



# Annual Report 2016-2017

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Building leading companies.

**Gimv**

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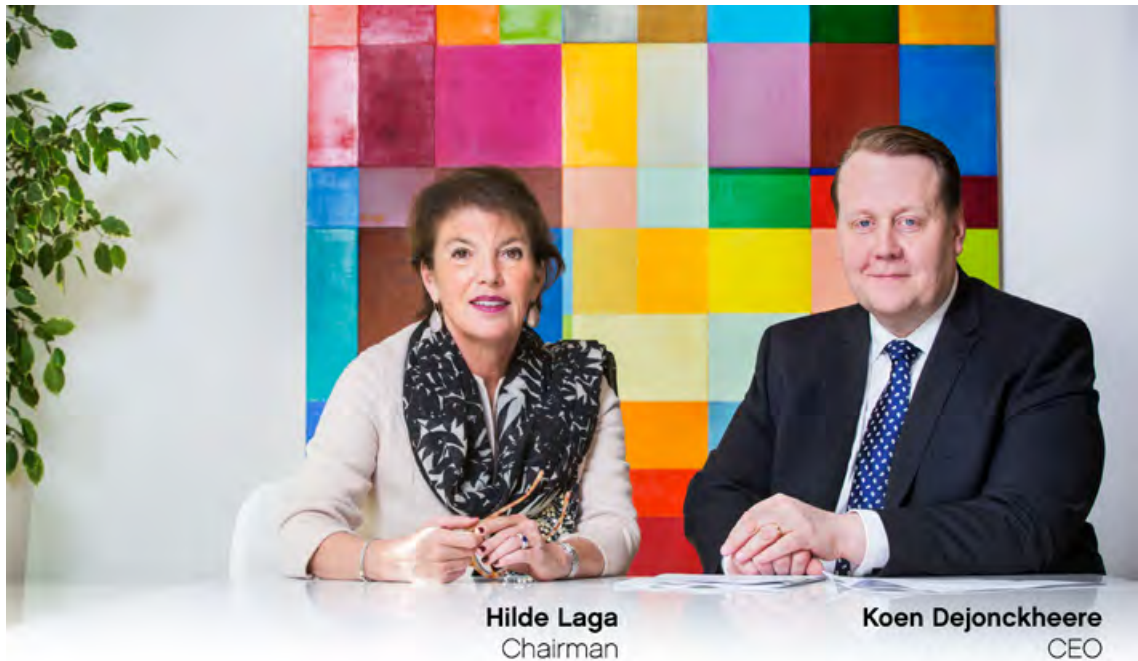


## 2. Message From Chairman and CEO

Dear reader,  
Dear shareholder,

In 2016, the ECB's policy of continuous money creation produced a further fall in interest rates. This resulted in increasing competition in the European mid-market private equity landscape, marked, among other things, by rising valuations. At the same time, we also see promising signs of an accelerating economy, with increasing entrepreneurial and consumer confidence, all of this, however, within a still uncertain geo-political climate.

Against this background, **Gimv again posted a strong result with a profit of EUR 131.9 million.**



**Hilde Laga**  
Chairman

**Koen Dejonckheere**  
CEO

Another very active and successful year for Gimv

**We invested EUR 180 million in 11 promising new companies**, across all four investment platforms. Our specialized sector knowledge and disciplined investment approach, applied together with our platform strategy, resulted in new partnerships with potential market leaders Joolz, Acceo, ALT Technologies, Summa, MEGA International, Arplas, Real Impact Analytics and promising life sciences and medtech companies Spineart, G-Therapeutics, EndoStim and Breath Therapeutics.

At the same time, market conditions remained favourable for **12 exits with a positive impact on results**. Over the past year, we reaped the fruits of years of strategic growth and innovation with the sale of Punch Powertrain, Vandemoortele, Multiplicom, Altair/Brunel, Onedirect and GreenPeak and other investee companies. The EUR 317 million proceeds from the sale of our platform participations represent almost 3 times the initial investment.

Gimv's result was also buoyed by the **strong performance of our investee companies**. We are proud of the achievements of our 51 shareholdings, which last year grew their sales by 11% and EBITDA by 17%. In this way strategic growth - a keystone of our investment strategy - was again the primary driving force for successful value creation over the past year.

## For the third year in a row: a strong operating profit from growth and value creation

This active investment approach, together with significant value creation in our portfolio, enable us once again to post a strong result for the 2016-2017 financial year: **with a profit of EUR 131.9 million and an 11% net return, we outperformed our long-term return target for the third year in a row**, putting us well on the way to fulfilling our ambition to create double-digit returns through a complete investment cycle.

These results also allow us both to **reconfirm our dividend policy, and to increase our dividend to EUR 2.50 per share for the past financial year.**

## Sector specialization in an international context

The option we took five years ago for a sector-oriented platform strategy is now fully reflected in our organization. **The financial, strategic and industrial expertise built up in this way strengthens our investment approach, and puts us on the road to long-term value creation.**

Our **thanks** go to all who have helped us in this task: first and foremost the management teams and employees of our portfolio companies, working together with our own teams, but also the outside directors, investors, shareholders and the many other stakeholders who contribute in their different ways to this result.

Our strategy, our promising portfolio and our strong balance sheet allow us to look to Gimv's future with confidence.

Hilde Laga, Chairman and Koen Dejonckheere, CEO

# 3. Highlights 2016-2017

## APRIL 2016

Gimv and other investors sell their interest in Dutch semiconductor company GreenPeak to Nasdaq-listed Qorvo.

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



## APRIL 2016

EUR 6 million investment - as part of a total EUR 26 million series A funding - in Swiss company G-Therapeutics, which is developing a spinal implant neurostimulator for patients with incomplete transverse lesion (partial paraplegia).

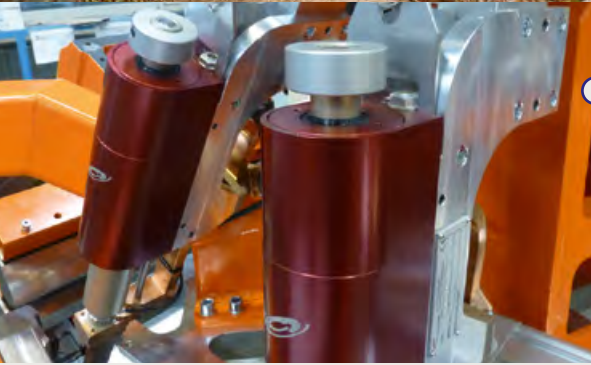
[www.gtherapeutics.com](http://www.gtherapeutics.com)



## APRIL 2016

Gimv acquires 40% interest in the fast-growing Joolz, a Dutch brand of premium children's pushchairs.

[www.my-joolz.com](http://www.my-joolz.com)



## MAY 2016

Investment in the further growth of Arplas, a Dutch supplier of innovative welding technology, operating especially in the automotive industry.

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



## JUNE 2016

Real Impact Analytics, a Belgian innovative startup in big data applications, obtains EUR 12 million from Gimv and other investors in its first funding round.

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



## MAY 2016

USD 2.7 million investment - as part of a total USD 25 million series D funding - in EndoStim, a Dutch medtech company that has designed a neurostimulator for patients with gastroesophageal reflux (GERD).

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



## MAY 2016

Gimv sells its 23.58% share in Vandemoortele, a family-controlled Belgian food group with a European dimension, to Safinco.

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





**JUNE 2016**

Gimv and the other shareholders sell their interests in Belgian energy distributor Lampiris to Total.

[www.lampiris.be](http://www.lampiris.be)



**OCTOBER 2016**

Gimv acquires a 60% stake in Acceo, a French independent player in building inspection and certification services.

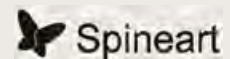
[www.acceo.eu](http://www.acceo.eu)



**SEPTEMBER 2016**

Gimv and Gimv Health & Care Fund provide EUR 30 million of growth capital to Spineart, a fast-growing Swiss medtech company active in spinal cord surgery.

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



**DECEMBER 2016**

Gimv and Biotech Fund Flanders sell Belgian molecular diagnostics company Multiplicom to Agilent Technologies.

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



**OCTOBER 2016**

With a 40% shareholding, Gimv invests in the next growth phase of MEGA International, a leading French provider of software for business and IT transformations.

