observable parameters.

  We find the following financial assets and liabilities in level 2:
  - Cash and assets with central banks: because these assets have a very short term, the fair value is equated with the book value.
  - Receivables from credit institutions and financial liabilities valued at amortised cost: the fair value of the above financial instruments is determined as the current value of future cash flows based on the applicable swap interest rate and the assumptions below:
    - Commercial margins are taken into account when repricing;
    - No account is taken of a percentage of credit losses.
  - Derivatives held for trading purposes and for hedging purposes: the fair value of these instruments is also determined as the current value of future cash flows based on the applicable swap interest rate.
- Parameters for **level 3 instruments** are non-observable data for determining the fair value of an asset or liability. In this case, use is made of a valuation technique (model) with (partly) non-observable parameters.
  We find the following financial assets in level 3:
  - Some financial assets valued at fair value with value changes included in the unrealised results for which no public listing is available.
  - Loans and advances to customers, valued at amortised cost: the fair value thereof is determined as the current value of future cash flows based on the applicable swap interest rate and the assumptions below:
    - Commercial margins are taken into account when repricing;
    - A percentage of early repayments and cap options is taken into account;
    - No account is taken of a percentage of credit losses.

The fair value of the securities in the **other investment portfolio** of the Group is determined on the basis of the listing on the public market (level 1). The same applies to the **public bonds issued** by Leasinvest Real Estate and Extensa. The **private** bonds issued by BPI, Leasinvest Real Estate and Rent-A-Port are reported under level 2.

(€ 1,000)	Realised gains (losses)	Interest income (expense)	Realised gains (losses)	Interest income (expense)
		2019		2018
Financial assets - Fair value or at amortised cost	2,613	1,250	1,365	1,146
Other financial assets	113,216		41,545	
Receivables and cash		31,575		28,511
Hedging instruments		42		30
Banks - receivables from credit institutions & clients		90,951		93,950
Financial liabilities valued at amortised cost		-35,333		-36,295
Hedging instruments		-9,379		-8,508
Banks - debts to credit institutions, clients & securities		-15,218		-16,333

2. Credit risk

Both **CFE** and **DEME** have set up procedures to limit the risk of their trade receivables. A large part of the consolidated turnover is realized through public or semi-public sector customers. The level of counterparty risk is limited by the large number of customers. To limit the credit risk, both participations constantly monitor their outstanding trade receivables and adjust their positions if necessary. For the purposes of major foreign contracts, for instance, DEME regularly uses the services of the Credendo Group insofar as the country concerned qualifies for this service and the risk can be covered by credit insurance. For large-scale contracts, DEME is dependent on the ability of customers to obtain financing and can, if necessary, help to organize its own project financing. Although the credit risk cannot be ruled out altogether, it is still limited. Moreover, as a worldwide player, DEME is exposed to political risks and negative developments that may manifest themselves at the macroeconomic level. The operational activities of CFE in Africa were virtually discontinued in 2019. Despite the continuation of the efforts together with Afreximbank to refinance the receivables from Chad relating the completed 'Grand Hôtel', CFE recognized an impairment loss on its exposure to Chad in accordance with the relevant IFRS rules.

The credit risk of **Rent-A-Port**, primarily active in Vietnam, is limited by advances received on the sale of acquired rights over developed sites (industrial zones) and by the monthly invoicing and the wide spread of customers when providing utilities, maintenance and management services in those industrial zones.

For the credit risk regarding the lease portfolio of **Bank J.Van Breda & C°** we refer to the credit risk policy as described in note 13.

Leasinvest Real Estate aims at a good spread both in terms of the number of tenants and the sectors in which these tenants are active in order to limit the number of bad debts and bankruptcies by tenants. Furthermore, the solvency of the tenants is screened on a regular basis by an external rating agency, and long-term lease agreements are sought to ensure a recurrent rental income flow and increase the duration of the lease agreements.

Extensa Group is mainly active in the development of real estate projects. Prior to the signing of a new project, an extensive analysis of the related technical, legal and financial risks is made.

Anima Care has a limited credit risk. Most residents pay by direct debit. Rents are billed in advance and debtors are closely monitored. Government grants are an important source of income.

Agidens manages its debtor risk in accordance with the relevant policy, procedures and checks that have been set out by the group. Outstanding receivables are periodically monitored, and large-scale projects are generally covered by bank or other similar guarantees.

In the **AvH & Growth Capital** segment the group invests for the long term in a limited number of companies with international growth potential. The diversified character of these investments contributes to a balanced spread of the economic and financial risks. Furthermore, AvH usually finances these investments with shareholders' equity.

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2018	
Financial fixed assets - receivables and warranties	177,880	1,054	3,335		18,077	-17,405	**182,941**	
Finance lease receivables		220,557	22,782				**243,339**	
Other receivables	108,909	29,584	83,619		38,581	-7,685	**253,008**	
Trade debtors	1,093,581		30,895		15,123	-1,116	**1,138,482**	
Total (net - accumulated impairments included)	**1,380,370**	**251,195**	**140,631**	**0**	**71,781**	**-26,207**	**1,817,770**	
%	**76%**	**14%**	**8%**	**0%**	**4%**	**-2%**	**100%**	
not expired	1,053,414	244,024	134,680		69,800	-26,207	**1,475,711**	81%
expired < 30 d	65,934	5,477	2,798		1,288		**75,497**	4%
expired < 60 d	31,796	1,178	959		526		**34,459**	2%
expired < 120 d	96,317	117	988		129		**97,550**	5%
expired > 120 d	132,909	399	1,206		38		**134,553**	7%
Total (net - accumulated impairments included)	**1,380,370**	**251,195**	**140,631**	**0**	**71,781**	**-26,207**	**1,817,770**	100%
%	**76%**	**14%**	**8%**	**0%**	**4%**	**-2%**	**100%**	
Accumulated impairments								
Financial fixed assets - receivables and warranties (impairments)	-4,819						-4,819	
Finance lease receivables (impairments)		-4,683					-4,683	
Other receivables (impairments)	-152		-37		-8,711		-8,900	
Trade debtors (impairments)	-44,602		-1,865				-46,467	
	-49,573	**-4,683**	**-1,902**	**0**	**-8,711**	**0**	**-64,870**	

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2019	
Financial fixed assets - receivables and warranties	92,379	1,323	6,275		10,696	-10,267	**100,406**	
Finance lease receivables		232,072	22,020				**254,092**	
Other receivables	81,420	32,623	60,050	11	34,780	-5,075	**203,809**	
Trade debtors	886,539	100	29,293		23,772	-1,145	**938,560**	
Total (net - accumulated impairments included)	**1,060,338**	**266,118**	**117,638**	**11**	**69,248**	**-16,487**	**1,496,867**	
%	**71%**	**18%**	**8%**	**0%**	**5%**	**-1%**	**100%**	
not expired	813,908	256,888	115,059	11	63,327	-16,487	**1,232,707**	82%
expired < 30 d	35,638	6,642	2,381		5,421		**50,082**	3%
expired < 60 d	40,179	2,459	93		327		**43,058**	3%
expired < 120 d	31,356	129	92		157		**31,734**	2%
expired > 120 d	139,257	0	14	**0**	15	**0**	**139,286**	9%
Total (net - accumulated impairments included)	**1,060,338**	**266,118**	**117,638**	**11**	**69,248**	**-16,487**	**1,496,867**	100%
%	**71%**	**18%**	**8%**	**0%**	**5%**	**-1%**	**100%**	
Accumulated impairments								
Financial fixed assets - receivables and warranties (impairments)	-4,821						-4,821	
Finance lease receivables (impairments)		-4,896					-4,896	
Other receivables (impairments)	-1,393		-39		-8,711		-10,143	
Trade debtors (impairments)	-70,887		-1,461		-73		-72,421	
	-77,101	**-4,896**	**-1,500**	**0**	**-8,784**	**0**	**-92,281**	

Marine Engineering & Contracting

- Financial fixed assets: loans granted to participating interests include a.o. financing granted by DEME and Green Offshore to their respective participating interests active in the development/operation of the Rentel, Merkur, SeaMade wind farms, and by CFE to real estate project companies.
  The offshore wind farms Rentel (in Belgium) and Merkur (in Germany) were both operational in 2019. In the development phase of those wind farms, DEME (Rentel and Merkur) and Green Offshore (Rentel) had provided substantial financing that was repaid to a large extent during 2019 from cash flow from operating activities and refinancing. Several real estate development companies in which CFE participates also repaid 13.5 million euros worth of financing.
- Other receivables: the advances granted by Rent-A-Port to its Vietnamese operations have decreased following the full consolidation of Infra Asia Investments (elimination of intra-group receivables and payables).
- Trade receivables in this segment account for 94% of total trade receivables.

Overdue receivables in contracting mainly relate to settlements and additional charges, but which still have to be included in the budgets or are to be covered by an overall agreement. CFE and DEME have a number of negotiations and/or lawsuits pending. Expected losses on construction contracts are adequately provided for through impairments on construction contracts, recorded in the balance sheet item 'Construction contracts' (Note 14).

The evaluation of CFE's financial assets considers the present value of expected credit losses if the borrower defaults on its obligations. Expected credit losses are calculated based on a weighted average of expected credit losses arising from multiple scenario's.

The impairment losses in 2019 primarily consisted of impairment losses on receivables at DEME in the amount of 8.6 million euros (amongst others as a result of the Senvion insolvency for 10.8 million euros) and at CFE in the amount of 16.9 million euros (including a write-down on old receivables on Chad).

The substantial amount in accumulated impairments is partly explained by the full impairment of the receivables from the Chadian government in accordance with IFRS 9. This accounting treatment does not alter CFE's decision to obtain the settlement of those receivables. Negotiations with the Afreximbank and the Chadian government on this matter are still ongoing.

The turnover of **Rent-A-Port**, primarily active in Vietnam, derives from (i) the sale of acquired rights over developed sites (industrial zones), (ii) the provision of utilities (electricity and water) and (iii) of maintenance and management services in those industrial zones:

- The compensation for the sale of acquired rights over developed sites, usually varying from 40 to 50 years, is largely paid in advance (80% to 100%) by the customers of the Rent-A-Port group. Once the land is delivered to the customer, the risks and rewards of the land use rights are transferred.
- The charges for the provision of utilities, maintenance and management services are invoiced on a monthly basis, and given the wide spread of customers, the credit risk is fairly limited here.

Private Banking

- The credit risk of the lease activity of Bank J.Van Breda & C° is dealt with in Note 16. Lease.

Real Estate & Senior Care

- the lease activity consists of the long-term lease by Leasinvest Real Estate of the State Archives (Rijksarchief) in Bruges to the Public Buildings Agency and a limited number of real estate leases at Extensa.
- the other receivables relate to the advances that Extensa grants to its real estate project companies.
- Referring to the above description of the credit risk management, the impairments on trade receivables are limited at both Leasinvest Real Estate and Extensa.
- Most residents pay by direct debit at Anima Care, which justifies not setting up a simplified expected credit loss model.

AvH & Growth Capital and Intercompany eliminations

- the full consolidation of Agidens and Biolectric Group
- financing provided by AvH & subholdings to, among others, Green Offshore in the context of the development of the Rentel and SeaMade wind farms has been eliminated in the consolidation.

3. Exchange rate risk

Given the international character of its business operations and the execution of contracts in foreign currency, **DEME** is exposed to currency risks and value fluctuations in those currencies. DEME's transactional foreign currency risk arises from commercial flows denominated in currencies other than the euro. 66% of DEME's 2019 revenues (2018: 70%) were contracted in euro and, as such, represented a major portion of DEME's total revenues realised. Any other currencies under which contracts were entered into and which are worth mentioning were: US Dollar, Singapore Dollar, Indian Rupee, Danish Krone, Qatari Rial, British Pound and Russian Ruble. DEME's expenses are predominantly in euro, except for contracts negotiated in non-euro countries for activities which are often carried out in that same non-euro country. DEME uses forward-exchange contracts to reduce its residual foreign currency risk on forecasted net commercial flows denominated in currencies other than euro.

In the case of **CFE**, most operations take place within the eurozone; nevertheless, exposure to foreign currency fluctuations is limited as much as possible.

Rent-A-Port primarily operates in Southeast Asia and is essentially exposed to an exchange rate risk relating to the US dollar and the Vietnamese dong. Since the subsidiaries of Rent-A-Port mainly effect purchases and sales in local currencies, the group's exposure to exchange rate fluctuations in commercial transactions is limited in a natural way. The translation of the functional currency (USD) into euros in consolidation carries an exchange rate risk.

The exchange rate risk at **Extensa Group** was phased out in 2019 as a result of the further scaling down of activities in Turkey and Romania.

Leasinvest Real Estate operates in Belgium, Luxembourg and Austria, and is therefore not subject to exchange risks.

The exchange rate risk of **Bank J.Van Breda & C°** is limited, as the bank only operates in Belgium and the nature of its clients is such that it does not hold any significant own currency position.

Agidens, with its worldwide operations, has a (limited) exchange rate exposure to the US dollar and Swiss franc, and hedges its currency risk by using the same currency as much as possible for the income and expenses of the group company in question (natural hedging). If necessary, a currency swap is concluded with approved and reputable counterparties.

The strategy of **AvH** to look towards emerging markets resulted in investments in Indian rupees (Sagar Cements, the Healthquad I Fund and Medikabazaar). This risk is not hedged as it concerns long term investments.

The remaining fully consolidated participations are not subject to significant exchange rate risks since they mainly operate in the eurozone.

Various non-fully consolidated participations such as Delen Private Bank and SIPEF, as well as Manuchar, Telemond Group, Turbo's Hoet Groep and others, operate to a significant extent outside the eurozone. The exchange rate risk in each of these cases is followed up and controlled at the level of the participation itself.

The exchange rate risk at **Delen Private Bank** is limited to the foreign currency subsidiaries (JM Finn and to a lesser extent Delen Suisse). The net exposure to the British Pound is currently limited as the impact of any exchange rate fluctuation on the JM Finn equity is neutralized by an opposite impact on the liquidity obligation on the remaining 9% in JM Finn. At **SIPEF** the majority of the costs are incurred abroad (in Indonesia and Papua New Guinea), whereas sales are realised in USD. This is a structural risk that is not hedged by the company and is therefore considered as a general business risk. Transactional risks are generally limited by short payment terms, and translation differences are limited by making the functional currency and reporting currency the same as much as possible. **Manuchar** is exposed to exchange rate risk between the USD and local currencies of the countries in which the distribution activities take place. To hedge these risks, the positions are monitored and, if necessary, macro hedges are set up. At **Telemond Group**, production takes place in Poland while the sales are realised in the eurozone. The exchange rate risk that is run by this is not hedged and is considered as a general business risk. **Turbo's Hoet Groep**, finally has developed a significant level of activity in Eastern Europe, more specifically in Bulgaria, Romania, Russia and Belarus. Turbo's Hoet Groep realizes its turnover in those markets on the basis of local currency. Although Turbo's Hoet Groep tries to pass on the impact of any depreciations in those local currencies to the final customer, market conditions do not always allow it.

Some of the main exchange rates that have been used to convert the balance sheets and results of the foreign entities into euro:

1 euro = x foreign currency	Closing rate	Average rate
Australian Dollar	1.60	1.61
British Pound	0.85	0.88
Bulgarian Lev	1.96	1.96
CFA Franc	655.96	655.96
Hungarian Forint	330.53	325.30
Indian Rupee	80.00	78.74
Moroccan Dirham	10.74	10.77
Nigerian Naira	408.97	405.01
Polish Zloty	4.26	4.30

	Closing rate	Average rate
Qatari Rial	4.09	4.08
Romanian Leu	4.78	4.75
Russian Ruble	69.25	72.46
Singapore Dollar	1.51	1.53
Tunesian Dinar	3.12	3.28
Turkish Lira	6.68	6.36
US Dollar	1.12	1.12
Vietnamese Dong	25,871.64	26,007.23

4. Financial assets: at fair value through OCI or through P/L

(€ 1,000)	Financial fixed assets	Investments
Financial assets : at fair value through OCI or through P/L - financial year 2018		
Financial assets: opening balance at fair value	**102,335**	**467,882**
Financial assets - carrying amount (available for sale)	79,268	449,705
Financial assets - adjustment to fair value	23,067	15,717
Financial assets - accrued interest		2,460
Additions	22,834	380,329
Additions through business combinations		
Actuarial return		-1,568
Disposals (-)	-4,041	-349,106
Increase (decrease) through changes in fair value (FVPL)	6,077	-3,098
Increase (decrease) through changes in fair value (FVOCI)		487
Impairment losses recognized in the income statement (-)		
Foreign currency exchange increase (decrease)		960
Transfer from (to) other items	-13,688	
Other increase (decrease)	9	-1,466
Financial assets: ending balance at fair value	**113,526**	**494,420**
Financial assets - carrying amount (including accumulated fair value adjustments through P/L - FVPL)	113,526	490,665
Financial assets - adjustment to fair value (FVOCI)		2,805
Financial assets - accrued interest		950

(€ 1,000)	Financial fixed assets	Investments
Financial assets : at fair value through OCI or through P/L - financial year 2019		
Financial assets: opening balance at fair value	**113,526**	**494,420**
Financial assets - carrying amount (including accumulated fair value adjustments through P/L - FVPL)	113,526	490,665
Financial assets - adjustment to fair value (FVOCI)		2,805
Financial assets - accrued interest		950
Additions	54,929	264,875
Additions through business combinations		
Actuarial return		-981
Disposals (-)	-28,590	-293,982
Disposals through business disposals (-)	-7	-112
Increase (decrease) through changes in fair value (FVPL)	9,809	8,373
Increase (decrease) through changes in fair value (FVOCI)		3,502
Impairment losses recognized in the income statement (-)		
Foreign currency exchange increase (decrease)		406
Transfer from (to) other items	4,750	
Other increase (decrease)		12
Financial assets: ending balance at fair value	**154,418**	**476,513**
Financial assets - carrying amount (including accumulated fair value adjustments through P/L - FVPL)	154,418	469,694
Financial assets - adjustment to fair value (FVOCI)		5,857
Financial assets - accrued interest		962

Financial fixed assets: the value of Leasinvest Real Estate's 10.7% stake in Retail Estates increased further to 113.4 million euros as a result of opting for the optional dividend and the purchase of shares on the stock exchange, as well as a favourable development of the share price. Furthermore, in mid-2019, Leasinvest Real Estate bought out the minority partners of a Luxembourg real estate certificate (containing 2 additional office buildings in the EBBC Business park), which it controlled, and then proceeded to liquidate this vehicle (the most important disposal of financial fixed assets).

AvH invested in Biotalys, Medikabazaar and Onco DNA, among others. On the other hand, the planned sale of the 45% stake in the French group Transpalux was not realised due to a lack of financing from the prospective buyer, which explains the transfer from 'held for sale'.

Investments in AvH & Growth Capital increased by 18.5 million euros thanks to the favourable development of market values, but also due to additional investments. The bond portfolio of Bank J.Van Breda & C° has been reduced to 420.6 million euros.

The investments consist of (€ 1,000):	Number of shares	Fair value
Investment portfolio Bank J.Van Breda & C°		420,796
Funds managed by Delen Private Bank		39,960
Ageas	278,284	14,660
Other		1,096
		476,513

The additions and disposals are largely attributable to Bank J.Van Breda & C°, and relate to transactions realized as part of its Asset & Liability management (ALM).

The breakdown per segment of the fair value of the investments is as follows (€ 1,000):	Fair value
Private Banking (Bank J.Van Breda & C°)	420,796
AvH & Growth Capital	55,713
Real Estate & Senior Care	0
Marine Engineering & Contracting	3
Energy & Resources	0
	476,513

Credit risk of the investment portfolio Bank J.Van Breda & C°

The risk profile of the investment portfolio has for years now deliberately been kept very low. The consolidated investment portfolio at year-end 2019 contains 94% government bonds (including government-guaranteed bonds) with a minimum Aa3 rating (Moody's rating), 5% corporate bonds (including commercial paper) and less than 1% shares and private equity. The investment portfolio contains no government bonds of Portugal, Italy, Ireland, Greece, Spain or Turkey.

The investment framework that is submitted annually for the approval of the board of directors of Bank J.Van Breda & C° determines which investments can be made and the limits that apply. The following table shows the composition of the consolidated investment portfolio by rating and maturity.

Composition of the investment portfolio 31/12/2019	Rating	Remaining duration	
Government bonds Aaa	45%	2020	17%
Government bonds Aa1	24%	2021	11%
Government bonds Aa2	16%	2022	18%
Government bonds Aa3	8%	2023	21%
Corporate bonds and commercial paper & other	6%	2024	15%
		>2025	17%
		indefinite	1%

Note 13: banks - receivables from credit institutions and clients

(€ 1,000)	Fair value		Book value	
	2019	2018	2019	2018
I. Claims on credit institutions				
Domestic credit institutions	30,811	50,397	30,747	50,296
Foreign credit institutions	110,554	77,431	110,559	77,397
Total credit institutions	**141,365**	**127,828**	**141,306**	**127,693**
II. Loans and advances to clients				
Bills and own acceptances	0	0	0	0
Investment credits and financing	2,595,816	2,446,104	2,419,110	2,262,000
Fair value adjustment of hedged loans (FV hedge)	38,599	12,085	38,599	12,085
Mortgage loans	2,309,876	2,019,029	2,134,217	1,887,991
Operating appropriations	409,758	394,151	408,233	392,176
Other	10,409	9,048	10,400	9,040
Total clients	**5,364,458**	**4,880,417**	**5,010,559**	**4,563,292**
III. Cash balances with central banks				
Cash balances with central banks	454,720	359,683	454,720	359,683
Total cash balances with central banks	**454,720**	**359,683**	**454,720**	**359,683**
Total receivables from credit institutions and clients	**5,960,543**	**5,367,928**	**5,606,585**	**5,050,668**

The full consolidation of Bank J.Van Breda & C° results in the inclusion of the specific banking receivables and debts in the balance sheet of AvH. These items have been grouped in order to keep the balance sheet as transparent as possible.

The loans and advances to clients comprise the following:

- loans granted to family entrepreneurs and the liberal professions at Bank J.Van Breda & C° and to individual or self-employed clients at the division Bank de Kremer. The many entrepreneurs and practitioners of liberal professions who have become clients in previous years entrust an ever increasing share of their banking business to the bank;
- car financing provided by Van Breda Car Finance, a division of the bank.

The strong performance of the bank explains the significant increase of loans and advances to clients.

Credit risk

The credit portfolio of Bank J.Van Breda & C° is very widely spread throughout the local economic fabric of family businesses and liberal professions. The division Bank de Kremer focuses on individuals. The bank applies concentration limits per sector and maximum credit amounts per client. The credit portfolio of the Van Breda Car Finance division consists of car loans and car finance leases, and is very widely spread. Constant fine-tuning of the acceptance criteria and proactive debtor monitoring also give this portfolio a low risk profile.

The credit portfolio is divided into risk categories, each of which is monitored in its own specific way. The board of directors of Bank J.Van Breda C° periodically receives a report on credit facilities in the highest risk category.

Debts which become doubtful are transferred to the Litigation department. There are specific criteria for mandatory transfer when specific events arise with clients, borrowers or guarantors. For credit facilities in the highest risk category and for debts that become doubtful, it will be determined whether impairments are required.

Internal rating per category - loans and advances to clients

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total 2019	Total 2018
	Individual	Collective	Individual	Collective			
Performing							
Low risk	1,711,351		26,094	35,219		1,772,664	1,547,992
Medium risk	2,119,606		322,414	35,048		2,477,068	2,235,015
High risk	348,455		320,550	3,876		672,881	678,795
Overdue	34,886		20,535	739		56,160	58,727
Non-performing						0	
Submitted to write off					31,785	31,785	42,763
Total	**4,214,298**	**0**	**689,593**	**74,882**	**31,785**	**5,010,559**	**4,563,292**

Loans and advances to clients - evolution in 2019

(€ 1.000)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
31/12/2018	**3,813,856**	**0**	**687,074**	**19,599**	**42,763**	**4,563,292**
Impact from collective staging	-14,868	14,868	-41,298	41,298		0
Recognition	1,396,975		172,463	5,053	4,365	1,578,856
Derecognition	-676,217		-130,546	-145	-10,333	-817,241
Repayments	-250,596		-49,611	-5,755	-8,154	-314,116
Transfers to stage 1	138,031		-137,615		-416	0
Transfers to stage 2	-190,710	-14,868	191,753	14,868	-1,043	0
Transfers to stage 3	-1,993		-2,610		4,603	0
Modifications	-182		-15	-37		-234
31/12/2019	**4,214,297**	**0**	**689,594**	**74,882**	**31,785**	**5,010,559**

Accumulated impairments - loans and advances to clients, off balance & FVOCI investment portfolio

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total		
	Individual	Collective	Individual	Collective		Loans to clients	Finance lease (p. 180)	Total
31/12/2018	**2,425**	**0**	**1,808**	**102**	**24,456**	**28,791**	**4,683**	**33,474**
Impact from collective staging	-8	8	-128	128		0	0	0
Recognition	2,910	1	1,036	20	1,436	5,403	472	5,875
Derecognition	-1,866	-1	-624	-2	-1,615	-4,108	-160	-4,268
Repayments	-640	-7	-385	-28		-1,060	-269	-1,329
Transfers to Stage 1	1,033	163	-1,025	-163	-8	0	0	0
Transfers to Stage 2	-102	-20	214	20	-113	-1	0	-1
Transfers to Stage 3	-5		-67	-1	73	0	-1	-1
Impact ECL by Stage Transfer	-845	-141	973	98	1,772	1,857	1,513	3,370
Other credit risk	-166	-3	251	-35	-1,377	-1,330	-537	-1,867
Modifications			2		-5	-3	0	-3
Model changes	-150		-161			-311	42	-269
Write-offs					-3,593	-3,593	-847	-4,440
Other adjustments						0	0	0
31/12/2019	**2,586**	**0**	**1,894**	**139**	**21,025**	**25,644**	**4,896**	**30,540**

The limited impact of 'Expected credit loss' on the off-balance and the FVOCI investment portfolio of Bank J,Van Breda & C° allows it to be integrated into the above table,

Impairments recorded in the income statement (including finance lease)

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total 2019	Tota 2018
	Individual	Collective	Individual	Collective			
Investment portfolio (FVOCI)	6					6	3
Loans to clients and Finance lease	-213		-197	-46	-971	-1,427	-2,982
Off balance	9		40	9	-4	54	-31
Total	**-198**	**0**	**-157**	**-37**	**-975**	**-1,365**	**-3,011**

Note 14: inventories and construction contracts

(€ 1,000)	2019	2018
I. Inventories, net amount	**458,096**	**332,385**
Gross carrying amount	**459,633**	**335,694**
Raw materials and consumables	74,347	42,443
Goods in progress	47,085	0
Finished products	29,457	0
Goods purchased for sale	1,115	558
Immovable property acquired or constructed for resale	272,808	240,132
Prepayments	34,821	52,562
Depreciation and impairments (-)	**-1,537**	**-3,310**
Impairment on inventory through income statement during the financial year	-161	-1,756
Impairment on inventory reversed in the income statement during the financial year	23	166
II. Construction contracts		
Amounts due from (to) customers under construction contracts, net	**122,330**	**175,083**
Amounts due from customers (including trade receivables)	350,011	465,516
Amounts due to customers (including trade debts) (-)	-227,682	-290,433
Construction contracts on closing date		
Amount of contract costs incurred and recognized profits less losses	7,091,883	6,558,239
Amount of contract revenue	-6,969,553	-6,383,157
Prepayments received (CFE-DEME)	**-18,663**	**-66,031**

The **inventories** increased by 125.7 million euros compared to last year. Of this figure, 108.4 million euros is explained by the full consolidation of Infra Asia Investments by Rent-A-Port as of 2019, as a result of which its landholdings (land) are expressed in the consolidated balance sheet. The rest of the increase is attributable to the increased landholdings of CFE (+28.3 million euros) and the changes in inventories of raw materials at both DEME and CFE.

The 'Immovable property acquired or constructed for resale' item mainly consists of Extensa's land portfolio and CFE's real estate projects.

The **construction & project contracts** of CFE, DEME and Agidens are valued according to the 'Percentage of Completion'-method, whereby results are recognized in accordance with the progress of the work. Expected losses are immediately recognized as an expense though in the income statement. The current construction contracts of CFE-DEME will generate a turnover of 3.224 million euros in the next years, of wich 2.335 million euros is estimated in 2020.

Extensa's real estate development projects (primarily Tour&Taxis and Cloche d'Or Luxembourg) are also contained in this balance sheet item, as the results of the pre-sold entities that are still under construction are also recognized according to the 'Percentage of Completion' method.

The progress of the work is defined based on the expenditures versus the estimated cost price of the entire project.

Note 15: Minorities

(€ 1,000)	Minority %		Minority share in the AvH balance sheet		Minority share in the profit for the period	
	2019	2018	2019	2018	2019	2018
I. Marine Engineering & Contracting						
CFE - DEME [1]	39.09%	39.55%	683,826	676,810	54,264	69,849
Rent-A-Port (IAI) [2]	19.54%		48,871		1,878	
II. Private Banking						
Bank J.Van Breda & C°	21.25%	21.25%	120,372	116,096	8,422	9,055
Delen Investments (till 30-09-2018) [3]		21.25%				18,578
III. Real Estate & Senior Care						
Leasinvest Real Estate	69.99%	69.99%	344,770	333,035	34,927	26,734
HPA		28.28%		25,648		7,789
IV. AvH & Growth Capital						
Agidens	13.75%	13.75%	2,276	2,300	22	-689
Other [4]			25,610	27,659	19,459	39,397
Total			**1,225,725**	**1,181,549**	**118,971**	**152,134**

[1] The acquisition of 118,000 CFE shares (0.47%) on the stock market in 2019 explains the slight decrease of the minority interest in CFE - DEME.

[2] AvH Infra Asia Investment Ltd, with Rent-A-Port (60%) and partner IPEI (40%) as shareholders, encompasses the development of various concessions in Vietnam, and, in the past, was included in the consolidated financial statements of Rent-A-Port according to the equity method, due to the joint control. As a result of a new shareholders' agreement that was entered into between Rent-A-Port and IPEI early in 2019, Rent-A-Port acquired exclusive control over Infra Asia Investment Ltd (IAI), resulting in full consolidation as of 2019.

[3] In 2018 the shareholder structure of Delen Private Bank and Bank J.Van Breda & C° was simplified. AvH now holds, via the 100%-affiliate FinAx, a direct stake of 78.75% in Delen Private Bank, equity accounted directly as of 4Q18 instead of 100% via Finaxis, adjusted for a minority interest of 21.25%.

[4] The successful residential project development at Cloche d'Or Luxembourg (Extensa 50%) explains the balance of the minority interest share in the profit, which was largely paid out in 2018 and 2019.