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



**JANUARY 2017**

Gimv and Gimv-managed Gimv Arkiv Tech Fund II together invest EUR 78 million in Itineris, a Belgian supplier of innovative software solutions, to accelerate the company's further international growth.

[www.itineris.net](http://www.itineris.net)



**JUNE 2016**

Gimv investee Brakel, a Dutch company in high-end solutions and ventilation and fire safety systems for commercial and industrial buildings, strengthens its fire safety division by acquiring Belgian company Argina Technics.

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



**AUGUST 2016**

Gimv invests in the further international growth of Belgian company Summa, a European leader in digital cutting machinery for the graphics industry.

[www.summa.eu](http://www.summa.eu)



**AUGUST 2016**

Sale of Punch Powertrain, the Belgian pioneer of continuously variable transmission technology (CVT), to the Chinese group Yinyi.

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



**MARCH 2017**

Gimv announces the sale of French Teads, the inventor of outstream video advertising and the largest video advertising platform in the world, to listed company Altice.

[www.teads.tv](http://www.teads.tv)



**MARCH 2017**

Gimv acquires a majority stake in Dutch company ALT Technologies, a leading player in airbag components.

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



**MARCH 2017**

Breath Therapeutics raises EUR 43.5 million in a financing round co-led by Gimv. This German spin-out of PARI Pharma GmbH is committed to progressive and innovative inhalation therapies for severe respiratory tract disorders.

[www.breath-therapeutics.com](http://www.breath-therapeutics.com)





# 4. Gimv at a glance

# 51

shareholdings  
11 new investments  
and 12 exits in 2016-2017

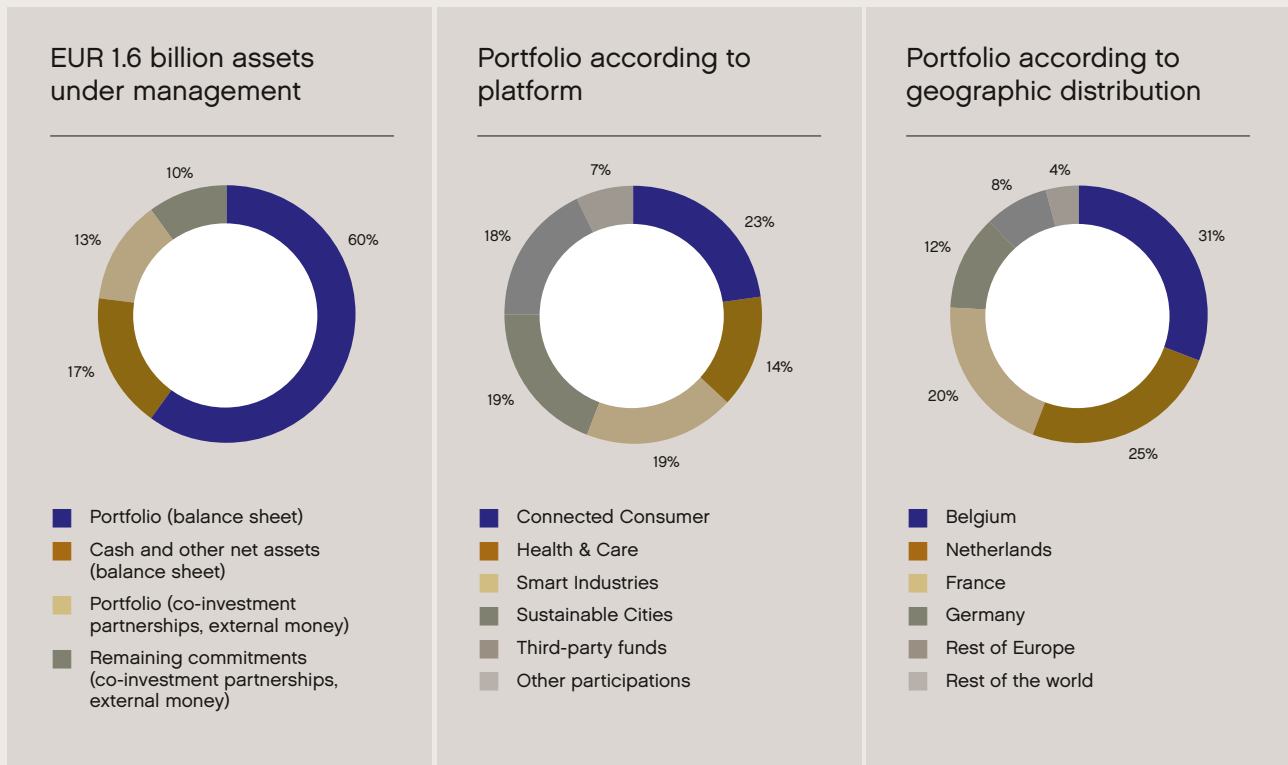
# 1.6

billion euros  
assets under management  
(including co-investment partnerships)

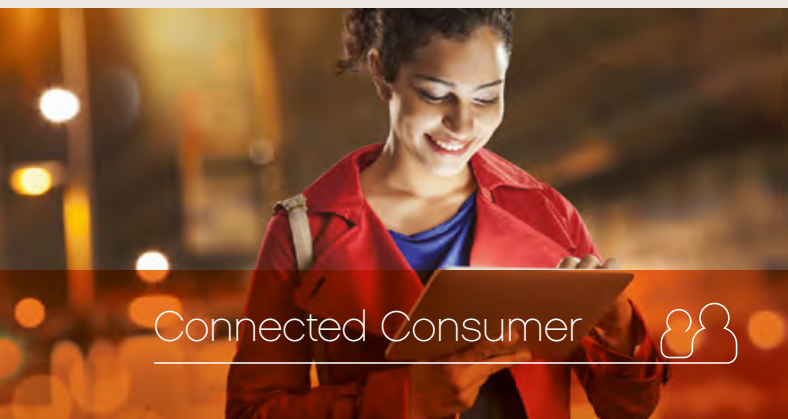
# 11.8%

long-term return <sup>1</sup>

## Building leading companies.



↑ The chart 'EUR 1.6 billion of assets under management' shows the distribution of Gimv's assets and commitments (approximately EUR 1.3 billion) and also the assets and commitments of external investors. Further information on the co-investment partnerships, their main features and conditions and the distinction between them and third-party funds can be found in Chapter 8. More information on results and key figures can be found in Chapter 9. More information on the composition of the portfolio can be found in Chapter 7.



Connected Consumer



Health & Care

93

employees

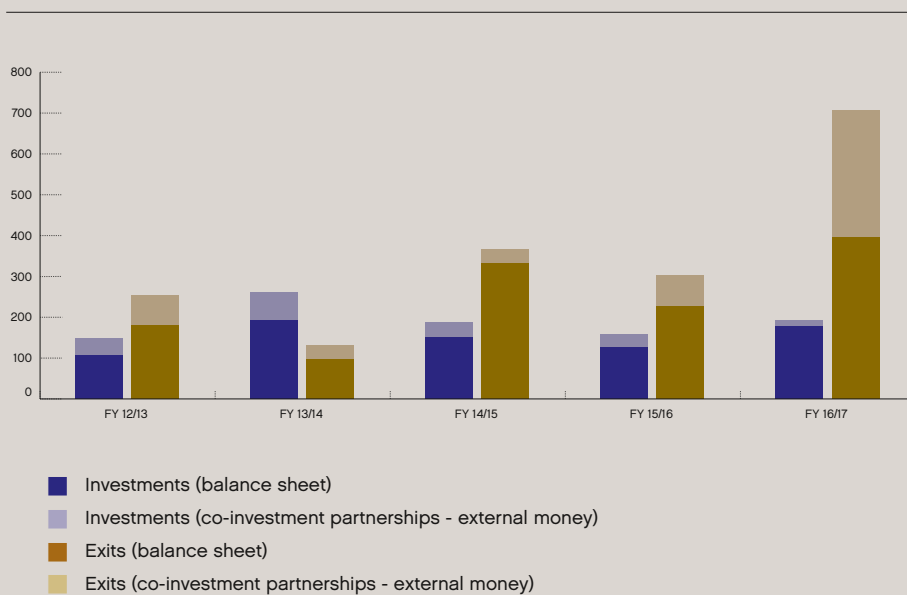
4

offices

37

years' experience in private equity and venture capital

Recent investment and divestment history (in EUR million)



The chart 'Recent investments and divestments' records Gimv's investments and divestments, both on its own balance sheet and with funds from external investors in the co-investment partnerships. With Gimv a constantly active investor, we saw last year a strong dynamic on both the investment and divestment sides, with 11 new companies and 12 exits. The strikingly high level of divestments reflects the exits from Punch Powertrain and Vandemoortele in 2016-2017.

1. This is the return received by a shareholder holding shares in Gimv since its inception. This is calculated on cash flows for the shareholder, viz. the historical amounts of capital contributions and dividend payments, supplemented by the equity value on the reporting date.



Smart Industries



Sustainable Cities



## 10 largest shareholdings across the platforms

	Provider of complete HVAC solutions in the residential renovation and new build markets <a href="http://www.ithodaalderop.nl">www.ithodaalderop.nl</a>	Sustainable Cities	the Netherlands
<b>Grandeco</b>	Wall decoration <a href="http://www.grandecogroup.com">www.grandecogroup.com</a>	Connected Consumer	Belgium
	Group of specialized private clinics <a href="http://www.almaviva-sante.fr">www.almaviva-sante.fr</a>	Health & Care	France
	Independent beer group <a href="http://www.udbexport.com">www.udbexport.com</a>	Connected Consumer	the Netherlands
	3D visualization, animation and visual effects <a href="http://www.mackevision.com">www.mackevision.com</a>	Smart Industries	Germany
<b>Subtotal NAV 5 largest shareholdings:</b>		<b>EUR 197 million</b>	
	High-end solutions for glass daylight constructions, ventilation & fire safety systems <a href="http://www.brakel.com">www.brakel.com</a>	Sustainable Cities	the Netherlands
	Video advertising through social and premium media <a href="http://www.teads.tv">www.teads.tv</a>	Connected Consumer	France
	Mushroom compost producer <a href="http://www.walkro.eu">www.walkro.eu</a>	Connected Consumer	the Netherlands
	Premium baby strollers <a href="http://my-joolz.com">my-joolz.com</a>	Connected Consumer	the Netherlands
	Inspection and certification services for buildings <a href="http://www.acceo.eu">www.acceo.eu</a>	Sustainable Cities	France
<b>Total NAV 10 largest shareholdings:</b>		<b>EUR 334 million</b>	

To see the complete Gimv portfolio, please visit the website [www.gimv.com](http://www.gimv.com), portfolio or take a look at chapter 7 Platform Strategy.

## 5. InFormation and history

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### 5.1 General InFormation

Legal and commercial name of Gimv

Gimv NV

The place of registration and registration number of Gimv

Gimv is registered in the Antwerp Registry of Legal Persons under company number 0220.324.117.

Date, country and duration of incorporation

Gimv was established in Belgium on 25 February 1980, for an indefinite period.

Registered office and legal form

**Gimv NV**

Public limited company

**Registered Office**

Karel Oomsstraat 37  
2018 Antwerpen

Tel.: +32 3 290 21 00

[info@gimv.com](mailto:info@gimv.com)

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

Mission and company profile

Gimv's mission is to enter into temporary partnership, on the basis of selected strategic investment platforms, with entrepreneurial and innovative companies having strong growth potential, with the objective of supporting their growth into market leaders.

In this way, our portfolio companies contribute to economic growth, employment and social welfare. Through these companies' performance and with successful exits, Gimv is able to reward its shareholders with double-digit returns and an attractive dividend policy.

Gimv wants to fulfil this mission and achieve its ambitions with integrity and with respect for its shareholders, business partners and colleagues.

## 5.2 Important events in the development of Gimv

**1978** - Anti-crisis Law prepares the ground for the establishing of regional investment companies.

**1980** - 25 February: establishment of the Gewestelijke Investeringsmaatschappij voor Vlaanderen (Gimv) with three branches: development bank (provision of private equity), government holding company, manager of government shareholdings ('third function', companies in difficulties).

**1983** - Gimv makes its first foreign investments.

**1989** - Establishment of subsidiaries Gimvindus (inherits the Flemish portion of the former national sectors, like Kempische Steenkoolmijnen, Sidmar, Boelwerf, textile companies) and Vlaamse Milieuholding (for attracting PPP in environmental projects).

**1994** - Division of tasks: Gimvindus and VMH are disconnected from Gimv, which begins building up its international activity as a venture capital provider.

**1995** - Establishment of Participatiemaatschappij Vlaanderen (acquires the last 'third function' dossiers); first private placement of 15.23% with private investors (10.57%), Gemeentekrediet (3.58%) and ASLK (1.07%). 84.78% remains in the hands of the Flemish government.

**1997** - IPO; shareholding of the Flemish government (via Vlaamse Participatiemaatschappij – VPM) falls to 70%.

**2000** - Acquisition of the Halder venture capital group (now Gimv Netherlands); for the first time Gimv invests more abroad than domestically.

**2003** - Starts setting up its own funds.

**2005** - Sale of the government's majority position: 30% of Gimv's shares placed with institutional investors.

**2006** - Government (VPM) sells a further 12.94%, reducing its stake to 27.06%.

**2007** - Start-up of new office and team in Paris.  
Establishment of DG Infra+, in a joint venture with Dexia (now Belfius) for investments in infrastructure projects in the Benelux.

**2008** - Launch of Gimv-XL as a growth capital fund for larger growth companies in Belgium.  
Start-up of new office and team in Munich.

**2010** - DG Infra Yield launched as a new Benelux infrastructure initiative complementary to DG Infra+.

**2012** - Gimv redefines its strategy; with a focus on value creation from 4 selected investment platforms.

**2013** - Launch and first closing of Gimv Health & Care Co-investment Program.

**2015** - IPO TINC.

**2016-2017** - See highlights 2016-2017.

## 6. Organisational structure

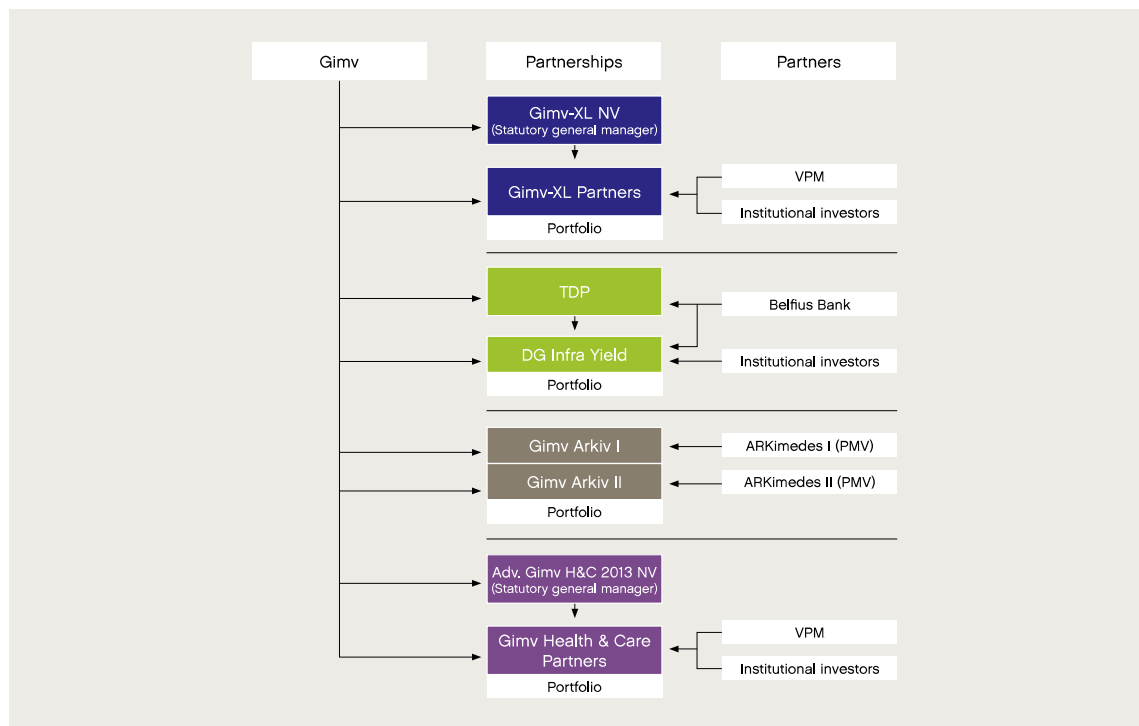
### Executive Committee

Koen Dejonckheere (CEO) chairs the Executive Committee, assisted by Edmond Bastijns (Chief Legal Officer, Secretary General), Alex Brabers (Chief Business Operations), Bart Diels (Head Health & Care), Peter Maenhout (Head Connected Consumer), Benoît Raillard (Operating Partner), Kristof Vande Capelle (CFO) and Ivo Vincente (Head Sustainable Cities).