Summarized income statement - 2019

(€ 1,000)	CFE	Bank J. Van Breda & C°	Rent-A-Port	Leasinvest Real Estate	HPA	Agidens
Revenue	3,624,722	149,565	32.828	65,280		92,875
Profit (loss) from operating activities	143,615	56,533	6,220	53,130		2,307
Finance result	-7,722		-3,557	-2,725		-542
Profit (loss) before tax	169,985	58,935	5,466	50,405		1,766
Profit (loss) of the period	131,366	43,470	3,942	49,900		1,326
At the level of the individual company	**131,366**	**43,470**	**3,942**	**49,900**		**1,326**
- Minority interests	-2,058	108	1,770			
- Share of the group	133,424	43,362	2,172	49,900		1,326
At the level of AvH [1]	**141,686**	**42,570**	**2,327**	**50,666**		**158**
- Minority interests	54,264	8,422	1,878	34,927		22
- Share of the group	87,422	34,148	450	15,738		136

[1] Including a limited number of consolidation adjustments

Summarized income statement - 2018

(€ 1,000)	CFE	Bank J. Van Breda & C°		Leasinvest Real Estate	HPA	Agidens
Revenue	3,640,627	143,759		56,209	120,284	82,550
Profit (loss) from operating activities	213,075	53,004		43,147	36,066	-4,169
Finance result	-8,488			-4,634	-4,273	-462
Profit (loss) before tax	218,756	53,724		38,513	31,792	-4,631
Profit (loss) of the period	169,207	42,260		38,194	29,278	-5,012
At the level of the individual company	**169,207**	**42,260**		**38,194**	**29,278**	**-5,012**
- Minority interests	-2,323	95			-682	
- Share of the group	171,530	42,165		38,194	29,960	-5,012
At the level of AvH [1]	**179,921**	**42,260**		**38,606**	**29,278**	**-5,012**
- Minority interests	69,849	9,055		26,734	7,789	-689
- Share of the group	110,072	33,205		11,873	21,489	-4,323

[1] Including a limited number of consolidation adjustments

Summarized statement of comprehensive income - 2019

(€ 1,000)	CFE	Bank J. Van Breda & C°	Rent-A-Port	Leasinvest Real Estate	HPA	Agidens
At the level of the individual company	**86,974**	**47,538**	**2,911**	**43,258**		**991**
Profit (loss) of the period	131,366	43,470	3,942	49,900		1,326
- Minority interests	-2,058	108	1,770	0		0
- Share of the group	133,424	43,362	2,172	49,900		1,326
Other comprehensive income	-44,392	4,068	-1,031	-6,642		-335
- Minority interests	-199					
- Share of the group	-44,193	4,068	-1,031	-6,642		-335
At the level of AvH	**97,294**	**43,787**	**1,296**	**44,024**		**-177**
Profit (loss) of the period	141,686	42,570	2,327	50,666		158
- Minority interests	54,264	8,422	1,878	34,927		22
- Share of the group	87,422	34,148	450	15,738		136
Other comprehensive income	-44,392	1,217	-1,031	-6,642		-335
- Minority interests	-21,453	259	-115	-4,649		-46
- Share of the group	-22,939	959	-916	-1,993		-289

Summarized statement of comprehensive income - 2018

(€ 1,000)	CFE	Bank J. Van Breda & C°		Leasinvest Real Estate	HPA	Agidens
At the level of the individual company	**164,768**	**42,265**		**35,981**	**28,854**	**-4,664**
Profit (loss) of the period	169,207	42,260		38,194	29,278	-5,012
- Minority interests	-2,323	95		0	-682	0
- Share of the group	171,530	42,165		38,194	29,960	-5,012
Other comprehensive income	-4,439	5		-2,213	-424	348
- Minority interests	-188				0	
- Share of the group	-4,251	5		-2,213	-424	348
At the level of AvH	**175,482**	**42,265**		**36,393**	**28,854**	**-4,664**
Profit (loss) of the period	179,921	42,260		38,606	29,278	-5,012
- Minority interests	69,849	9,055		26,734	7,789	-689
- Share of the group	110,072	33,205		11,873	21,489	-4,323
Other comprehensive income	-4,439	5		-2,213	-424	348
- Minority interests	-1,849	1		-1,549	-120	48
- Share of the group	-2,590	4		-664	-304	300

Summarized balance sheet - 2019

(€ 1,000)	CFE	Bank J. Van Breda & C°	Rent-A-Port	Leasinvest Real Estate	HPA	Agidens
Non-current assets	3,251,168	4,230,268	52,741	1,226,032		21,835
Current assets	1,861,464	2,150,628	185,877	21,980		35,752
Non-current liabilities	1,347,128	839,061	72,073	492,019		8,429
Current liabilities	2,005,194	4,968,337	55,791	263,417		32,610
Equity	1,760,310	573,498	110,754	492,577		16,548
- Group share	1,748,703	573,343	64,401	492,577		16,548
- Minority interests	11,607	155	46,353	0		
Dividend distributed to minority interests	-23,839	-5,481	-2,853	-18,543		0

Summarized balance sheet - 2018

(€ 1,000)	CFE	Bank J. Van Breda & C°		Leasinvest Real Estate	HPA	Agidens
Non-current assets	3,089,849	3,834,929		1,116,270	189,304	20,188
Current assets	1,859,102	1,985,090		39,837	50,781	27,751
Non-current liabilities	913,562	695,779		385,013	110,496	7,026
Current liabilities	2,300,538	4,574,298		295,283	46,541	24,189
Equity	1,734,851	549,942		475,811	83,048	16,725
- Group share	1,720,878	549,800		475,811	80,029	16,725
- Minority interests	13,973	142		0	3,019	
Dividend distributed to minority interests	-24,060	-5,815		-17,284	-298	0

Note 16: lease

I. Lessor - finance lease

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2019	< 1 year	1 year < < 5 years	> 5 years	Total 2018
				Remaining term				Remaining term
Total gross investment	78,026	181,213	29,254	**288,493**	69,965	174,410	32,684	**277,059**
Present value of minimum lease payments receivables	69,179	165,901	17,484	**252,565**	62,311	160,199	18,773	**241,283**
Unearned finance income				**35,928**				**35,776**
Accumulated allowance for uncollectible minimum lease payments				**4,134**				**4,028**
Lease debtors	1,527			**1,527**	2,056			**2,056**

Bank J.Van Breda & C° is active in the sector of car finance and finance leasing of cars via its division Van Breda Car Finance. In accordance with IFRS 9 Financial Instruments, you will find additional information below about 'Expected credit loss'. Extensa also has a limited number of real estate leases in its portfolio and the long-term lease of Leasinvest Real Estate of the State Archives building in Bruges to the Public Buildings Agency is contained in this balance sheet item as well..

Finance lease Bank J.Van Breda & C° - Internal rating per category

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total 2019	Total 2018
	Individual	Collective	Individual	Collective			
Performing							
Low risk	221,122					221,122	211,854
Medium risk						0	0
High risk	1,103					1,103	970
Overdue	6,442		2,152			8,594	6,651
Non-performing						0	0
Submitted to write off					1,254	1,254	1,082
Total	**228,667**	**0**	**2,152**	**0**	**1,254**	**232,072**	**220,557**

Finance lease Bank J.Van Breda & C°- evolution in 2019

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
31/12/18	**218,244**	**0**	**1,231**	**0**	**1,082**	**220,557**
Recognition	88,431		742		411	89,584
Derecognition	-29,505		-221		-307	-30,033
Repayments	-44,334		-511		-3,191	-48,036
Transfers to stage 1	478		-391		-87	0
Transfers to stage 2	-1,616		1,627		-11	0
Transfers to stage 3	-3,032		-325		3,357	0
Modifications					0	0
31/12/19	**228,667**	**0**	**2,152**	**0**	**1,254**	**232,072**

Finance lease Bank J.Van Breda & C° - accumulated impairments

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
31/12/2018	**576**	**0**	**79**	**0**	**4,028**	**4,683**
Recognition	368		20		84	472
Derecognition	-46		-12		-102	-160
Repayments	-253		-16			-269
Transfers to Stage 1	242		-167		-75	0
Transfers to Stage 2	-14		19		-5	0
Transfers to Stage 3	-11		-49		59	-1
Impact ECL by Stage Transfer	-220		268		1,465	1,513
Other credit risk	-61		-3		-473	-537
Modifications						0
Model changes	31		11			42
Write-offs					-847	-847
Other adjustments						0
31/12/2019	**612**	**0**	**150**	**0**	**4,134**	**4,896**

We refer to Note 13. Banks: receivables from credit institutes and clients and the table (on page 176) with the accumulated impairments of Bank J.Van Breda & C°, in which the above-mentioned table regarding financial lease is reflected. You will also find the link with the impairments charged to the 2019 income statement.

II. Lessee accounting

(€ 1,000)	31-12-2019	01-01-2019	Impact IFRS 16	31-12-2018
Assets				
Tangible assets	**203,471**	**204,953**	**126,790**	**78,163**
Land and buildings	115,376	119,466	92,876	**26,590**
Plant, machinery and equipment	51,807	54,727	5,311	**49,416**
Furniture and vehicles	36,288	30,760	28,603	**2,157**
Investment property	**4,231**	**4,659**	**4,659**	**0**
Total - Assets	**207,702**	**209,611**	**131,448**	**78,163**
Liabilities				
Equity - group share	**13,010**	**14,312**	**0**	**14,312**
Financial debts	**194,692**	**195,300**	**131,448**	**63,851**
Non-current financial lease debts	151,984	160,549	106,622	**53,927**
Current financial lease debts	42,707	34,751	24,826	**9,924**
Total - Liabilities	**207,702**	**209,611**	**131,448**	**78,163**

As a result of the implementation of IFRS 16 Leases, the group recognized on December 31, 2019 a right-of-use asset of 207.7 million euros and a lease obligation of 194.7 million euros, of which 80% is attributable to CFE/DEME. CFE has used discount rates which were set at 3.5% for buildings, 3.0% for equipment and 2.0% for leasing cars. DEME applied discount rates of 1.7% for short term leases and 3.15% for long leases.

We refer to :

- Note 1 Valuation rules (page 132) for more information about the first-time application of IFRS 16.
- Acquisitions of right-of-use assets during 2019 amounted to 46.4 million euros (Note 8 Tangible assets on page 163).
- Cashflow statement (page 157).

(€ 1,000)	2019
Income statement	
Reversal of rental charges	32,474
Depreciation	-31,220
Interest expenses	-2,406

The expenses related to short-term lease contracts and low value lease contracts are considered immaterial. There are no expenses incurred which relate to variable lease payments. Income derived from sub-leasing right-of-use assets is considered immaterial.

Note 17: provisions

(€ 1,000)	Warranty provisions	Legal proceeding provisions	Environmental provisions	Provisions for restructuring	Provisions for contractual obligations	Other provisions	Total
Provisions - financial year 2018							
Provisions, opening balance	**16,423**	**18,975**	**0**	**481**	**365**	**109,304**	**145,547**
Additional provisions	2,521	1,727		27	2,278	623	**7,176**
Increase of existing provisions	43	17		-220	99	720	**659**
Increase through business combinations (-)						406	**406**
Amounts of provisions used (-)	-1,800	-9,561		-1,260	-192	-3,346	**-16,158**
Reversal of unused amounts of provisions (-)		-68			-173	-15,425	**-15,665**
Decrease through business disposals (-)		-50					**-50**
Foreign currency exchange increase (decrease)	-88	-139				-87	**-313**
Transfer from (to) other items	-2	-3,985		2,573	6,550	3,265	**8,401**
Other increase (decrease)	473					331	**804**
Provisions, ending balance	**17,570**	**6,917**	**0**	**1,601**	**8,927**	**95,792**	**130,807**

(€ 1,000)	Warranty provisions	Legal proceeding provisions	Environmental provisions	Provisions for restructuring	Provisions for contractual obligations	Other provisions	Total
Provisions - financial year 2019							
Provisions, opening balance	**17,570**	**6,917**	**0**	**1,601**	**8,927**	**95,792**	**130,807**
Additional provisions	2,715	1,331		1,264	95	2,208	**7,612**
Increase of existing provisions	4				200	1,466	**1,670**
Increase through business combinations (-)						54	**54**
Amounts of provisions used (-)	-2,976	-576		-5,951	-200	-19,194	**-28,898**
Reversal of unused amounts of provisions (-)	-831	-33				-13,031	**-13,895**
Decrease through business disposals (-)		-252			-28	-25	**-305**
Foreign currency exchange increase (decrease)	26	61				34	**121**
Transfer from (to) other items	-129			5,477		-19,030	**-13,682**
Other increase (decrease)						-243	**-243**
Provisions, ending balance	**16,380**	**7,447**	**0**	**2,390**	**8,994**	**48,031**	**83,242**

The acquisition of control over CFE at year-end 2013 gave rise to the recognition of a contingent liability for risks of 60.3 million euros in connection with CFE's construction and real estate development activities. In the course of 2014-2018, 31.4 million euros (group share 18.9 million euros) was reversed because the risks in question at CFE were either no longer present or were included in CFE's own financial statements. This amount was further reduced in 2019 by 12.9 million euros (group share 7.8 million euros).

The other evolutions are largely attributable to variations within CFE's accounts.

The 'Other provisions' furthermore consist of provisions for negative equity method consolidation values to the amount of 11.0 million euros.

Note 18: financial debts

(€ 1,000)	< 1 year	1 year < < 5 year	> 5 year	Total 2019	< 1 year	1 year < < 5 year	> 5 year	Total 2018
				Remaining term				Remaining term
I. Financial debts								
Bank loans	279,208	1,025,469	440,607	**1,745,284**	214,864	987,221	133,083	**1,335,169**
Bonds	49,969	104,676	99,475	**254,120**	275,826	79,325	64,031	**419,182**
Subordinated loans	13,216	37,422	0	**50,637**	4,580	18,916	0	**23,497**
Finance leases	42,707	93,774	58,211	**194,692**	9,924	31,085	22,842	**63,851**
Other financial debts	240,460	44,495	2,215	**287,170**	167,724	2,058	1,642	**171,424**
Total	**625,560**	**1,305,836**	**600,507**	**2,531,904**	**672,919**	**1,118,606**	**221,598**	**2,013,123**

Liquidity risk

The financial debts, after intercompany elimination, relate to the following segments:

	ST	LT
Marine Engineering & Contracting	278,743	1,202,741
Private Banking (IFRS 16 leases)	2,449	3,231
Real Estate & Senior Care	327,785	699,871
Energy & Resources	0	0
AvH & Growth Capital	21,658	10,767
Intercompany	-5,075	-10,267
Total	**625,560**	**1,906,344**

DEME's liquidity risk is limited by spreading the financing over several banks and by preference over the long term. DEME has major credit and guarantee lines with a whole string of international banks. Certain ratios (covenants) were agreed in the loan agreements with the relevant banks which DEME must observe. This was the case at year end 2019. In addition, it has a commercial paper programme to cover short-term financial needs. DEME predominantly invests in equipment with a long life which is written off over several years. For that reason, DEME seeks to schedule a substantial part of its debts over a long term. DEME repaid the entire bond of 200 million euros on the maturity date in February 2019.

CFE repaid its bond of 100 million euros in 2018 and refinanced it by drawing down confirmed bilateral credit lines. At year-end 2018, a Multi-Term Treasury Notes programme of 50 million euros was launched, of which the first issues took place at the beginning of 2019.

BPI, the real estate division of CFE, issued 30 million euros worth of medium-term bonds (maturing at the end of 2022) in 2017.

The **Rent-A-Port** group is financed primarily by equity, a retail bond and bank and shareholder loans. Infra Asia Investment Fund, a 50%-participation accounted for using the equity method, issued in 2016 a (non-recourse) bond worth 29.2 million euros + 1.8 million USD to finance the activities in Vietnam. The bond has a seven-year maturity. Most bank and shareholder loans were taken out in the long term at fixed interest rates.