### Co-Investment partnerships

For specific segments, Gimv has taken the initiative to create co-investment partnerships with experienced partners. These are complementary to Gimv's core business and offer investors - institutional investors, wealthy families and entrepreneurs - an opportunity to participate in a targeted manner in specific sectors. In all, about EUR 900 million of funds have been committed to these co-investment partnerships. Gimv is itself a major investor, with over a third of the commitments. Another 24 external parties account for the other 65%.

These collaborations are illustrated in the diagram below. More information on the activities of these co-investment partnerships in the year under review can be found in [Chapter 8 'Co-Investment Partnerships'](#).



## 7. Platform Strategy

Gimv invests in the potential market leaders of tomorrow. Its investee companies are all ambitious growers who want to strengthen their market positions, improve their performance, strengthen their balance sheets, and conquer international markets.

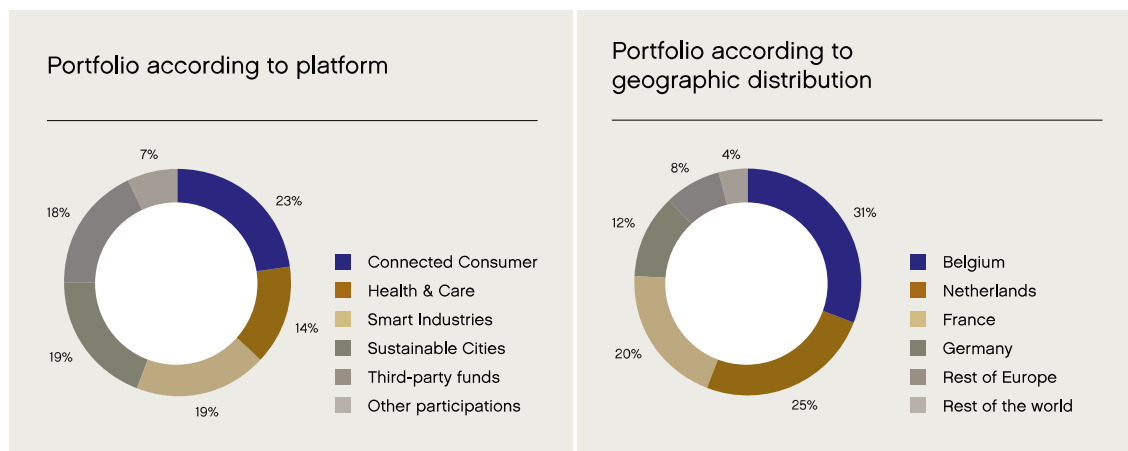
With Gimv, an independent, publicly traded investment company, they take on board an experienced partner with expertise in **four investment platforms**: Connected Consumer, Health & Care, Smart Industries and Sustainable Cities. Within that focus, each shareholding offers in its own way an answer to the challenges and needs of society, whether for consumer proximity, health care, innovative production and services, or the pursuit of sustainable mobility and living environments.

Our focus is on **investments from EUR 5 to 50 million**, with a preference for investment tickets of EUR 10 to 30 million, potentially distributed over the entire investment life cycle. Our strength today lies mainly in providing **growth capital to later phase and more mature companies**, which therefore make up the bulk of our portfolio. We aim, with a combination of specialization, operational involvement and patient capital, to enable companies to pass through the various development phases of their growth process.

In terms of **investment instruments**, we see ourselves as an investor who can exhibit the appropriate **flexibility** through equity or equity-linked instruments. We strive for majority or substantial minority shareholdings, with representation in the board of directors and sufficient impact at the various levels, without interfering in day-to-day management. A syndicate with other investors is possible and can add value, where the risk can be spread more widely. In terms of investment period, we are flexible: while our average investment horizon is 4 to 8 years, longer terms are also possible in order to achieve optimal value creation.

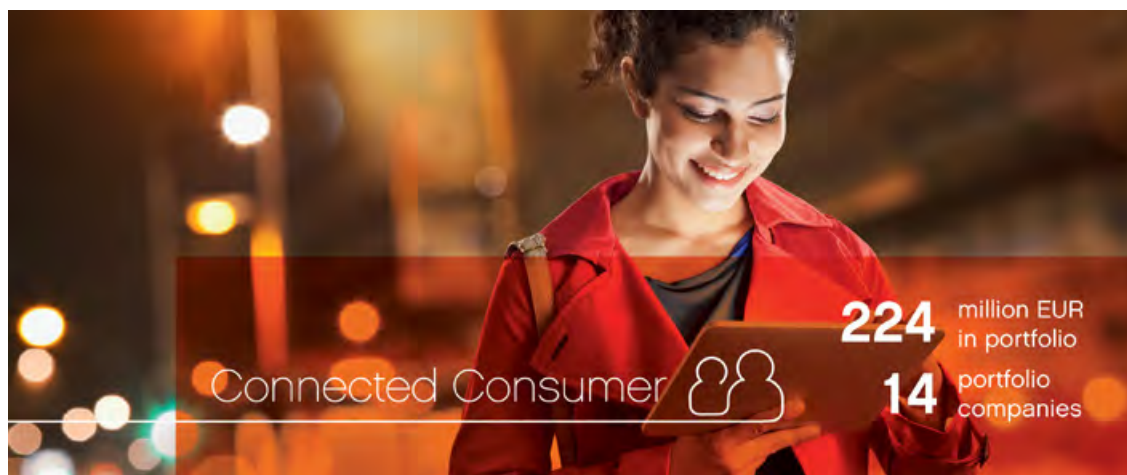
**Today - five years after launching the platform strategy in 2012 - Gimv manages a fairly young portfolio of 51 companies.** In the past year we saw a lot of movement here: in addition to expanding existing investments and to 12 divestments, Gimv signed up 11 new partnerships. To achieve the future growth of these companies, we identify, case by case, the most appropriate strategic levers, with which our investment professionals and the companies' managements start to work. These include sustainable organic growth, buy & build, international expansion and product innovation. We are constantly looking out for new opportunities in companies ready for a new stage in their growth plans or shareholder structure.

The diagrams below show the distribution of the portfolio by platform and geography as of 31 March 2017.



## 7.1 Connected Consumer

The life expectancy of the population is increasing with, in emerging countries, a growing middle class with specific needs. Almost everyone is permanently reachable by mobile media, social media are in, and on-line purchasing is widely practised. In short, a growing number of selective and knowledgeable consumers are out looking for ever better and more sophisticated products and services, using multimedia in a multi-channel distribution model. The considerations that led to the creation of the consumer platform are more than ever relevant today.



### Investment focus



- Consumer goods
- Food & beverages
- Retailing
- Consumer services
- Travel & Leisure
- Marketing services

Last year, the Connected Consumer team invested in **2 new companies**, with a 40% shareholding in **Joolz**, a Dutch brand of premium pushchairs ([www.my-joolz.com](http://www.my-joolz.com)), more info in highlight and in **Real Impact Analytics**, a Belgian innovative start-up in big data applications ([www.realimpactanalytics.com](http://www.realimpactanalytics.com)).

Also in the past financial year, **Vandemoortele, Teads and Hecht were fully divested**.

In May 2016, Gimv sold its 23.58% holding in **Vandemoortele**, a family-controlled Belgian food group with a European dimension, to Safinco ([www.vandemoortele.com](http://www.vandemoortele.com)). Vandemoortele was the first investment of the Gimv-XL fund. In 2009, Gimv came in with a subordinated loan with warrants to strengthen the company's financial structure in a challenging period. The purpose of the cooperation was to enable Vandemoortele to play a leading role in the large and growing European market for frozen bakery products, while maintaining its strong presence in margarine, culinary oils and fats. With Gimv's support, Vandemoortele launched an ambitious investment programme to improve operational performance and increase revenue, through both internal growth and acquisitions.

In this way Vandemoortele grew from sales of EUR 970 million and a REBITDA of EUR 79 million in 2007 (the year Vandemoortele decided to expand into frozen bakery products) to sales of EUR 1.4 billion and a REBITDA of EUR 126 million. Today, the group, which comprises two business units (bakery products and margarines, culinary oils and fats), is one of Europe's leading food producers, with a soundly structured balance sheet and good prospects for further profitable growth. The return over the entire 7-year investment period was significantly higher than Gimv's long-term return.



In March 2017, Gimv sold its shareholding in French company **Teads** ([www.teads.tv](http://www.teads.tv)), the inventor of outstream video advertising and the largest video advertising platform in the world, to listed company Altice. Gimv's investment in 2011 had enabled Teads to accelerate its growth in Europe, through both internal growth and acquisitions, with sales rising from USD 15 million (2010) to nearly USD 200 million (2016), and with a positive EBITDA during the past four years. During this period Teads also expanded around the world, first in Europe and then in Latin America and the United States. Today, Teads operates from 27 facilities in 21 countries with a team of over 500 employees, of whom 100 in the innovation team. This investment too yielded an attractive added value with a return that exceeds Gimv's long-term average.

## Overview Connected Consumer portfolio

**At end-March 2017, the Connected Consumer team managed 14 companies representing an amount of EUR 224 million.**

Company	Activity	Country
Grandeco	Wallpaper	Belgium
Greenyard	Development, production and sale of deep-frozen food products	Belgium
Impression International	Posters and point of sales campaigns	Belgium
Joolz	Premium baby strollers	the Netherlands
Legallais	Ironmongery distributor	France
Made in Design	Online store for design furniture	France
Marco Vasco	Online tailor-made tour operator and travel agency	France
Melijoe	Children's multi-brand fashion e-tailer	France
PowerInbox	Provider of interactive email solutions	Israël
Real Impact Analytics	Telecom big-data applications	Belgium
Studiekring	Tutoring and student coaching	the Netherlands
UDB	Independent beer group	the Netherlands
Walkro	Production of substrate for the cultivation of mushrooms	the Netherlands
Wolf	Design, manufacturing and distribution of women's underwear	France

## HIGHLIGHT

"We are convinced that Gimv is the ideal partner to help us become a world-known, top level luxury pushchair brand." Emile Kuenen & Stan Vermeulen - Joolz

**Business profile**

Dutch company Joolz, set up in 2000, designs stylish and distinctive premium pushchairs. The company is distinguished by the quality of its products, its modern brand and unique corporate culture. At present, Joolz sells its products through distributors (children's shops, boutiques) in around 25 countries and already has a leading position in the Netherlands, Belgium and Germany. At the end of 2016, Joolz was also successfully launched in the US.

**Investment context**

Joolz's ambition is to inspire young families to adopt a sustainable and healthy lifestyle, against the current social trend of urbanization and sustainability. This goal is expressed in ergonomic products, reusable packaging materials, the Joolz 'Birth Forest', the partners with whom the company works and the sustainability initiatives in the company itself, including energy.

**Growth strategy**

At the end of April 2016, Gimv acquired a 40% stake in Joolz. We want to support Joolz, as an active sparring partner, in realizing its ambition of becoming a top luxury pushchair brand worldwide, through geographic expansion in Europe and beyond and with the launch of new products. Both the fit between the Gimv and Joolz brands, corporate cultures and ambitions, and the Gimv team's accumulated experience with other consumer companies in the high-end baby and children's sector, add further value to this partnership.

[www.my-joolz.com](http://www.my-joolz.com)

## 7.2 Health & Care

An ageing population, a growing number of chronic diseases, the need for specialized care, pressure on health budgets and growing patient involvement have significantly impacted the healthcare sector right along the value chain.

In the biotechnology sphere, researchers are continuously working on new diagnostics and therapies, often with ground-breaking results. Medical technology is also evolving towards less invasive techniques and all-in consumables that meet high hospital standards, including for safety and efficiency. A necessary cost and efficiency awareness is leading hospitals and related service providers to optimize their care offerings through increasing specialization, through innovative care concepts with products and services that facilitate home nursing, and through concepts within institutions.



### Investment focus



- Biotech comprising drugs, platform technologies, vaccines and diagnostic tests
- Medtech such as medical devices, consumables, IT and small equipment
- Health & Care services

Responding to these developments, the Health & Care platform had a particularly active year with **4 new partnerships**:

- **G-Therapeutics**, a Swiss company that is developing an implantable spinal neurostimulator for patients with incomplete transverse lesion (partial paraplegia), collected EUR 26 million from Gimv and other investors ([www.gtherapeutics.com](http://www.gtherapeutics.com)).
- A USD 2.7 million investment - as part of a total series D financing series of USD 25 million - in **EndoStim**, a Dutch medtech company that has designed a neurostimulator for patients with gastro-oesophageal reflux (GERD) ([www.endostim.com](http://www.endostim.com)).
- Gimv and the Gimv Health & Care Fund provided EUR 30 million of growth capital to **Spineart**, a fast-growing Swiss medtech company active in spinal cord surgery products ([www.spineart.com](http://www.spineart.com) - see also highlight).
- **Breath Therapeutics** raised EUR 43.5 million in a financing round co-led by Gimv. This German spin-out of PARI Pharma GmbH is committed to progressive and innovative inhalation therapies for severe respiratory tract disorders ([www.breath-therapeutics.com](http://www.breath-therapeutics.com)).

In addition, **the team sold its investment in Belgian company Multiplicom** - with significant added value - to Agilent Technologies Inc. (NYSE: A). Multiplicom ([www.multiplicom.com](http://www.multiplicom.com)) is a leading diagnostics company with state-of-the-art technology and products for genetic testing. As the sixth VIB (Flemish Institute for Biotechnology) start-up, the company was supported by Gimv almost from

the outset. With sustained financial support and strong involvement by Gimv, the company was able to develop its innovative diagnostic tests, get CE certification for its test kits and build up an EU-wide sales network.

There were also **various investment transactions in the existing portfolio**: **Equipe Zorgbedrijven**, a Dutch group of specialized clinics ([www.equipezorgbedrijven.nl](http://www.equipezorgbedrijven.nl)) completed its acquisition of Hand Therapy. **Eurocept** announced in mid-March 2017 that **Excellent Clinics** - an initiative of care entrepreneur and Eurocept CEO Mike van Woensel - had acquired a majority shareholding in Da Vinci Clinic ([www.davincikliniek.nl](http://www.davincikliniek.nl)) to make its innovative concept of specialist wound treatments and hyperbaric medicine accessible to patients across the Netherlands. Following a number of acquisitions and a merger in 2015, **Almaviva Santé** made during the past financial year another 4 acquisitions in the 2 regions in which it operates. This French group currently has 25 specialized clinics and rehabilitation centres (as against 7 when Gimv came on board in 2013) ([www.almaviva-sante.fr](http://www.almaviva-sante.fr)). And finally, **Benedenti**, a Belgian group of multidisciplinary dental practices, acquired a leading group practice in Mechelen early 2017 ([www.benedenti.be](http://www.benedenti.be)).

## Overview Health & Care portfolio

**On 31 March 2017, the Health & Care team had 15 portfolio companies representing EUR 130 million.**

Company	Activity	Country
AgroSavfe	Development of innovative formulations of crop production products	Belgium
Almaviva Santé	Group of specialized clinics	France
Benedenti	Multidisciplinary group practice - dental care	Belgium
Biom'Up	Medical devices for biosurgery	France
Breath Therapeutics	Inhalation therapies for respiratory diseases	Germany
Complix	Biopharmaceutical company developing a pipeline of therapeutics mainly focused on oncology and autoimmunity	Belgium
EndoStim	Medtech company, neurostimulation therapy for gastroesophageal reflux disease	the Netherlands
Equipe Zorgbedrijven	Group of specialised clinics	the Netherlands
Eurocept	Offers a unique combination of specialty pharma and medical homecare	the Netherlands
Excellent Clinics	Expertise centre that offer highly complex care	the Netherlands
G-Therapeutics	Development of neurostimulation device	Switzerland
JenaValve	Development of transcatheter aortic valves	Germany
Oldelft Ultrasound	High-tech ultrasound transducers	the Netherlands
Spineart	Medical device company active in spine surgery	Switzerland
Topas Therapeutics	Biopharma company with a unique technology for the induction of antigen-specific immune tolerance	Germany

## HIGHLIGHT

"We are very pleased that Gimv has entered our project so that we can together write the next chapter in Spineart's history." Jérôme Levieux & Stéphane Mugnier-Jabob, Co-founders and Co-CEOs of Spineart

**Business Profile**

Spineart is a fast-growing Swiss medtech company that wants to simplify spinal surgery by designing, developing and promoting safe and efficient solutions for surgeons, operating teams and patients. As a pioneer in its field, Spineart has introduced unique patented and clinically validated technologies in the fields of mobility retention, fusion, biomaterials, minimally invasive surgery and repair of fractures. The company sells complete kits of sterile-packaged barcode-traceable implants in combination with compact instrument sets. This comprehensive approach addresses concerns for safety, cost efficiency and general hospital standards. In addition, Spineart offers excellent customer service and high-quality training for doctors.