Leasinvest Real Estate and **Extensa Group** have the necessary long term credit facilities and backup lines for their commercial paper with their banks to cover the existing and future investment needs. The financing risk is covered by these credit facilities and backup lines. The liquidity risk is limited by spreading the financing over several financial counterparties and by tapping various sources of funding, as well as by diversifying the maturity dates of the credit facilities. On 20/11/2019, **Leasinvest Real Estate** successfully closed a private placement of bonds with seven-year maturity for an amount of 100 million euros. The bonds pay a fixed annual coupon of 1.95% and were placed with institutional investors in Belgium, France and Luxembourg. The proceeds were used a.o. to refinance the 75 million euros worth of retail bonds that matured on October 9, 2019. The 2013 private bond of 20 million euros matures in 2020. The average duration of financing at Leasinvest Real Estate was 3.9 years at year-end 2019 (compared to 3.1 years at year-end 2018).

In 2017, **Extensa** issued a bond of 75 million euros maturing in 2020 and 2022, thereby further reducing the dependence on bank financing.

The expansion of **Anima Care** by the acquisition of existing residences and the construction of new retirement homes is financed by the company's own cash resources, external financing and, where appropriate, a capital increase. The cash drain in the start-up phase is taken into account in the financing of the projects. Anima Care owns a large part of its real estate, which it can sell to finance its growth, if desired.

The financial debts reported by the AvH & Growth Capital segment are attributable to the debt of **Agidens, Biolectric Group and AvH & subholdings.** The debts of Agidens relate to the main building, the leases of cars and a straight loan regarding working capital management. The short term financial debts of **AvH & subholdings,** mainly correspond to the commercial paper issued by AvH. AvH disposes of confirmed credit lines (282 million euros), spread over different banks, which largely exceed the existing commercial paper liabilities.

Several fully consolidated companies have agreed on certain ratios (covenants) in their credit agreements and these were respected on 31 December 2019.

(€ 1,000)	2019	2018
II. Amounts payable (or the portion thereof), which are guaranteed by real guarantees given or irrevocably promised on the assets of the enterprises included in the consolidation		
Bank loans	228,310	273,123
Bonds	30,360	0
Finance leases	46	0
Other financial debts	0	0
Total	**258,716**	**273,123**

Note 19: banks - debts to credit institutions, clients and securities

(€ 1,000)	Fair value		Book value	
	2019	2018	2019	2018
I. Debts to credit institutions				
Current accounts / overnight deposits	10,469	10,258	10,469	10,258
Deposits with agreed maturity	17,357	17,342	17,325	17,317
Repurchase agreements				
Other deposits				
Accrued interests	31	59	31	59
Total	**27,857**	**27,659**	**27,825**	**27,634**
II. Debts to clients				
Current accounts / overnight deposits	3,015,099	2,565,151	3,015,099	2,565,151
Deposits with agreed maturity	1,336,990	1,340,514	1,317,916	1,322,504
Special deposits	49,642	46,529	49,642	46,529
Regulated deposits	983,027	875,571	983,027	875,571
Other deposits	9,777	10,877	9,773	10,874
Deposit guarantee system				
Accrued interests	5,038	6,445	5,038	6,445
Total	**5,399,573**	**4,845,087**	**5,380,495**	**4,827,074**
III. Securities including bonds				
Certificates of deposits	241,506	275,467	241,367	275,208
Customer saving certificates				
Non-convertible securities				
Accrued interests				
Total	**241,506**	**275,467**	**241,367**	**275,208**
IV. Subordinated liabilities				
Subordinated liabilities	91,031	107,351	75,118	89,065
Accrued interests	885	1,180	885	1,180
Total	**91,916**	**108,531**	**76,003**	**90,245**
Total debts to credit institutions, clients and securities	**5,760,852**	**5,256,744**	**5,725,690**	**5,220,161**

The full consolidation of Bank J.Van Breda & C° results in the recording of specific bank receivables and debts in the balance sheet of AvH. These items were grouped for maximum transparency of the balance sheet.

Liquidity risk Bank J.Van Breda & C°

Liquidity risk is the risk that the bank has insufficient funds available, or is unable to release funds quickly enough and at a reasonable cost to meet its short-term commitments. The commercial banking activities are the main source of liquidity risk. A bank's sources of funding traditionally have a shorter maturity than the financed assets, resulting in a maturity mismatch. The liquidity management of Bank J.Van Breda & C° constantly monitors this mismatch and works out a financing strategy to confine it within the guidelines that are set out in a liquidity control framework. In this area, too, the bank pursues a deliberately low risk profile. Bank J.Van Breda & C° maintains a solid and high-quality liquidity buffer to absorb fluctuations in the treasury position. This buffer stands at 932 million euros and consists primarily of cash, placed at the ECB, and a highly liquid portfolio of bonds.

The bank's financing mix is very stable, with the deposits of the core clients as the main source of funding. The core clients use the bank for their investments and everyday banking transactions. The bank also closely watches the loan-to-deposit ratio and applies strict limits to this ratio between client credit portfolio and client deposits, which at year-end 2019 stood at 97%. Dependence on external institutional financing is kept to a minimum and in 2019 accounted for only 4.8% of total assets. A subordinated bond was placed within the bank's EMTN programme in November 2018. An amount of 40 million euros was raised, with the aim of diversifying prudential equity.

Two new liquidity ratios were introduced in the Basel III regulations and the CRR/CRD IV directive:

- The LCR (Liquidity Coverage Ratio) is a criterion for the liquidity position under an acute stress scenario over 30 days. It requires financial institutions to hold sufficient high-quality liquid assets. The regulator imposes a limit of at least 100%.
- The NSFR (Net Stable Funding Ratio) contrasts the available amount of stable funding with the required amount of stable funding over a one-year period. The regulator imposes a limit of at least 100% as from 2018. There is currently no European implementation, however.

At year-end 2019, those ratios stood at 140% and 124% respectively. Both ratios are well above the lower limit of 100% that is imposed by the regulatory authority.

The bank's liquidity risk is monitored constantly by means of proactive treasury management, within the lines defined by the Asset & Liability Management and the investment framework. For its liquidity management, the bank uses, among other things, liquidity gap reports, ratio analysis and short- and long-term volume prognoses.

In the below table the assets and liabilities are grouped by maturity period.

(€ 1,000)	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Indefinite
31/12/2019							
Assets	960,000	215,000	738,000	2,457,000	1,332,000	569,000	42,000
Liabilities	-175,000	-268,000	-2,119,000	-3,136,000	-51,000	0	-51,000
Derivatives	-1,000	-2,000	-7,000	-24,000	-7,000	0	0
Liquidity Gap	**784,000**	**-55,000**	**-1,388,000**	**-703,000**	**1,274,000**	**569,000**	**-9,000**
31/12/2018							
Assets	816,000	173,000	686,000	2,256,000	1,252,000	558,000	46,000
Liabilities	-230,000	-189,000	-2,114,000	-2,650,000	-56,000	0	-51,000
Derivatives	-1,000	-1,000	-6,000	-15,000	8,000	2,000	0
Liquidity Gap	**585,000**	**-17,000**	**-1,434,000**	**-409,000**	**1,204,000**	**560,000**	**-5,000**

The table above takes into account internal assumptions for deposits without maturity date.

Note 20: financial instruments

Interest rate risk Bank J.Van Breda & C°

Interest rate risk can be defined as the extent to which the results or value of a financial transaction are affected by a change in market interest rates. Applied to a financial institution, interest rate risk is the extent to which the (interest) earnings and/or fair value of this institution is liable to be adversely affected by a change in market interest rates.

The bank opts to keep the interest rate risk at a relatively low level:

- The bank uses hedging instruments to correct the mismatch. This is done with a combination of interest rate swaps (which convert variable interest rate commitments into fixed rate commitments) and options (which provide protection against a rise in interest rates above given levels).
- Equity value sensitivity is the exposure of the company's economic value to unfavourable interest rate fluctuations. Earnings sensitivity is the exposure of the bank's (interest) earnings to those same unfavourable interest rate fluctuations. Its intensity can be seen in the duration gap. By this is meant the difference in duration of all assets and duration of all liabilities (mismatch), the duration being the weighted average of the maturities of a set of fixed-interest securities.

Equity value sensitivity and earnings sensitivity are monitored by means of scenario analyses that take account of changing market conditions, enabling the impact of stress scenarios to be analysed. This equity value and earnings sensitivity is measured using the Basis Point Value (BPV) methodology which shows the value change of the portfolio being analyzed when confronted with an increase in interest rates over the entire curve. For the interest rate sensitivity of products without maturity, the assumptions described by the National Bank of Belgium (NBB) are used. Those assumptions are periodically reviewed. The assumptions have not changed in comparison with 2018.

All interest rate risk limits were more than adequately observed during 2019.

(€ 1,000)	Earnings sensitivity	Equity value sensitivity
Rate non-sensitive current accounts	60 months	
Rate sensitive current accounts	1 day	
Rate semi-sensitive current accounts	6 months	2 years
Regulated savings accounts	6 months	2 years

Impact of an immediate increase of the yield curve with 100 base points (1%) on:	2019	2018
The interest result (earnings sensitivity)	552	355
The fair value of the equity (equity value sensitivity) (= BPV)	-13,751	-17,600

For the interest gap analysis both balance sheet and off balance sheet products are grouped together per period of maturity. In this way the mismatch structure of the group becomes visible.

(€ 1,000)	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Indefinite
31/12/2019							
Assets	1,063,000	434,000	1,031,000	2,598,000	820,000	314,000	48,000
Liabilities	-166,000	-267,000	-3,730,000	-1,567,000	-10,000	0	-44,000
Derivatives	280,000	530,000	0	-260,000	-405,000	-145,000	0
Interest Gap	**1,177,000**	**697,000**	**-2,699,000**	**771,000**	**405,000**	**169,000**	**4,000**
31/12/2018							
Assets	932,000	422,000	942,000	2,293,000	769,000	375,000	52,000
Liabilities	-220,000	-188,000	-3,523,000	-1,291,000	-16,000	0	-39,000
Derivatives	280,000	520,000	-20,000	-215,000	-415,000	-150,000	0
Interest Gap	**992,000**	**754,000**	**-2,601,000**	**787,000**	**338,000**	**225,000**	**13,000**

Interest rate risk other fully consolidated participations

The interest rate risk within the **CFE** group is managed according to the type of activity. The Contracting activities are characterized by an excess of cash which partially compensates the property commitments. Cash management is mainly centralized through the cash pooling. **DEME** faces substantial financing levels for the acquisition of dredging vessels. DEME uses interest rate swaps to achieve the best possible balance between financing costs and the volatility of the financial results.

The **Rent-A-Port** group is financed primarily by equity, a retail bond, and bank and shareholder loans with fixed interest rates, which means that the interest rate risk is fairly limited. Infra Asia Investment Fund, a 50%-participation accounted for using the equity method, issued in 2016 a (non-recourse) bond worth 29.2 million euros + 1.8 million USD to finance the activities in Vietnam. The bond has a seven-year maturity and a fixed interest rate. A cross-currency swap, which qualifies as a cash flow hedging instrument, was concluded to cover the exchange risk (USD) on both the capital and interest flows.

The hedging policy of **Leasinvest Real Estate** is to ringfence the interest rate risks for approximately 75% of the financial debt for a period of 4-5 years and approximately 50% for the following 5 years. As Leasinvest Real Estate's debt financing at year end 2019 is still mainly based on a variable interest rate, there is a risk of an increase in financial costs if interest rates escalate. This interest rate risk is covered by financial instruments such as interest rate swaps. The expiration dates of those financial instruments fall between 2020 and 2028. The duration amounted to 5.54 years at the end of 2019 (2018: 5.35 years).

Extensa actively uses external borrowings to finance its real estate development projects in Belgium and Luxembourg. A project's external financing is usually in the form of a bank loan. In 2017, Extensa issued a bond of 75 million euros maturing in 2020 and 2022 at fixed interest rate. Extensa closely monitors the short-term floating rate borrowings and medium term fixed interest rates. No external interest rate hedging transactions are outstanding at year end.

Anima Care covers its interest rate risk by borrowing against a fixed interest rate to the maximum extent. At the end of 2019, the outstanding balance in loans with a variable interest rate represented 8% of the total financial debt.

The financial debts of the **AvH & Growth Capital** segment consist of the commercial paper issued by AvH (12.0 million euros) and the debt entered into by Agidens for the acquisition of the head office and the funding of working capital. No interest hedging contracts were outstanding at the 2019 year end.

Sensitivity analysis for the interest rate risk

If Euribor rises by 50 base points this will mean an interest charge increase of 6.9 million euros (CFE-DEME), 0.6 million euros (Extensa), 0.4 million euros (Leasinvest Real Estate), 0.1 million euros (Anima Care), 0.1 million euros (Agidens) and 0.1 million euros (AvH & subholdings). However, this does not take into account the impact we would observe on the assets.

(€ 1,000)	Notional amount 2019	Book value 2019	Notional amount 2018	Book value 2018
I. Interest rate hedges				
Assets				
Fair value hedges - Bank J.Van Breda & C°	15,000	381	50,000	1,281
Cash flow hedges	0	0	0	0
Hedging instruments that do not meet the requirements of cash flow hedging	35,000	832	35,000	696
Accrued interest	0	2	0	0
Total		**1,215**		**1,977**
Liabilities				
Fair value hedges - Bank J.Van Breda & C°	820,000	-40,469	760,000	-14,184
Cash flow hedges	1,431,161	-52,944	1,229,860	-43,507
Hedging instruments that do not meet the requirements of cash flow hedging	280,000	-6,454	273,700	-1,638
Accrued interest	0	-855	0	-787
Total		**-100,722**		**-60,117**
II. Currency hedges				
Assets	117,519	675	87,439	474
Liabilities	226,742	-4,014	291,996	-5,350
		-3,339		**-4,877**
III. Commodity risks				
Assets		234		0
Liabilities		-2,702		-6,305
		-2,468		**-6,305**
Reconciliation with consolidated balance sheet		**Asset side**		**Asset side**
Non-current hedging instruments		1,213		2,000
Current hedging instruments		911		451
		2,124		**2,451**
		Liability side		**Liability side**
Non-current hedging instruments		-96,874		-59,203
Current hedging instruments		-10,563		-12,569
		-107,437		**-71,772**

The **interest rate risk** of Bank J.Van Breda & C° and the other fully consolidated participations is discussed on page 185.

See page 172 for a description of the **currency risk**. The financial instruments to hedge this risk are used primarily by the fully consolidated participations DEME and Bank J.Van Breda & C°. The currency positions which Bank J.Van Breda & C° holds through forward exchange transactions arise from the activities of its clients. The bank hedges outstanding positions on an interbank basis so that no material exchange rate risk can arise.

The table below gives an overview of the relevant financial instruments used at DEME:

(€ 1,000)	Notional value						Fair value					
	USD US Dollar	SGD Singapore Dollar	TWD Taiwan Dollar	PLN Polish Zloty	Other	Total	USD US Dollar	SGD Singapore Dollar	TWD Taiwan Dollar	PLN Polish Zloty	Other	Total
Term purchases	5,109	92,395	0	0	11,528	**109,032**	102	174	0	0	68	**344**
Term sales	76,228	8,539	14,229	75,026	36,197	**210,219**	(488)	(78)	72	(2,851)	(186)	**(3,531)**

Commodity risks are also linked to DEME, which hedges against oil price fluctuations by entering into forward contracts.