**Investment context**

Spinal cord surgery is an attractive market worldwide offering a lot of space for innovators like Spineart. The company is differentiated by its European character, an extensive product range, a strong emphasis on product innovation and a comprehensive research and development pipeline.

**Growth strategy**

Spineart has solid growth ambitions in various areas: strengthening its sales organization, optimizing business processes, geographic expansion in existing markets like Europe and the United States, exploring new markets and further development of innovative and disruptive products. Gimv and the Gimv Health & Care Fund together invested EUR 30 million in the company, which has found in Gimv the right partner to grow to the next level. Here the Health & Care team can share its expertise in buy & build and international expansion with Spineart's experienced and committed management team.

[www.spineart.be](http://www.spineart.be)

## 7.3 Smart Industries

Across industries, companies are challenged to transform their processes towards sustainable technology and efficient applications. The B2B environment has a major need for smart and innovative services, equipment, software, systems and components. The focus in the Smart Industries platform is on innovative companies providing B2B products and services, supported by engineering or in-depth technological and technical expertise, to sectors like automotive, aerospace, industrial, ICT, manufacturing, oil & gas, electronics.



### Investment focus



- ICT: Data gathering & analytics, IT infrastructure, Smart software, Value-added services
- Engineered products: Sensor & measurement equipment, semiconductor industry, imaging & conversion tools, general production machinery
- Advanced manufacturing: automotive & aerospace components, advanced material transformation, engineering processes & services

The team had an active investment year, adding **4 new growth companies** to its portfolio:

- An investment in **Arplas**, a Dutch supplier of innovative metal plate welding technology, especially active in the automotive industry (see also highlight - [www.arplassystems.com](http://www.arplassystems.com)).
- A majority interest in Belgian company **Summa**, a European leader in digital cutting machinery for the graphics industry. The company is keen to continue its geographic expansion and launch new and innovative products ([www.summa.eu](http://www.summa.eu)).
- Gimv also acquired a 40% stake in **MEGA International**, a leading French software and advisory provider, which helps companies improve the flexibility of their activities and IT systems in order to innovate in today's digital world. In the coming years MEGA International will be focusing on speeding its growth in the United States, on the SaaS transformation currently underway, and on offering its product range to a broader target audience ([www.mega.com](http://www.mega.com)).
- Gimv took a 67% shareholding in Dutch company **ALT Technologies**, a leading player in airbag components. ALT Technologies is keen to grow rapidly in Asia and the United States ([www.alttechnologies.com](http://www.alttechnologies.com)) in the coming years.

The team also undertook **3 divestments**, the most significant being the sale of **Punch Powertrain**, the Belgian pioneer of continuously variable transmission technology, to Chinese Yinyi group.

In March 2010, Gimv and the Gimv-managed Gimv-XL fund acquired a 46% stake in Punch Powertrain in a capital increase. With debt of EUR 20 million, a negative profitability and declining sales, the company was in troubled waters. Funding was just one aspect that Gimv was able to contribute to the company's growth path, along with operational optimization and collaboration with management in various strategic initiatives. Examples include the technology contract with DTI and the subsequent acquisition of this company, the setting up of various funding structures, the development of strategic cooperation models with customers, development of the business plan, and bringing in the Chinese investor New Horizon Capital. Since 2010 sales have increased nearly fivefold to EUR 500 million in 2016, while headcount has risen from 210 to over 1200 FTE. The customer base and network in Asia have been expanded, and the product range widened. Today's largest ever order book points to the increasing number of vehicles that will be produced in the coming years with Punch Powertrain transmissions, which will be the driving force behind further growth. While maintaining its commitment to innovation, the company is currently expanding its production capacity in China and Europe. Punch's growth process demonstrates the importance of investors having a thorough knowledge of the company, the market, and the opportunities that both of these offer. In August 2016, the sale to Yinyi was completed ([www.punchpowertrain.com](http://www.punchpowertrain.com)).

Together with other investors we also sold our shareholding in Dutch semiconductor company **GreenPeak** to Nasdaq-listed Qorvo. ([www.greenpeak.com](http://www.greenpeak.com)). And finally we divested **Leyton**, a French specialist consultancy for companies wanting to optimize their cost structures ([www.leyton.com](http://www.leyton.com)).

## Overview Smart Industries portfolio

**At end-March 2017, the Smart Industries team managed 13 companies representing an amount of EUR 184 million.**

Company	Activity	Country
ALT Technologies	Leading supplier of airbag components	the Netherlands
Arplas	Sheet metal welding for automotive sector	the Netherlands
CoScale	Software solutions for IT Operations Analytics	Belgium
CR2	Financial channel management software	Ireland
Europlasma	Plasma based nano coating solutions	Belgium
Inside Secure	Embedded security software and solutions	France
Luciad	Provider of Geospatial Situational Awareness software	Belgium
Mackevision	3D visualization, animation and visual effects	Germany
MEGA International	Provider of business and IT transformation software	France
OTN Systems	Optical Networks for industrial applications	Belgium
RES Software	User workspace management	the Netherlands
Summa	Roll and flatbed digital cutting machines	Belgium
Thinkstep	Software for sustainability reporting	Germany

## HIGHLIGHT

"With Gimv's international presence and expertise, we can now accelerate ArpLas System's global sales in the automotive market." Dr. K. Pieterman, CEO Arplas

**Business profile**

Arplas is a world leader in the development, installation and marketing of a patented projection welding technology, the 'ArpLas System'. Today, this welding system is used for various applications in the automotive industry by manufacturers like GM, Daimler, Audi, Volkswagen, Tesla, BMW and Fiat. In addition to its head office in Amersfoort (the Netherlands), Arplas has production and sales offices in North America and Korea, and representatives in China and Brazil.

**Investment context**

ArpLas System has unique features that respond to the underlying trends of the automotive industry: the system generates virtually invisible welding points on small surfaces. Compared with traditional welding techniques, it is also cheaper and more energy-efficient.

**Growth strategy**

Arplas wants to grow, primarily organically, in the automotive industry, by expanding with existing and new customers in existing markets. The company is also keen to draw optimal value from its innovative aluminium welding technology by applying its latest developments to the increasing number of car models and factories.

Gimv invested approximately EUR 10 million in ArpLas Systems, acquiring a majority holding alongside management, which remains a shareholder. Smart Industries' international presence and expertise (VCST, Punch Powertrain, etc.) can make a valuable contribution to ArpLas System's ambitions and sales.

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



## 7.4 Sustainable Cities

With its Sustainable Cities platform, Gimv focuses on creating an efficient and sustainable society in urban areas, by partnering with companies working on innovative energy and mobility applications. The focus here is on strong performers in HVAC, green energy, water management, waste treatment and recycling. Other sectors include durable building materials, modular construction, chemicals, fire safety and green transportation. Through our shareholdings we can, as an investor, make an important contribution to the cities of the future.



### Investment focus



- Transport and logistics
- Solutions for the energy industry
- B2B services that increase production efficiency
- Waste recycling
- Functional chemicals
- HVAC solutions
- Building products

In the past year, the team took a **60% shareholding in Acceo**, a French independent player in lift inspection and monitoring services, and in accessibility and energy-efficiency audits of buildings ([www.acceo.eu](http://www.acceo.eu)).