Note 21: taxes

1. Recognized deferred tax assets and liabilities

(€ 1,000)	Assets 2019	Liabilities 2019	Net 2019	Assets 2018	Liabilities 2018	Net 2018
Intangible assets	15	26,282	-26,267	22	38,982	-38,960
Tangible assets	16,409	71,855	-55,446	22,675	77,180	-54,505
Investment property	0	18,550	-18,550	75	18,796	-18,721
Investments	-1,445	0	-1,445	-766	0	-766
Employee benefits	14,776	973	13,803	13,570	709	12,861
Provisions	4,523	18,501	-13,978	4,249	22,260	-18,011
Financial derivative instruments	3,185	12	3,174	2,752	5	2,747
Working capital items	30,390	84,440	-54,049	32,794	82,142	-49,348
Tax losses and tax credits / deduction for investment	97,904	-1,164	99,068	79,828	-1,189	81,018
Set-off	-54,753	-54,753	0	-46,902	-46,902	0
Total	**111,004**	**164,694**	**-53,689**	**108,297**	**191,983**	**-83,685**

Deferred taxes are mainly due to the revaluation of assets and liabilities as a result of business combinations. The item 'Set-off' reflects the set-off between deferred tax assets and liabilities per entity at DEME.

2. Unrecognized deferred tax assets

(€ 1,000)	2019	2018
Unrecognized receivables following tax losses	94,285	108,207
Other unrecognized deferred tax assets (1)	0	974
Total	**94,285**	**109,181**

(1) The other unrecognized deferred tax assets principally concern amounts whose recuperation is restricted in time and dependent upon the extent to which taxable results can be achieved within this period. Claims which stem from the reclamation of unapplied taxable fixed income surplus are not mentioned in this overview,

3. Current and deferred tax expenses (income)

(€ 1,000)	2019	2018
Current income tax expense, net		
Current period tax expense	-74,660	-82,384
Adjustments to current tax of prior periods	367	3,736
Total	**-74,292**	**-78,647**
Deferred taxes, net		
Origination and reversal of temporary differences	12,900	6,925
Additions (use) of tax losses	-467	12
Other deferred taxes	104	-485
Total	**12,537**	**6,452**
Total current and deferred tax (expenses) income	**-61,756**	**-72,195**

4. Reconciliation of statutory tax to effective tax

(€ 1,000)	2019	2018
Profit (loss) before taxes	575,627	513,968
Profit (loss) of participations accounted for using the equity method (-)	-154,952	-153,853
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	420,674	360,115
Statutory tax rate (%)	29.58%	29.58%
Tax expense using the statutory tax rate	**-124,435**	**-106.522**
Tax effect of rates in other jurisdictions	1,035	2,737
Tax effect of tax-exempt revenues	80,839	73,471
Tax effect of non-deductible expenses	-10,856	-36,310
Tax effect of tax losses	-20,579	-5,230
Tax effect from (under) or over provisions in prior periods	783	8,920
Other increase (decrease)	11,459	-9,261
Tax expense using the effective tax rate	**-61,756**	**-72,195**
Profit (loss) before taxes	575,627	513,968
Profit (loss) of participations accounted for using the equity method (-)	-154,952	-153,853
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	420,674	360,115
Effective tax rate (%)	**14.68%**	**20.05%**

The **income taxes** amounted to 61.8 million euros for the 2019 financial year (2018: 72.2 million euros). As was already the case in previous years, account must be taken of the profit contribution from equity accounted investments. Their contribution is summarized under one item, after tax. Since the taxes borne by those entities are not visible in AvH's consolidated financial statements, the real tax cost is underestimated. Furthermore, in 2019 a substantial part of the result derived from realized capital gains (such as 105.7 million euros on the sale of Residalya) that are exempt from tax.

Note 22: share based payment

1. Equity settled stock option plan AvH as of 31 December 2019

Grant date	Number options granted	Number options exercised	Number options expired	Balance	Exercise price (€)	Exercise period
2007	45,000	-38,500		6,500	62.12	01/01/2011 - 08/01/2015 + 5y
2008	46,500	-14,000	-2,000	30,500	66.05	01/01/2012 - 02/01/2016 + 5y
2009	49,500	-47,500	-2,000	0	37.02	01/01/2013 - 05/01/2017
2010	49,000	-47,000	-2,000	0	52.05	01/01/2014 - 04/01/2018
2011	49,000	-46,500	-2,500	0	60.81	01/01/2015 - 04/01/2019
2012	47,000	-41,000		6,000	56.11	01/01/2016 - 03/01/2020
2013	49,500	-22,500		27,000	61.71	01/01/2017 - 03/01/2021
2014	49,500	-5,000		44,500	82.32	01/01/2018 - 02/01/2022
2015	50,500	0		50,500	100.23	01/01/2019 - 05/01/2023
2016	40,500	0		40,500	130.95	01/01/2020 - 03/01/2024
2017	46,000	0		46,000	128.30	01/01/2021 - 12/01/2025
2018	46,000	0	-500	45,500	148.64	01/01/2022 - 11/01/2026
2019	46,000	0		46,000	132.52	01/01/2023 - 14/01/2027
	614,000	**-262,000**	**-9,000**	**343,000**		

AvH's stock option plan, which was approved in March 1999, is intended to provide long-term motivation for executive directors, members of the executive committee and management whose activities are essential to the success of the group. The options give them the right to acquire a corresponding number of shares in Ackermans & van Haaren.

The remuneration committee is responsible for monitoring this plan and selecting the beneficiaries. The options are provided free of charge and their exercise period is 8 years.

Within the limits of the Economic Recovery law of 27 March 2009, the company took advantage of the possibility to extend by at most 5 years and at no additional cost the exercise period of the options it had offered between 2 November 2002 and 31 August 2008.

The total value of the outstanding options of 2007-2019 (measured at the fair value when granted) amounts to 7.0 million euros and is calculated by an external party according to an adjusted Black & Scholes model of which the main components are:

Year of grant	Share price (€)	Dividend yield	Volatility	Interest rate	Estimated expected lifetime	Black & Scholes Value (€)
2007	66.90	1.35%	22.05%	4.04%	5.75	21.74
2008	65.85	1.75%	20.24%	4.34%	5.90	17.78
2009	37.02	2.66%	42.84%	3.39%	6.50	15.47
2010	52.23	2.66%	34.34%	3.28%	7.29	16.53
2011	63.80	2.26%	23.42%	2.82%	7.22	15.77
2012	58.99	3.26%	31.65%	2.14%	7.40	15.13
2013	63.62	3.26%	25.00%	1.27%	7.84	11.26
2014	83.69	2.27%	21.00%	1.78%	7.79	15.35
2015	101.35	2.19%	19.00%	0.47%	7.79	13.76
2016	131.95	1.28%	23.00%	0.59%	7.79	27.72
2017	129.40	1.40%	23.00%	0.34%	7.79	25.70
2018	149.20	1.30%	20.00%	0.68%	7.79	27.32
2019	135.50	1.43%	20.40%	0.52%	7.90	24.92

In 2019, 46,000 new stock options were granted with an exercise price of 132.52 euros per share. The fair value when granted was fixed at 1.1 million euros and is recorded in the profit and loss account over the vesting period of 4 years. To hedge those (and future) obligations AvH had a total of 363,000 shares in portfolio at the end of 2019.

2. Cash settled stock option plans at consolidated subsidiaries of AvH

The beneficiaries of the option plans of Delen Private Bank, Bank J.Van Breda & C°, Anima Care, Agidens and Turbo's Hoet Groep have a put option on the respective parent companies FinAx/Promofi, AvH and Sofinim (these companies have call options and a pre-emption right to prevent the shares from being transferred to third parties).

These option plans concern shares which are not listed on a stock exchange and whose value is determined in the option plan. The valuation of the option price is (depending on the option plan) based on the growth of the equity, a multiple on the growth of the consolidated profit or a market valuation of the company.

In conformity with IFRS 2, the impact of these option plans are included in the debts based on the best possible assessment. These debts are reviewed as a result of an exercise, a regranting or modification of the parameters. These in- or decreases of the debt result respectively in a loss or profit in the income statement.

The total debt of the option plans of the fully consolidated subsidiaries as of 31 December 2019 amounts to 13.7 million euros, included in the other long-term debts.

3. Treasury shares

In 2019, AvH has purchased 65,500 treasury shares in order to hedge options for the benefit of the staff. Over the same period, the beneficiaries of the share option plan exercised options on 36,500 AvH shares. At the end of 2019, options were outstanding for a total of 343,000 AvH shares. In order to hedge these (and future) obligations, AvH owned 363,000 treasury shares on the same date.

In addition, 89,238 AvH shares were purchased and 93,125 shares were sold in the course of 2019 in the context of the contract that AvH entered into with Kepler Cheuvreux in order to support the liquidity of the AvH share. These transactions are initiated entirely autonomously by Kepler Cheuvreux, but, as they take place on behalf of AvH, the net sale of 3,887 AvH shares has an impact on AvH's equity. On December 31, 2019, the number of treasury shares in the portfolio in the context of this liquidity agreement amounts to 5,528.

Treasury shares as part of the stock option plan	2019	2018
Opening balance	**334,000**	**357,000**
Acquisition of treasury shares	65,500	
Disposal of treasury shares	-36,500	-23,000
Ending balance	**363,000**	**334,000**

Treasury shares as part of the liquidity agreement	2019	2018
Opening balance	**9,415**	**5,257**
Acquisition of treasury shares	89,238	304,867
Disposal of treasury shares	-93,125	-300,709
Ending balance	**5,528**	**9,415**

Note 23: rights and commitments not reflected in the balance sheet

1. Rights and commitments not reflected in the balance sheet, excluding CFE-DEME

(€ 1,000)	2019	2018
Amount of personal guarantees, given or irrevocably promised by the enterprises included in the consolidation, as security for debts or commitments	265,435	194,951
Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation	439,619	459,135
Goods and values, not disclosed in the balance sheet, held by third parties in their own name but at risk to and for the benefit of the enterprise	0	0
Commitments to acquire fixed assets	100,719	133,780
Commitments to dispose of fixed assets	140,906	135,058
Rights and commitments not reflected in the balance sheet of banks (Bank J.Van Breda & C°)		
- Loan commitments	425,990	391,011
- Financial guarantees	60,344	54,726
- Repo transactions + collateral	19,863	22,850

The personal guarantees in 2019 are represented by 26.1 million euros in guarantees for Extensa real estate projects and 4.2 million euros in guarantees for Agidens projects. The balance of 235.1 million euros mainly concerns guarantees entered into by AvH & subholdings relating to the sale of participations.

The real guarantees concern 87.6 million euros in guarantees put up by Extensa in relation to its activities in land and real estate development and 30.6 million euros in the scope of Rent-A-Port development projects. In addition, there are 313.4 million euros in guarantees from Anima Care for real estate financing and 5.6 million euros from Agidens (acquisition headquarter). Green Offshore allocated collateral of 2.4 million euros for the financing of the SeaMade wind farm.

The commitments to acquire fixed assets concern options as part of stock option plans or options as part of shareholders' agreements (100.7 million euros in total).

The comminents to dispose of fixed assets are for call options (including conditional options) on the assets of AvH & Growth Capital for the amount of 140.9 million euros.

2. Rights and commitments not reflected in the balance sheet CFE-DEME

(€ 1,000)	2019	2018
Commitments		
Performance guarantees and performance bonds (1)	1,181,738	1,273,793
Bid bonds (2)	15,702	13,110
Repayment of advance payments (3)	840	1,206
Retentions (4)	19,415	17,491
Deferred payments to subcontractors and suppliers (5)	39,005	64,999
Other commitments given - including 82,293 thousand euros of corporate guarantees at DEME	92,070	80,315
Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation (6)	28,116	51,319
Total	**1,376,886**	**1,502,233**
Rights		
Performance guarantees and performance bonds	603,641	512,354
Other commitments received	3,321	3,154
Total	**606,692**	**515,508**

(1) Guarantees given in relation to the performance of works contracts. If the construction entity fails to perform, the bank (or insurance company) undertakes to compensate the customer to the extent of the guarantee.

(2) Guarantees provided as part of tenders.

(3) Guarantees provided by a bank to a customer guaranteeing the repayment of advance payments in relation to contracts (mainly at DEME).

(4) Security provided by a bank to a client to replace the use of retention money.

(5) Guarantee covering the settlement of a liability to a supplier or subcontractor.

(6) Collateral security worth 28.1 million euros at DEME as part of the financing for the fleet.

Note 24: employment

1. Average number of persons employed

	2019	2018
Employees	6,711	7,852
Workers	4,378	4,602

2. Personnel charges

(€ 1,000)	2019	2018
Remuneration and social charges	-789,706	-824,259
Pension expenses (defined contribution and defined benefit plans)	-16,871	-17,160
Share based payment	-3,361	-652
Total	**-809,938**	**-842,070**

The decrease in the workforce is mainly attributable to the sale of Residalya with 1,607 employees at the end of 2018. At the headquarters of Ackermans & van Haaren 34 persons are employed. A pro forma headcount of 21,522 is cited in the section '2019 at a glance' (page 8). This pro forma figure comprises the staff of all participations held by the AvH group, and therefore deviates from the average headcount reported above which is based on the IFRS consolidation, which was drawn up on the basis of the consolidation scope reported on pages 140 to 146. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 25: other operating expenses

(€ 1.000)	2019	2018
General and administrative expenses	-570,815	-615,591
Other	-30,034	-42,548
Total	**-600,850**	**-658,139**

The segment reporting on p. 150 shows that the 'Marine and Engineering' segment is responsible for 84% of these costs (in line with 2018 : 80%). The sale of Residalya halved these costs in the 'Real Estate & Senior Care' segment.

Note 26: pension liabilities

(€ 1,000)	2019	2018
Defined benefit pension plans	-69,876	-55,468
Other pension obligations (early retirement)	-6,445	-7,794
Total pension obligations	**-76,321**	**-63,262**
Total pension assets	**3,892**	**2,809**

1. Defined benefit pension plans

(€ 1,000)	2019	2018
1. Amounts as recorded in the balance sheet		
Net funded defined benefit plan (obligation) asset	-65,983	-52,659
Present value of wholly or partially funded obligations (-)	*-351,378*	*-277,659*
Fair value of plan assets	*285,395*	*225,000*
Defined benefit plan (obligation) asset, total	**-65,983**	**-52,659**
Liabilities (-)	-69,876	-55,468
Assets	3,892	2,809
Movements in plan assets (obligations) as recorded in the balance sheet		
Net defined benefit plan asset (obligation) recorded in the balance sheet, opening balance	-52,659	-50,056
Increase (decrease) from business combinations/disposals	0	0
Net defined benefit cost recorded in the income statement	-14,878	-13,881
Net defined benefit cost recorded in 'Other Comprehensive Income'	-16,139	-478
Contributions from employer / employee	17,696	14,163
Other increase (decrease)	-3	-2,408
Net defined benefit plan asset (obligation) recorded in the balance sheet, ending balance	-65,983	-52,659
2a. Net cost recorded in the income statement	**-14,878**	**-13,881**
Current service cost	-14,548	-13,316
Interest cost	-4,473	-4,296
Interest income on plan assets (-)	3,777	3,637
Past service cost	366	94

(€ 1,000)	2019	2018
2b. Net cost recorded in 'Other Comprehensive Income'	**-16,139**	**-478**
Actuarial gains/(losses) recognised in 'Other Comprehensive Income'	-51,044	-2,113
Return on plan assets, excluding interest income (-)	34,906	1,102
Exchange differences	4	-39
Other	-5	572
3a. Movements in defined benefit plan obligations		
Defined benefit plan obligations recorded in the balance sheet, opening balance	-277,659	-264,356
Decrease through business disposals	0	0
Current service cost	-14,547	-13,316
Interest cost	-4,473	-4,296
Contributions from employee	-935	-892
Benefit payments (-)	13,426	18,296
Remeasurement (gains)/losses (net)	-51,290	-2,113
of which: actuarial (gains)/losses on DBO arising from changes in demographic assumptions	*127*	*0*
of which: actuarial (gains)/losses on DBO arising from changes in financial assumptions	*-45,393*	*55*
of which: actuarial (gains)/losses on DBO arising from experience	*-6,024*	*-2,168*
Past service cost	366	0
Other increase (decrease)	-16,265	-10,983
Defined benefit plan obligations recorded in the balance sheet, ending balance	-351,378	-277,659
3b. Movements in plan assets		
Fair value of the plan assets, opening balance	225,000	214,300
Decrease through business disposals	0	0
Return on plan assets excluding interest income	34,959	1,102
Interest income on plan assets	3,777	3,637
Contributions from employer / employee	18,694	14,715
Benefit payments (-)	-13,490	-18,296
Other increase (decrease)	16,455	9,541
Fair value of the plan assets, ending balance	285,395	225,000
4. Principal actuarial assumptions		
Discount rate used	0.7%	1.6%
Expected rate of salary increase	2.9%	3.2%
Inflation	1.7%	1.8%
Mortality tables	MR/FR	MR/FR
5. Other information		
Term (in years)	14.65	14.55
Average actual return on plan assets	16.32%	2.08%
Expected contribution in next financial year	16,503	12,767
6. Sensitivity analysis		
Discount rate		
25 base point increase	-3.3%	-3.4%
25 base point decrease	+3.4%	+4.4%
Expected rate of salary increase		
25 base point increase	+2.3%	+2.3%
25 base point decrease	-1.9%	-1.4%

AvH took out 'defined benefit' as well as 'defined contribution' pension plans. These plans are underwritten by insurers in class 21 (life insurance policies with guaranteed interest rate).

Belgian law requires that employers guarantee a minimum yield of 3.25% on their own contributions to defined contribution plans; this applies to all payments made up to 31/12/2015 and until retirement age. On January 1, 2016, the Act of December 18, 2015 came into effect which stipulates that the WAP (Law on Supplementary Pensions) yield guaranteed by the employer shall be a 'variable' interest rate, linked to the yield on the bond market which will be defined each year as of January 1 on the basis of a formula specified in the Law on Supplementary Pensions. For 2017, 2018 and 2019, the guaranteed yield was 1.75%.

The guarantee which the employer offers under the Law on Supplementary Pensions is a secondary guarantee: the employer only has to make up the difference if the yield guaranteed by the insurer on plan assets is lower than the legally guaranteed yield.

For that reason, AvH has commissioned, in accordance with IAS 19R, a yearly actuarial calculation for the material defined contribution plans. For the non-material defined contribution plans, it will be annually verified whether the accumulated (mathematical) reserves are in line with the legally guaranteed minimum reserves. The accumulated reserves were more than sufficient at the end of 2019.

In accordance with IAS 19R, an actuarial calculation is carried out according to the Projected Unit Credit method for the defined benefit plans. The plan assets are measured at the discounted value of the reserves, taking into account the interest rates guaranteed by the insurers. Actuarial gains and losses are reported as other comprehensive income in the equity (see the item 'Actuarial gains and losses on defined benefit pension plans' in the statement of changes in consolidated equity).

Note 27: related parties

1. Related parties, excluding CFE - DEME

(€ 1,000)	Financial year 2019				Financial year 2018			
	Subsidiaries	Associated participations	Other related parties	TOTAL 2019	Subsidiaries	Associated participations	Other related parties	TOTAL 2018
I. Assets with related parties - balance sheet								
Financial fixed assets	**0**	**14,430**	**0**	**14,430**	**0**	**30,654**	**0**	**30,654**
Receivables and warranties: gross amount		14,430		14,430		30,654		30,654
Receivables and warranties: impairments				0				0
Amounts receivable	**63,266**	**1,232**	**0**	**64,498**	**74,000**	**14,199**	**0**	**88,198**
Trade debtors				0	486	305		792
Other receivables: gross amount	69,996	3,213		73,209	80,243	15,874		96,117
Other receivables: impairments	-6,730	-1,981		-8,711	-6,730	-1,981		-8,711
Banks - receivables from credit institutions & clients	**2,801**	**1,072**	**0**	**3,873**	**4,274**	**1,403**	**0**	**5,677**
Deferred charges & accrued income	**4,154**	**799**	**0**	**4,953**	**3,695**	**569**	**0**	**4,264**
Total	**70,221**	**17,533**	**0**	**87,754**	**81,969**	**46,824**	**0**	**128,793**
II. Liabilities with related parties - balance sheet								
Financial debts	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Subordinated loans				0				0
Other financial debts				0				0
Other debts	**578**	**0**	**0**	**578**	**314**	**1,537**	**0**	**1,850**
Trade payables	578			578	314	140		454
Other amounts payable				0		1,396		1,396
Banks - debts to credit institutions, clients & securities	**148,548**	**728**	**0**	**149,276**	**124,221**	**157**	**0**	**124,378**
Accrued charges and deferred income	**1**	**404**	**0**	**405**	**0**	**4**	**0**	**4**
Total	**149,127**	**1,132**	**0**	**150,259**	**124,535**	**1,698**	**0**	**126,232**
III. Transactions with related parties - income statement								
Revenue	**37,780**	**380**	**3**	**38,163**	**36,774**	**639**	**3**	**37,416**
Rendering of services	9	36	3	48	805	512	3	1,320
Real estate revenue	350			350	285			285
Interest income of banking activities				0		28		28
Commissions receivable of banking activities	37,421	24		37,445	35,684			35,684
Revenue from construction contracts		286		286		99		99
Other operating revenue		34		34				0
Other operating income	**0**	**2,314**	**0**	**2,314**	**120**	**1,896**	**0**	**2,016**
Interest on financial fixed assets - receivables		2,314		2,314	120	1,866		1,986
Dividends				0				0
Other operating income				0		30		31
Operating expenses (-)	**-69**	**-4,438**	**0**	**-4,507**	**-13,863**	**-3,678**	**0**	**-17,541**
Interest expenses Bank J.Van Breda & C° (-)				0				0
Impairment losses (-)				0	-13,281			-13,281
Other operating expenses (-)	-69	-4,438		-4,507	-582	-3,678		-4,260
Finance income	**3,106**	**0**	**0**	**3,106**	**2,824**	**614**	**0**	**3,438**
Interest income	3,106			3,106	2,824	614		3,438
Other finance income				0				0
Finance costs (-)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Interest expenses				0				0

The loans that AvH (and subholdings) have granted to participations that are not fully consolidated are included in the above table. The interest rate charged for these intra-group loans is at arm's length. The same applies for financing loans that Extensa, Rent-A-Port and Green Offshore grant to their equity-method subsidiaries. The full consolidation of Infra Asia Investment as of 2019 led to a decrease in the non-eliminated intra-group loans compared to 2018.

Through the full consolidation of Bank J.Van Breda & C° and the inclusion of Delen Private Bank using the equity method, the commercial paper of Bank J.Van Breda & C° held by Delen Private Bank (144.3 million euros) and the time deposits (4.2 million euros) are reported as a debt of Bank J.Van Breda & C° to a related party.

2. Transactions with related parties - CFE - DEME

- Ackermans & van Haaren (AvH) owns 15,419,521 shares of CFE and as a result is the primary shareholder of CFE with 60.91% of the total number of shares.

- Under the service contracts which DEME and CFE concluded with AvH (in 2001 and 2015 respectively), amounts were paid of 1.2 million euros and 0.7 million euros respectively.

- Transactions with related parties concerned mainly transactions with companies in which CFE and DEME have a joint control or a significative influence. These transactions are concluded at arm's length.

(€ 1,000)	2019	2018
Assets with related parties CFE-DEME	**194,553**	**237,937**
Non current financial assets	92,177	170,380
Trade and other receivables	95,353	50,072
Other current assets	7,023	17,485
Liabilities with related parties CFE-DEME	**46,829**	**37,646**
Other non current liabilities	1,303	1,309
Trade and other liabilities	45,526	36,337

(€ 1,000)	2019	2018
Revenues and expenses with related parties CFE-DEME	**453,690**	**354,762**
Revenue and revenue from auxiliary activities	478,432	369,154
Purchases and other operating expenses	-35,407	-23,616
Net financial income/(expense)	10,665	9,224

3. Remuneration

(€ 1,000)	2019	2018
Remuneration of the directors		
Tantièmes at the expense of AvH	588	590
Remuneration of the members of the executive committee		
Fixed remuneration	2,909	2,618
Variable remuneration	3,945	2,395
Share based payment	543	609
Group and hospitalisation insurance	473	474
Benefits in kind (company car)	36	36

4. The auditor Ernst & Young received following fees related to:

(€ 1,000)	AvH	Subsidiaries [(1)]	Total 2019	AvH	Subsidiaries [(1)]	Total 2018
The statutory mandate	63	1,056	1,119	62	1,258	1,320
Special missions						
- Other control missions	0	53	53	10	141	151
- Tax advice	5	471	476	5	273	278
- Other missions than statutory	0	179	179	2	10	12
Total	**68**	**1,759**	**1,827**	**79**	**1,683**	**1,762**

[(1)] Including jointly controlled subsidiaries accounted for using the equity method.

Note 28: earnings per share

1. Continued and discontinued operations

(€ 1,000)	2019	2018
Net consolidated profit, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares [1]	33,140,933	33,144,068
Basic earnings per share (€)	**11.92**	**8.74**
Net consolidated profit, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares [1]	33,140,933	33,144,068
Impact stock options	79,304	96,122
Adjusted weighted average number of shares	33,220,236	33,240,190
Diluted earnings per share (€)	**11.89**	**8.71**

2. Continued activities

(€ 1,000)	2019	2018
Net consolidated profit from continued activities, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares [1]	33,140,933	33,144,068
Basic earnings per share (€)	**11.92**	**8.74**
Net consolidated profit from continued activities, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares [1]	33,140,933	33,144,068
Impact stock options	79,304	96,122
Adjusted weighted average number of shares	33,220,236	33,240,190
Diluted earnings per share (€)	**11.89**	**8.71**

[1] Based on number of shares issued, adjusted for treasury shares in portfolio.

Note 29: proposed and distributed dividends

1. Determined and paid out during the year

(€ 1,000)	2019	2018
Dividend on ordinary shares:		
- Final dividend 2018: 2.32 euros per share (2017: 2.20 euros per share)	-76,741	-73,019

2. Proposed for approval by the general meeting of May 25, 2020

(€ 1,000)	
Dividend on ordinary shares:	
- Final dividend 2019: 0 euros per share	0

3. Dividend per share (€)

	2019	2018
Gross	0	2.3200
Net (withholding tax 30%)	0	1.6240

Note 30: Major events after balance sheet date

On February 14, 2020, AvH participated for 4 million euros in a capital increase of MRM Health.

At the end of February 2020, AvH transferred its 50% participation in the Indian company Oriental Quarries & Mines, which was included in 'held for sale', to the co-shareholder, resulting in a capital gain of 3.0 million euros.

Since March 2020, the Ackermans & van Haaren group has also been confronted with the effects of the COVID-19 crisis. This crisis is having a disruptive effect on society as a whole and has a negative impact on business in the companies and on the financial markets. It is too early yet to reliably assess the financial consequences of the crisis on the group. The diversification of the portfolio, the net cash position of 267.4 million euros (at year-end 2019) and the solid balance sheet should enable the Ackermans & van Haaren group to cope with these challenging circumstances in the long term.

Statutory auditor's report

Independent auditor's report to the general meeting of Ackermans & van Haaren NV for the year ended 31 December 2019

As required by law and the Company's articles of association, we report to you as statutory auditor of Ackermans & van Haaren NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of the financial position as at 31 December 2019, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2019 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 27 May 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during 19 consecutive years.

Report on the audit of the Consolidated Financial Statements 2019

Unqualified opinion

We have audited the Consolidated Financial Statements of Ackermans & van Haaren NV, that comprise of the consolidated statement of the financial position as at 31 December 2019, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2019 and the disclosures, which show a consolidated balance sheet total of € 15,301,547,(000) and of which the consolidated income statement shows a profit for the year (attributable to the owners of the Company) of € 394,900,(000).

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2019, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence. We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.
These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

1. Revenue recognition and contract accounting (Marine Engineering & Contracting)

Companies concerned: CFE and DEME

Description of the key audit matter
For the majority of its contracts, the Group recognizes revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated total costs of the contract at completion. The recognition of revenue and profit therefore relies on estimates in relation to the forecast total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks, or disputed claims against the Group, arising within each contract. The revenue on contracts may also include variations and claims, which are recognized on a contract-by-contract basis when the additional contract revenue can be measured reliably.
This often involves a high degree of judgment due to the complexity of projects, uncertainty about costs to complete and uncertainty about the outcome of discussions with clients on variation orders and claims. Therefor there is a high degree of risk and associated management judgement in estimating the amount of revenue and associated profit (recognized based on percentage of completion) or loss (recognized in full) by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.
Contract accounting for the Group also involves a significant accounting analysis when it comes to bundling or unbundling of contract. The (un)bundling of one or multiple

contracts can significantly impact the revenues and results recognized in the accounting period.

Summary of audit procedures performed

- Project review: using a variety of quantitative and qualitative criteria, a sample of contracts has been selectedto challenge the most significant and complex contract estimates. An understanding of the current condition and history of the projects was obtained and the judgements inherent to these projects were challenged with senior executive and financial management. Additionally, differences with prior project estimates were analyzed and assessed consistent with the developments during the year.
- Determination of the proper calculation of the percentage of completion and the related revenue and margin recognized for a selection of projects, obtaining an understanding of the procedures relating to accounting for costs to complete the project and considering the design and implementation of the related controls and processes.
- Historical comparisons: evaluating the financial performance of contracts against budget and historical trends.
- Site visits: completing site visits for certain higher risk or larger value contracts, observation of the stage of completion of individual projects and identifying areas of complexity through discussion with site personnel.
- Benchmarking assumptions: challenging the Group's judgement in respect of forecasted contract out-turn, contingencies, settlements, and the recoverability of contract balances by means of agreement to third party certifications or confirmations and with reference to our own assessments and to historical outcomes.
- Customer correspondence scrutiny: analyzing correspondence with customers around variations and claims and considering whether this information is consistent with the estimates made by the Group.
- Inspecting selected contracts for key clauses: identifying relevant contractual mechanisms impacting the (un)bundling of contracts, and others such as delay penalties, bonuses or success fees and assessing whether these key clauses have been appropriately reflected in the amounts recognized in the financial statements.

Reference to information or notes in the Consolidated Financial statements

The methodology applied in recognizing revenue and contract accounting is set out in note 1 (Valuation rules) and note 14 (Inventories and construction contracts) to the Consolidated Financial Statements.

2. Uncertain tax positions (Marine Engineering & Contracting)

Company concerned: DEME

Description of the key audit matter

DEME operates in a range of countries subject to different tax regimes. The taxation of the operations can be subject to judgements and might result in disputes with local tax authorities. If management considers it probable that such disputes will lead to an outflow of resources, accruals have been recorded accordingly. Therefore, there is a high degree of risk and associated management judgement related to estimating the amount of accruals for uncertain tax positions to be recognized by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.

Summary of audit procedures performed

- In order to audit the adequacy of the recorded tax accrual, the audit procedures included an analysis of the estimated probability of the tax risk, of management's estimate of the potential outflows and a review of the supporting documentation.
- Involvement of experts: involving tax specialists to review the assumptions supporting the estimates and to challenge the appropriateness of these assumptions in view of local tax regulations.
- Obtaining understanding of the procedures relating to accounting for (deferred) taxes and considered design and implementation of the related controls and processes.
- Assessing the appropriateness of the disclosures relating to (deferred) taxes in the group's Consolidated Financial Statements.

Reference to information or notes in the Consolidated Financial statements

Refer to note 1 (Valuation rules) and note 21 (Taxes).