The team also undertook **3 divestments: Lampiris, Biodiesel Holding (Bioro) and BMC.**

**Lampiris** ([www.lampiris.be](http://www.lampiris.be)), founded in 2003 by Bruno Venanzi and Bruno Vanderschueren, is an independent electricity and gas distributor with approximately 850 000 connections in Belgium. Since 2013, when Gimv became a shareholder, Lampiris has also become active in France, where it has developed into a fast-growing market challenger with around 200 000 connections (June 2016). Over the past few years, Lampiris has grown from outside challenger on the Belgian energy market to professional energy distributor, with a strong market position, solid customer base and an attractive product range. The acquisition by Total in June 2016 offers Lampiris a unique opportunity to grow further.

In the existing portfolio there was also a **follow-on investment in Itineris**, a Belgian company offering innovative software solutions and services for the utilities industry ([www.itineris.be](http://www.itineris.be) - see highlight). The Dutch company **Brakel**, active in glass daylight constructions and in ventilation and fire safety solutions, expanded its fire safety division by acquiring Belgian company Argina Technics ([www.brakel.com](http://www.brakel.com)).

## Overview Sustainable Cities portfolio

**At end-March 2017, the Sustainable Cities team managed 9 companies representing an amount of EUR 186 million.**

Company	Activity	Country
Acceo	Inspection and certification services for buildings	France
ARS T&TT	Integrated solutions for Intelligent Transport Systems (ITS)	the Netherlands
Ecochem	Eco-friendly flame retardant additives	Belgium
Brakel	High-end solutions for glass daylight constructions, ventilation & fire safety systems	the Netherlands
Hansea	Transport & logistic services	Belgium
Itho Daalderop	Provider of complete HVAC solutions in the residential renovation and new build markets	the Netherlands
Itineris	Software solution company	Belgium
Contraload	Plastic pallet pooling	Belgium
Well Services Group	Service provider to oil and gas industry	the Netherlands

## HIGHLIGHT

"With the help of a new investment round, Itineris, a European builder of customer information systems, can also intensify the transformation of North American utilities." Edgard Vermeersch, CEO and founder of Itineris

**Business profile**

The company, founded in 2003 by Edgard Vermeersch, delivers integrated business solutions that are 100% focused on utilities. Itineris uses its own innovative UMAX™ software solution. This is a leading Customer Information System (CIS) for managing the entire process from metering to payment, and from tendering to invoicing and collection. Today, Itineris posts sales of around USD 40 million with more than 250 employees.

**Investment context**

UMAX provides utilities with unique tools to optimise the profitability of their entire customer portfolios. This solution was positioned in the 2013 CIS Magic Quadrant. As a recognized utilities sector specialist, Itineris also offers its customers consulting and other IT services.

**Growth strategy**

In 2012 Itineris, headquartered in Ghent, moved into the North American market, building on its excellent track record in Europe. In just a few years, the company has undertaken an impressive set of successful implementations with a number of major international utilities, including GDF SUEZ, E.ON, AGL Resources, Eneco, De Watergroep and Delta.

Following earlier investments in 2013 and 2015, Gimv and Gimv-managed Gimv Arkiv Tech Fund II made in January 2017 a further EUR 7.8 million investment in Itineris. This financing, which fits into our long-term approach, will be used for further product innovation, capacity expansion and accelerated expansion in the American market.

[www.itineris.net](http://www.itineris.net)

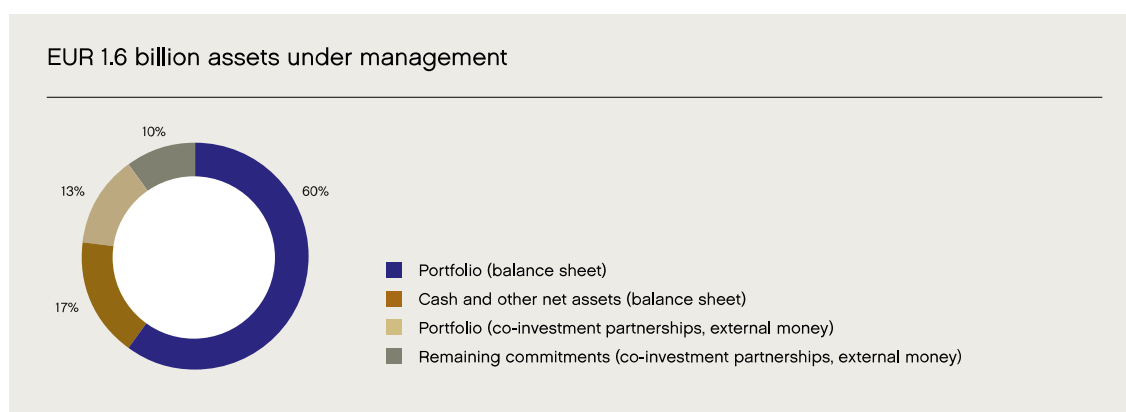
## 8. Co-Investment partnerships

For a number of segments, Gimv has taken the initiative to set up joint co-investment partnerships with experienced partners, which also allows external institutional investors to participate in specific sectors. These co-investment partnerships, which are complementary to Gimv's core business, can take advantage of the experience of the various platform teams that advise on investment decisions.

**In all, just over EUR 900 million of funds have been committed to these co-investment partnerships.** Gimv is itself the largest investor, with over a third of committed funds. 24 reputable Belgian external parties account for the other 65%. The chart below gives a breakdown of the various investor categories in the co-investment partnerships.



These co-investment partnerships are not to be confused with the 'third-party funds' that we find on Gimv's balance sheet. Third-party funds have been established and are managed by external fund managers. Gimv is not involved in their daily management, but acts only as an investor. [See also note 23 to the financial statements \(16.1.23\).](#)



The chart 'EUR 1.6 billion of assets under management' shows the distribution of Gimv's assets and commitments (approximately EUR 1.3 billion) and also the assets and commitments of external investors. Nearly 60% of these commitments have been invested, with another EUR 180 million still available.

An overview of the co-investment partnerships, their main features and conditions is given in the table below.

	Gimv-XL	DG Infra Yield	Gimv Arkiv Tech Fund II	Gimv Health & Care CIP
Aim & Focus	Larger growth companies (midcap, value EUR 75-750 million)	Infrastructure and related capital-intensive projects, including primary public-private partnerships (PPS) and selective real estate projects	Innovative scale-up in a wide range of sectors	Health and care sector as well as mature medical technology
Geographic focus	Flanders & Brussels	Benelux & neighbouring countries	Flanders	Belgium, the Netherlands, France, Germany
Investment horizon	12 years	30 years	10 years	12 years
Co-sponsor	VPM	Belfius	ARKimedes Fund II	VPM
Fund size	EUR 609 million	EUR 163 million	EUR 25 million	EUR 150 million
Gimv commitment	EUR 250 million	5%	EUR 13 million	EUR 75 million
Starting year	2008	2011	2011	2014

## 8.1 Gimv-XL

**Its original size of EUR 609 million makes Gimv-XL the largest fund ever for mid-cap companies in Flanders and Brussels**, with investment commitments by Gimv (EUR 250 million), the Vlaamse Participatiemaatschappij (EUR 185 million), AG Insurance (EUR 65 million) and various other institutional investors and wealthy families (EUR 109 million). Gimv-XL's investment period expired on 31 March 2016. Since then, Gimv-XL has been in a divestment phase.

With the support of Gimv-XL, some **7 Flemish companies** have been able to achieve strong growth. In FY 2016-17, Gimv-XL successfully divested its participations in Vandemoortele (May 2016), Lampiris (June 2016) and Punch Powertrain (completed in August 2016). Gimv-XL still holds two Flemish growth companies, Greenyard and Hansea.

## 8.2 Infrastructure

In 2007, **Gimv, together with Belfius Bank**, founded TDP (TINC Development Partners, formerly Inframan). TDP has since grown into an experienced developer, investor and manager of a wide range of capital-intensive infrastructure assets, including PPS projects, and renewable energy and other infrastructure. TDP is active throughout the entire life and value cycle of infrastructure investments, from development to construction to operation.

Currently, **TDP** manages a diverse portfolio of more than 20 shareholdings across Belgium, the Netherlands, France and Ireland, by i) listed infrastructure investment company TINC with a current market capitalization of approximately EUR 260 million and ii) unlisted DG Infra Yield (30-year term and investment horizon in line with the long-term horizons of the infrastructure projects concerned).

Further information can be found on the websites of TDP ([www.tdpartners.com](http://www.tdpartners.com)) and TINC ([www.tincinvest.com](http://www.tincinvest.com)).