3. Revenue recognition and valuation of inventories and construction contracts (Marine Engineering & Contracting, Real Estate & Senior Care)

Companies concerned: CFE and Extensa

Description of the key audit matter

The valuation of the land positions and the incurred constructions costs for residential property developments are based on the historical cost or lower net realizable value. The assessment of the net realizable values involves assumptions relating to future market developments, decisions of governmental bodies, discount rates and future changes in costs and selling prices. These estimates involve various terms and are sensitive to scenarios and assumptions used and involve as such significant management judgement. Risk exists that potential impairments of inventories are not appropriately accounted for.

Revenues and results are recognized to the extent that components (housing units) have been sold and based on the percentage of completion of the development. The recognition of revenue and profit therefore relies on estimates in relation to the forecasted total costs on each project.

This often involves a high degree of judgement due to the complexity of projects and uncertainty about costs to complete. Therefore, there is a high degree of risk associated with estimating the amount of revenue and associated profit to be recognized by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.

Summary of audit procedures performed

- A sample of project developments have been tested by verifying the costs incurred to date, relating to land and work in progress as well as recalculating the percentage of completion at the balance sheet date. A selection of these schemes have been reviewed with a sample of costs agreed to third party surveyors' certificates, total sales values agreed to contracts, and the accuracy of the recognition formula has been verified.
- Assessment of the calculations of net realizable values and challenging the reasonableness and consistency of the assumptions and model used by management.
- Evaluating the financial performance of specific projects against budget and historical trends, specifically in view of assessing the reasonableness of the costs to complete.

Reference to information or notes in the Consolidated Financial statements

Refer to note 1 (Valuation rules) and note 14 (inventories and construction contracts)

4. Specific allowances for loans and advances to customers (Private banking)

Company concerned: Bank J.Van Breda & C°

Description of the key audit matter

The net portfolio of loans and advances to customers amounted to € 5,233 million as at 31 December 2019. Loans and advances to customers are measured at amortized cost, net of the allowance for loan losses (€ 30.5 million).

Certain aspects of the accounting for allowance for loan losses require significant judgement by management, such as the identification of loans and advances to customers that are deteriorating, the assessment of objective evidence for impairment, the value of collateral and the estimation of the recoverable amount.

The use of different modeling techniques and assumptions can lead to considerably different estimates of impairments for credit losses.

Due to the significance of loans and advances to customers advances to customers and the related estimation uncertainty, the valuation of loans and advances to customers is considered as a key audit matter.

Summary of audit procedures performed

The following audit procedures were performed, amongst others:

- Assessing the design and evaluation of the operating effectiveness of controls around the valuation and accuracy of loans and advances and collateral data, the determination of risk ratings and the process for identifying arrears and the management thereof.

- Performing risk assessment aimed at identifying higher risk deteriorating, the assessment of objective evidence for portfolios, including an assessment of management's own portfolio stress tests and risk mitigation actions to identify areas of focus.
- Credit file reviews on a sample basis to test the recoverability of loans and advances to customers; by doing so, challenging the probability of realization, and valuation of collateral and other possible sources of repayment.
- Evaluation of the most important input variables and assumptions for the models used for the determination of impairment of loans and advances to customers calculated on a collective basis and testing of the arithmetic accuracy of the models.
- Comparing Management's key assumptions against the understanding of the relevant industries and business environments.
- Assessing whether disclosures appropriately reflected the exposure to credit risk, including controls over identification and disclosure of forborne loans, collateral valuation and sensitivity of key assumptions.

Reference to information or notes in the Consolidated Financial statements
Refer to note 1 (Valuation rules) and note 13 (Banks – receivables from credit institutions and clients)

5. Valuation of the investment properties (Real Estate & Senior Care)

Companies concerned: LRE en Extensa

Description of the key audit matter
As per 31 December 2019 the Group presents Investment property for a total amount of € 1,336 million on its balance sheet.
In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement. The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard "Fair Value Measurement". Some parameters used for valuation purposes are based on unobservable data (discount rate, future occupancy rate, …). For these reasons, we consider the valuation of the investment properties as a key audit matter.

Summary of audit procedures performed
The group uses external appraisers to make an estimate of the fair value of the investment properties of the Group, with the support of internal real estate valuation specialists, the valuation reports were evaluated. More precisely:

- assessment of the objectivity, the independence and the competence of the external appraisers,
- testing of the integrity of source data (contractual rentals, maturities of the rental contracts, …) used in their calculations,
- review of the models, assumptions and parameters used in their reports (the most important ones being discount rates, future occupancy rates, …).

Assessment of the appropriateness of the information on the fair value of the investment properties disclosed in note 1 (Valuation rules) and note 10 (Investment property at fair value) of the Consolidated Financial Statements.

6. Valuation of financial instruments (multiple segments)

Description of the key audit matter
Different companies within the group use interest rate swaps (IRS) to hedge its interest rate risk on its variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result and/or the shareholders' equity. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements except for those IRS for which the Company applies hedge accounting ("cash-flow hedging"), which allows to record most of the changes in fair value in the caption of the shareholders' equity ("Reserve for the balance of changes in fair value of authorized hedging instruments qualifying for hedge accounting as defined under IFRS"). The audit risk appears on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting. For these reasons, this is considered as a key audit matter.

Summary of audit procedures performed

- Comparing the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments calculated by an external specialist.
- Assessment of the most important assumptions and the calculations performed by this external specialist.
- Reviewing the effectiveness tests performed by the external specialist involved by the Group with regard to the correct application of hedge accounting
- Comparing the volume of derivatives subject to hedge accounting with the volume of the variable rate debts projected on the future accounting years in order to identify any potential over hedging which could potentially jeopardize the application of hedge accounting.
- Assessment of the appropriateness of the information on the financial instruments disclosed in note 20 (Financial instruments) to the Consolidated Financial Statements.

7. Goodwill

Description of the key audit matter
As per 31 December 2019 the Group presents goodwill for a total amount of € 332 million on its balance sheet.
The impairment analysis is yearly performed by management based on different factors such as (i) stock exchange share prices, (ii) equity values, (iii) discounted cash flow analysis ("DCF analysis") of the underlying participations based on forecasts approved by the board of directors of the companies en (iv) sales prices based on ongoing negotiations. This requires assessment and valuation of the assumptions used by management, such as the underlying recoverable value of the participation. The determination of the future cash flows of the cash generating units ("CGU") and of the used discount rate is complex and subjective. Changes in these assumptions can result in material deviations in the value-in-use calculations, which influences the potential impairment loss to be recorded on goodwill.

Summary of audit procedures performed

- Review of management's process to identify the impairment indicators.
- Assessing management's method to determine the recoverable value of each of the investments, along with the intercompany positions and the related goodwill to ensure this follows the IFRS guidelines.
- Assessing the appropriateness of the assumptions used by management to determine the recoverable value (with the help of internal specialists).
- Comparison of the operational cash flows with historical figures and trends.
- Assessing the reasonableness of future cash flows used in the valuation exercise on goodwill based on the historical results, the business plan available and the evaluation of the historical accuracy of the assumptions used by management.
- Checking whether the future cash flows were based on a business plan approved by the board of directors.
- Performing of mathematical accuracy checks of the valuation model.
- Assessment of the sensitivity analysis performed by management.
- Assessment of the appropriateness of the information on the financial instruments disclosed in note 1 (Valuation rules – principles of consolidation) and note 8 (Goodwill) to the Consolidated Financial Statements.

8. Risks of the companies accounted for under the equity method

Description of the key audit matter
A large number of companies are accounted for using the equity method in the Consolidated Financial Statements of the Group. Per 31 December 2019 this amounts to € 1,202 million in the balance sheet and they contribute for € 155

million in the consolidated result of the year. The information on participations accounted for using the equity method is included in note 11 to the Consolidated Financial Statements.
The risks exists that key audit matters are related to those companies which are significant to the Consolidated Financial Statements of the Group.

Delen Private Bank has acquired clientele, as a result of several acquisitions, which are included under intangible fixed assets, the majority of the purchased clientele is considered as intangible assets with an indefinite useful life. The statistical data from the past show that only a limited part of the purchased clientele has a definite useful life. With each acquisition of clientele, on the basis of the statistics, it is determined how much of the purchased clientele is to be considered as an intangible fixed asset with a certain useful life, which is amortized pro rata over this useful life. The remainder is not amortized. Management conducts an annual impairment analysis on the basis of its own developed model for both clientele with a definite and indefinite useful life, whereby the purchased clientele is subdivided per group office. The valuation of the purchased clientele is complex and requires estimates from the management. The valuation of the clientele is based on the assets entrusted by the clientele (Assets under management, hereinafter "AuMs") that represents the purchased clientele on which a factor is applied.
A change in these parameters or the use of erroneous data would have a material impact on the valuation of the purchased clientele.
For these reasons, the valuation of the activated, acquired clientele is a key audit matter of our audit.

Summary of the procedures performed
With regard to the valuation of the activated, acquired clientele, the following audit procedures were carried out:

- Assessment of the division of the existing clientele within the group per office and discussion of any changes in relation to previous periods.
- Assessment of the parameters used (such as AuMs and factors), the methodology and the model used in accordance with IAS 36.
- Analysis of the breakdown of purchased customers per office.
- Verification of the factors used in the model with market data and reconciliation of the AuMs with the accounting inventories and of the applied market value with the market data.
- Sensitivity analysis on the most important assumptions, which is mainly the cost-income ratio.
- Recalculation of the recorded depreciation on the clientele with a certain useful life.
- Assessment of the adequacy and completeness of note 11 (companies accounted for using the equity method) of the Consolidated Financial Statements.

With respect to the key audit matters in the balance sheets of the companies accounted for using the equity method, the following audit procedures were performed, amongst others:

- Communication of clear audit instructions to the component auditors indicating the possible key audit matters, specific audit risks, audit procedures to be performed according to the materiality levels determined.
- Detailed review of the reported deliverables by the component auditors.
- Critical evaluation of the used audit approach in accordance with the international auditing standards.
- Discussion on the key audit matters with the component auditor and assessment of the reported clarifications.
- Assessment of the adequacy and completeness of note 11 (companies accounted for using the equity method) of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to event or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.
We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors
The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor
In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Director's report and other information included in the annual report
In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations. (former article 119 of the Belgian Company code).

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:
- 2019 at a glance - page 8;
- Activity report - page 66;
- Key figures 2019 - appendix

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide any assurance regarding the Board of Directors' report and other information included in the annual report.
The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on "Sustainable Development Goals (SDG's)". However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with "Sustainable Development Goals (SDG's)". We do not express any form of reasonable assurance regarding the individual elements included in this non-financial information.

Independence matters
Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.
The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial.

Other communications
- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 30 March 2020

EY Bedrijfsrevisoren BV
Statutory auditor, Represented by
Patrick Rottiers - Partner * Wim Van Gasse - Partner *

** Acting on behalf of a BV/SRL*

Statutory annual accounts

In accordance with article 3:17 CCA, the statutory annual accounts of Ackermans & van Haaren, are presented in short form. In accordance with article 3:10 and 3:12 CCA, the full annual accounts, the annual report of the board of directors and the report of the statutory auditor are filed with the National Bank of Belgium.

The statutory auditor has given an unqualified opinion regarding the statutory accounts.

The annual accounts, the annual report of the board of directors and the report of the statutory auditor are available at the registered office of the company upon simple request. The statutory annual accounts are prepared in accordance with the Belgian General Accounting Principles.

Address: Begijnenvest 113 - 2000 Antwerp, Belgium
Phone: +32 3 231 87 70 - E-mail: info@avh.be

Balance sheet

(€ 1,000)	Note	2019	2018	2017
Assets				
Fixed assets		**1,907,604**	**1,926,399**	**2,628,386**
I. Formation expenses				
II. Intangible assets		**0**	**0**	**0**
III. Tangible assets	(1)	**9,606**	**9,800**	**10,134**
A. Land and buildings		6,230	6,438	6,733
C. Furniture and vehicles		1,418	1,307	1,248
D. Leasing and other similar rights		3	0	0
E. Other tangible assets		1,955	2,054	2,153
F. Assets under construction and advanced payments				
IV. Financial assets		**1,897,998**	**1,916,599**	**2,618,252**
A. Affiliated enterprises	(2)	1,650,993	1,684,656	2,401,174
1. Participating interests		1,640,726	1,667,248	2,394,789
2. Amounts receivable		10,267	17,409	6,385
B. Other enterprises linked by participating interests	(3)	229,209	217,955	210,547
1. Participating interests		229,209	217,955	210,547
2. Amounts receivable		0	0	0
C. Other financial assets		17,797	13,988	6,531
1. Shares		17,789	13,980	6,524
2. Amounts receivable and cash guarantees		8	8	8
Current assets		**245,786**	**83,553**	**107,041**
V. Amounts receivable after more than one year			**745**	**6,066**
A. Trade receivables				
B. Other amounts receivable			745	6,066
VI. Stocks and contracts in progress				
A. Stocks				
1. Raw materials and consumables				
2. Work in progress				
3. Finished goods				
4. Goods purchased for sale				
5. Immovable property acquired or constructed for resale				
6. Advance payments				
B. Contracts in progress				
VII. Amounts receivable within one year		**10,808**	**23,819**	**4,304**
A. Trade receivables		1,239	1,206	2,073
B. Other amounts receivable	(4)	9,569	22,613	2,231
VIII. Investments	(5)	**210,526**	**48,773**	**49,216**
A. Treasury shares		39,777	35,100	36,954
B. Other investments and deposits		170,749	13,673	12,262
IX. Cash at bank and in hand		**23,329**	**8,153**	**46,906**
X. Deferred charges and accrued income		**1,123**	**2,063**	**549**
Total assets		**2,153,390**	**2,009,952**	**2,735,427**

Balance sheet

(€ 1,000)	Note	2019	2018	2017
Liabilities				
Equity	(6)	**2,065,800**	**1,853,043**	**1,868,915**
I, Capital		**2,295**	**2,295**	**2,295**
A, Issued capital		2,295	2,295	2,295
B, Uncalled capital (-)				
II, Share premium account		**111,612**	**111,612**	**111,612**
III, Revaluation surplus				
IV, Reserves		**109,754**	**100,775**	**100,159**
A, Legal reserve		248	248	248
B, Reserves not available for distribution		39,817	35,280	36,997
1, Own shares		39,783	35,246	36,962
2, Other		35	35	35
C, Untaxed reserves				
D, Reserves available for distribution		69,689	65,246	62,915
V, Profit carried forward		**1,842,138**	**1,638,361**	**1,654,848**
Loss carried forward (-)				
VI, Investment grants				
Provisions and deferred taxation		**0**	**0**	**0**
VII, A, Provisions for liabilities and charges		**0**	**0**	**0**
1, Pensions and similar obligations		0	0	0
2, Taxation				
3, Major repairs and maintenance				
4, Other liabilities and charges				
B, Deferred taxation				
Creditors		**87,590**	**156,908**	**866,513**
VIII, Amounts payable after more than one year		**2**	**0**	**0**
A, Financial debts		2	0	0
B, Trade debts				
C, Advances received on contracts in progress				
D, Other amounts payable			0	0
IX, Amounts payable within one year		**87,117**	**156,741**	**866,255**
A, Current portion of amounts payable after more than one year		1	0	0
B, Financial debts	(7)	30,107	23,999	759,928
1, Credit institutions				
2, Other loans		30,107	23,999	759,928
C, Trade debts		609	175	397
1, Suppliers		609	175	397
E, Taxes, remuneration and social security		4,340	2,766	3,115
1, Taxes		84	123	160
2, Remuneration and social security		4,256	2,643	2,955
F, Other amounts payable	(8)	52,060	129,801	102,815
X, Accrued charges and deferred income		**471**	**168**	**258**
Total liabilities		**2,153,390**	**2,009,952**	**2,735,427**

Income statement

(€ 1,000)	Note	2019	2018	2017
Charges				
A. Interests and other debt charges		284	1,372	3,010
B. Other financial charges		939	848	803
C. Services and other goods		10,965	8,196	8,022
D. Remuneration, social security costs and pensions		2,036	1,779	1,919
E. Other operating charges		204	197	913
F. Depreciation of and other amounts written off on formation expenses, intangible and tangible assets		603	564	592
G. Amounts written off	(9)	6	75,287	13,001
1. Financial assets		0	74,625	6,186
2. Current assets		6	662	6,815
H. Provisions for liabilities and charges		0	0	0
I. Loss on disposal of	(9)	11,587	2,044	3,960
1. Intangible and tangible assets		2	10	0
2. Financial assets		9,888	914	1,817
3. Current assets		1,697	1,119	2,143
J. Extraordinary charges		0	0	0
K. Income taxes		65	9	106
L. Profit for the period		213,548	62,580	263,484
M. Transfer to the untaxed reserves				
N. Profit for the period available for appropriation		213,548	62,580	263,484
Appropriation account				
A. Profit to be appropriated		1,851,909	1,717,428	1,747,587
1. Profit for the period available for appropriation		213,548	62,580	263,484
2. Profit brought forward		1,638,361	1,654,848	1,484,103
Total		**1,851,909**	**1,717,428**	**1,747,587**

Income statement

(€ 1,000)	Note	2019	2018	2017
Income				
A. Income from financial assets		108,235	122,059	263,872
1. Dividends	(10)	106,460	120,362	262,279
2. Interests		787	723	201
3. Tantièmes		988	974	1,392
B. Income from current assets		2,369	1,484	1,647
C. Other financial income		1	0	1
D. Income from services rendered		1,960	1,209	3,148
E. Other operating income		330	318	364
F. Write back to depreciation of and to other amounts written off intangible and tangible assets				
G. Write back to amounts written off		16,359	3,357	1,016
1. Financial assets		12,188	3,357	102
2. Current assets		4,171	0	914
H. Write back to provisions for liabilities and charges		0	0	0
I. Gain on disposal of	(11)	109,349	24,450	25,762
1. Tangible and intangible assets		11	20	20
2. Financial assets		109,212	24,252	23,041
3. Current assets		126	177	2,701
J. Extraordinary income		1,633	0	0
K. Regularisation of income taxes and write back to tax provisions				
L. Loss for the period		0	0	0
M. Transfer from untaxed reserves				
N. Loss for the period available for appropriation		0	0	0
Appropriation account				
C. Transfers to capital and reserves		8,980	615	18,456
3. To other reserves		8,980	615	18,456
D. Result to be carried forward		1,842,138	1,638,361	1,654,848
1. Profit to be carried forward		1,842,138	1,638,361	1,654,848
F. Distribution of profit		791	78,452	74,283
1. Dividends		0	77,713	73,693
2. Tantièmes		598	588	590
3. Profit premium for employees		193	151	
Total		**1,851,909**	**1,717,428**	**1,747,587**

Balance sheet

Assets

1. Tangible assets: the composition of this item has remained largely unchanged in relation to previous years, and mainly comprises the buildings and furnishing of the real estate located in Antwerp at Begijnenvest 113 and at Schermersstraat 44, where Ackermans & van Haaren has its registered office. The building at Schermersstraat 42, which is leased to the subsidiary Leasinvest Real Estate, is reported under 'Other tangible assets'.

2. Financial fixed assets - Affiliated enterprises: the decrease in the participating interests by 33.7 million euros compared to 2018 is mainly due to the sale of the interest in the French retirement home group Residalya and the sale of the 50% participation in Henschel Engineering.

   In the first quarter of 2019, AvH and CFE each increased their participation in Rent-A-Port from 45% to 50%, and subsequently subscribed to a capital increase. Together, they now own 100% of the capital of this company.

   In 2019, the interest in CFE was slightly increased (0.47%) through a purchase of 118,000 shares on the stock exchange.

   In addition, capital increases were subscribed to at AvH India Resources (Sagar Cements) and Green Offshore.

3. Financial fixed assets - Other enterprises linked by participating interests: In 2019, 3.3 million euros were invested in increasing the participation in SIPEF to 32.33% and 8 million euros was invested in the new participation Biotalys. The movement in the other financial fixed assets consists of the subscription to the capital increase of Medikabazaar and an additional payment into the Indian fund Health Quad I.

4. The other amounts receivable within one year consist of recoverable taxes, the net carrying value of the loans granted to GIB and a 5.1 million euros loan to Green Offshore, the vehicle through which AvH and CFE jointly invest in the Belgian offshore wind farms of Rentel (operational) and SeaMade (still under development).

5. The movements in the item 'Investments' are explained by i) the increase of the position in treasury shares, ii) the placement of 155 million euros of cash in time deposits, and iii) reversals of earlier impairment losses on the investment portfolio of AvH.

Liabilities

6. AvH's shareholder's equity increased by 213 million euros compared to year-end 2018. This increase of the shareholder's equity takes into account the proposal to the general meeting of shareholders not to distribute any dividend regarding the financial year 2019.

7. On December 31, 2019, AvH only had short-term financial debts in the form of "commercial paper" to an amount of 12.0 million euros. The balance corresponds to deposits received from subholdings.

8. The other amounts payable as at December 31, 2019 are substantially lower than previous years, as a result of the proposal to the general meeting of shareholders not to distribute any dividend regarding the financial year 2019.

Income statement

Charges

9. The capital losses in 2019 mainly relate to the sale of the participation in Henschel Engineering, which were, however, fully compensated by a reversal of the impairment recognized on the same participation in 2018.

Income

10. AvH has received 106.5 million euros in dividends from its direct participations. An extraordinary dividend of 14.9 million euros was received from Anfima in 2018.

11. AvH realised capital gains on the sale of Residalya and the fulfilled payment on Ogeda in 2019.

General information regarding the company and the capital

General information regarding the company

Registered office - registration details

Begijnenvest 113, 2000 Antwerp, Belgium
0404.616.494
RPR Antwerp - Department Antwerp
Email adress : info@avh.be
Website : https://www.avh.be

Incorporation date, last amendment bylaws

The company was incorporated on 30 December 1924 by notarial deed, published in full in the Annexes to the Belgian Official Gazette of 15 January 1925 under number 566. The bylaws have been modified several times and for the last time by notarial deed of 13 November 2017, published by excerpt in the Annexes to the Belgian Official Gazette of 13 December 2017, under number 17175234.

Duration of the company

Indefinite

Legal form, applicable law

Limited liability company under Belgian law.

Statutory purpose

The statutory purpose of the company includes the following:

(a) the project study, supervision and management of all kinds of public and private works, mainly in the field of construction in general, as well as the organization and administration of all companies or businesses and assistance to them in all forms;

(b) the contracting of all sea- and land based public or private works in the area of construction and, in particular, all kinds of sea- and river-based works, major irrigation activities and the canalization of waterways, major dewatering and pumping works, dredging, drilling, sounding, wellsinking, drainage, the building of permanent structures, digging, and the general contracting of construction works, as well as the re-floating of boats and ships;

(c) sea- and land-based prospecting for industrial extraction, mainly of crude oil or natural gas, as well as mineral products in general;

(d) the operation, production, processing, distribution, purchase, sale and transport of all products derived from industrial extraction;

(e) the acquisition, operation, development and transfer of land, real estate and any property entitlement;

(f) the acquisition, the operation and the realization, in any form whatever, of intellectual property rights, licenses and concessions;

(g) the acquisition of a participation, by way of subscription, contribution, merger, cooperation, financial intervention or in any other way, in any company, enterprise, operation or association in Belgium or abroad, already existing or still to be incorporated;

(h) the management, development and realization of these participations;

(i) involvement, directly or indirectly, in the management, control or dissolution of any company, enterprise, business or association in which it has a participation;

(j) providing assistance to the board of directors or to management or support in all possible management matters of companies, businesses or associations in which it has a participation, and in general, performing all acts constituting entirely or partially, directly or indirectly, holding activities.

The company may carry out all civil, commercial, industrial and financial activities as well as activities relating to real and movable property that are linked, directly or indirectly, to its statutory purpose or that may enhance the realization thereof. The company may provide securities or guarantee in favor of companies, enterprises, businesses or associations in which it has a participation, act as representative or agent, provide advances, credit facilities and mortgages or other securities. The company's activities may be carried out both abroad and in Belgium.

Consultation of documents regarding the company

The statutory and consolidated annual accounts of the company are deposited with the National Bank of Belgium. A coordinated version of the company bylaws can be consulted with the clerk of the Business Court of Antwerp - Division Antwerp. The annual financial report is sent to the registered shareholders and to anyone who so requests. The coordinated version of the company bylaws and the annual financial report are also available on the company's website (www.avh.be).

General information regarding the company's capital

Subscribed capital

The subscribed capital is 2,295,277.90 euros. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value.

Capital increases

The most recent capital increase was decided upon on 11 October 1999, as part of the merger through acquisition of Belcofi NV by Ackermans & van Haaren NV.

Authorized capital

In accordance with the decision of the extraordinary general meeting dated 13 November 2017, the Board of Directors shall be entitled to increase the capital, in the specific cases stipulated in the special board report, in one or more instalments of maximum 500,000 euro during a period of 5 years, starting on 13 December 2017.

The board of directors can also make use of the authorized capital, in case of a public take-over bid on securities issued by the company, in accordance with the provisions and within the limits of article 7:202 of the Code of Companies and Associations. The board of directors is allowed to use this authorization in case the notification of a public takeover bid by the Financial Services and Markets Authority (FSMA) to the company is given not later than three years as from 13 November 2017.

The capital increases decided by virtue of these authorizations may be carried out in accordance with the terms and conditions set by the board of directors, with or without the issue of new shares, by the issue of subordinated or unsubordinated convertible bonds or of warrants or other securities, whether or not attached to other securities of the company.

The authorization empowers the board of directors to proceed to:

(i) capital increases or issues of convertible bonds or warrants where the preferential right of the shareholders is limited or excluded;

(ii) capital increases or issues of convertible bonds where the preferential right of the shareholders is limited or excluded in favour of one or several specific persons, other than staff members of the company or its subsidiaries; and

(iii) capital increases involving capitalization of reserves.

The authorizations may be renewed in accordance with the law.

Nature of the shares

The fully paid shares as well as other securities of the company may exist as registered, bearer or dematerialized securities. Each holder may, at any time and at his/her/its own expenses, request the conversion of his/her/its paid in securities into another form, within the limits of the law.

The securities are indivisible vis-à-vis the company which can suspend the rights of any share regarding which disputes would arise as to the ownership, usufruct or naked ownership. Co-owners, usufructuaries and bare-owners must be represented by a joint trustee and notify the company accordingly. In case of usufruct, the bare-owners of the share shall be represented vis-à-vis the company by the holder of the right of usufruct, unless the parties decide otherwise.

Lexicon

ESG terminology

- **Assets under management at AvH:** net assets managed by AvH, as reflected from an accounting perspective in the consolidated equity of the group.
- **BREEAM:** BREEAM is an international sustainability benchmark and is the standard for the optimal realisation (new construction) or renovation (buildings in use) and exploitation of sustainable buildings with a minimal environmental impact, based on scientifically substantiated sustainability metrics and indices encompassing a whole range of environmental issues, such as energy and water use assessment, the impact on health and well-being, pollution, transport, materials, waste, ecology and management processes.
- **Business ethics:** compliance with laws and regulations, internal guidelines and group values (respect, integrity, partnership, teamwork, independence, entrepreneurship, sustainability, long-term vision).
- **Corporate governance:** organization & processes of the managing bodies that define the strategy and monitor its implementation.
- **Diversity & equal opportunity:** this relates to aspects such as non-discrimination, promoting diversity of gender and background, etc.
- **EPC rating:** the energy rating stated on the energy performance certificate is a coefficient indicating the primary energy consumption per square metre of floor area (kW/m²). The lower the EPC rating, the less energy is needed to heat the home. In other words, a lower EPC rating means a better energy performance.
- **ESG:** Environment, Social & Governance
- **ESG-proof partnerships:** partners that AvH works together with and that have a vision of ESG that is acceptable to AvH
- **ESMA:** European Securities and Markets Authority
- **FSMA:** Financial Services and Markets Authority (Belgium)
- **GHG (greenhouse gas):** those gases are emitted in different concentrations and have a different 'global warming potential'. CO2 is taken as reference here, and is given reference value 1. To express the emission levels of other gases in the same unit, emitted quantities are converted into CO2 equivalents.
- **GRI:** Global Reporting Initiative
- **Innovation:** innovative approaches in all areas (products, markets, processes, etc.).
- **Material** (in materiality matrix): an aspect that (i) can have a significant positive or negative impact on the activities of a company, of which (ii) a stakeholder expects that it is carefully managed with high priority.
- **Reporting:** relates to financial and non-financial reporting, with emphasis on material aspects.
- **Responsible investment policy:** steering a sustainable mix of activities. This means, for example, that when making investments in participations, account is taken of how they score on relevant ESG aspects, that special attention is accorded to investment opportunities in sectors/activities with a positive ESG impact, or that divestments are made from sectors that are sensitive from an ESG perspective, or that presence is maintained in those sectors provided that those participations are, or can become, 'best in class'.
- **Responsible products and services:** products or services that match the needs of customers/users and are produced or provided in the most sustainable way possible.
- **Responsible shareholding:** structured monitoring as a shareholder of ESG aspects in participations (defining an ESG strategy and related processes).
- **Risk management:** structured handling of risks (by audit & control, procedures, manuals, committees, etc.).
- **SDGs (Sustainable Development Goals):** Sustainable Development Goals of the United Nations that constitute a call for action to promote prosperity and at the same time protect the planet against climate change. They encompass strategies that support economic growth and address social needs (education, health, social protection and employment, etc.).
- **Solvency and long-term profitability:** healthy balance sheet structures, business plans and strategies that make it possible to achieve a fair return.
- **Stakeholder relations & governance:** contacts and communication with stakeholders of the company (shareholders, government, employees, suppliers, customers, local communities, etc.).
- **Subsidiarity:** delegation of decisions to the level that is in the best position to judge and act accordingly.
- **Talent management:** taking care of the human capital needed for the proper functioning of the company (recruitment, training, personal development, appraisal, etc.).
- **UN PRI:** United Nations Principles of Responsible Investment, the framework of the United Nations that focuses on a sustainable financial system.

Financial and legal terminology

- **CCA:** Code of Companies and Associations.
- **Cost-income ratio:** the relative cost efficiency (cost versus income) of the banking activities.
- **Core Tier1 capital ratio:** a capital ratio of the buffers held by banks to offset any losses, seen from the regulator's perspective. The equity of a bank consists of share capital and undistributed profits. This equity is necessary to offset losses on loans.
- **EBIT:** Earnings before interest and taxes.
- **EBITDA:** EBIT plus depreciation and amortisation on fixed assets.
- **Net financial position:** cash & cash equivalents and short term investments minus short and long term financial debt.
- **REBITDA (Recurring Earnings Before Interest Taxes Depreciation and Amortisation):** EBITDA purged for any non-recurrent elements.
- **Rental yield based on fair value:** rental yield is only calculated on buildings in operation, excluding the projects and the assets held for sale.
- **Return on equity (ROE):** the relative profitability of the group, more particularly the amount of net income returned as a percentage of shareholders' equity.

Notes

Contact

Questions can be asked by phone on +32 3 231 87 70
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or Tom Bamelis.

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www.avh.be

Dit jaarverslag is ook verkrijgbaar in het Nederlands.
The Dutch version of this document should be considered as the official version.

Concept and design

FBD nv (www.fbd.be)

Financial calendar

May 20, 2020	Interim statement Q1 2020
May 25, 2020	General meeting
August 28, 2020	Half-year results 2020
November 23, 2020	Interim statement Q3 2020

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