## 8.3 Gimv Health & Care

**The Gimv Health & Care Co-Investment Program or CIP focuses on growth companies in the Health & Care Services and Medtech sectors**, investing in the development of innovative healthcare concepts and in taking successful business models international. This approach responds to a number of trends that are posing major challenges to our society.

The co-investment program amounts to EUR 150 million, with Gimv as sponsor and core investor pledging EUR 72 million. Given its relevance for the further direct and indirect development of the health and care sector, the fund can also count on the investment commitments of de Vlaamse Participatiemaatschappij, Ethias and other reputable Belgian institutional investors.

The Gimv Health & Care CIP focuses on innovative companies in Gimv's core markets (Benelux, Germany and France). With a term of 12 years, it seeks to profile itself as a long-term partner for the projects in which it invests.

In FY 2016-2017, Gimv Health & Care CIP invested in **Spineart**, a fast-growing Swiss medtech company that wants to simplify spinal surgery by designing, developing and promoting safe and efficient solutions for surgeons, operating teams and patients (see also [Chapter 7.3 Platform Strategy](#)).

In addition to Spineart, the Gimv Health & Care CIP portfolio has 4 further promising growth stories: Almaviva Santé (FR), Benedenti (BE), Equipe Zorgbedrijven (NL) and Eurocept (NL).

## 8.4 Gimv Arkiv Tech Fund II

In 2011, Gimv again received Archiv recognition, enabling it to launch the Gimv Arkiv Tech Fund II. This partnership currently focuses on **Flemish innovative scale-ups**. The partnership totals EUR 25 million: EUR 12 million from the ARKImedes-fund II and EUR 13 million from Gimv.

In FY 2016-2017, Gimv Arkiv Tech Fund II added **Real Impact Analytics**, its fifth shareholding, to its portfolio. Real Impact Analytics develops and markets innovative telecom big data applications. During the same period Gimv Arkiv Tech Fund II also participated in investment rounds at its existing portfolio companies Coscale and Itineris. In addition to the aforementioned shareholdings, the current portfolio also includes Europlasma and Luciad.

## 9. Results & key figures

# 131.9

million EUR net profit

# 11%

return on equity

# 179.6

million EUR investments

### Strong year result of EUR 131.9 million

For FY 2016-2017 Gimv posted a **net profit (group share) of EUR 131.9 million**, compared with a net profit of EUR 137.2 million in FY 2015-2016. More than half of this result consists of the realised capital gains on the divestments of the past year, and the balance of the unrealised capital gains on the portfolio.

**Net realised capital gains** during FY 2016-2017 amounted to EUR 84.3 million (2015-2016: EUR 70.5 million). 88% of these net capital gains were realised in the four investment platforms, with all platforms making a positive contribution. Smart Industries contributed EUR 51.2 million, followed by Connected Consumer with EUR 11.4 million, Health & Care with EUR 6.3 million and Sustainable Cities with EUR 5.4 million. Finally, EUR 9.9 million of capital gains were realised on the distributions from third-party funds and the sale of the shareholding in the listed Capman entity.

**Net unrealised capital gains** totalled EUR 55.7 million (vs. EUR 88.7 million in FY 2015-2016), coming mainly from Sustainable Cities (EUR 22.9 million) and Connected Consumer (EUR 21.8 million). But Smart Industries (EUR 14.1 million) and Health & Care (EUR 7.4 million) also made positive contributions. The third-party funds and other shareholdings, on the other hand, delivered a negative contribution (EUR -10.5 million).

The net unrealised capital gains are a direct consequence of the application of the prevailing international private equity valuation rules. On the one hand, these net unrealised capital gains are due primarily to a number of positive elements: (i) a decrease in net financial debt in the shareholdings (EUR 20.8 million), (ii) the increased share price of a number of listed shareholdings (EUR 16.6 million), (iii) the better results at the majority of shareholdings (EUR 15.2 million), (iv) the first revaluation of a number of shareholdings (EUR 12.7 million), (v) the upcoming

sale of the shareholding in Teads (EUR 4.5 million), (vi) increased multiples (EUR 3.1 million), and (vii) positive exchange rate effects (EUR 0.1 million). On the other hand, there were also a number of negative elements: (viii) an impairment loss (EUR -9.2 million), (ix) a decrease in the value of the third-party funds (EUR -3.1 million) and (x) a number of minor value adjustments<sup>1</sup> (combined effect of EUR -5.1 million).

The other operating result for FY 2016-2017<sup>2</sup> came out at EUR 11.5 million, compared with EUR -8.5 million in FY 2015-2016. On the one side, the other operating income increased by three-quarters (EUR 59.2 million vs. EUR 33.5 million), mainly due to an increase in dividends received (EUR +27.2 million). On the other side, other operating expenses (including transaction costs) increased only slightly (EUR 47.7 million versus 42.0 million).

The net financial result for the year is EUR 1.7 million positive, in line with 2015-2016 (EUR 1.8 million).

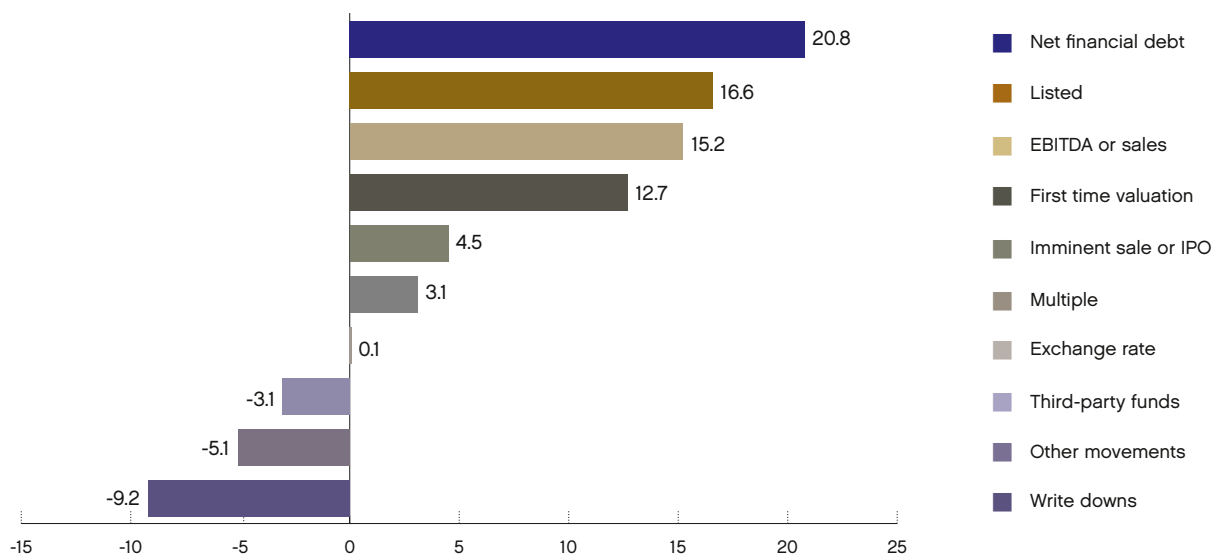
After deducting taxes (EUR -3.5 million) and non-controlling interests (EUR -17.8 million), Gimv realised for the 2016-2017 financial year a net profit (group share) of EUR 131.9 million.

<sup>1</sup> This reduction in value is primarily due to the payment of a dividend by Gimv-XL Partners.

<sup>2</sup> Dividends, interest, management fees, turnover and other operating income, after deducting services and other goods, personnel costs, amortization of intangible fixed assets, depreciation of land, buildings and equipment, and other operating costs.

“The past year was another intense and successful year for Gimv. We invested in 11 promising new companies and at the same time, market conditions remained favourable, permitting 12 exits with a positive impact on income. Our active investment approach, together with the significant value creation in our portfolio, enabled us to post a strong result for the 2016-2017 financial year. The 19% portfolio yield translates into a net profit of EUR 131.9 million.”

Unrealised capital gains and losses together amount to EUR 55.7 million



### Active investment year

In FY 2016-2017, Gimv made in all EUR 179.6 million of on-balance sheet investments (EUR 130.2 million in FY 2015-2016). An additional EUR 16.2 million were also invested via the co-investment funds (as minority interests), bringing the total investments (on balance sheet and via the co-investment funds) to EUR 195.8 million (EUR 162.5 million in FY 2015-2016). The past financial year saw significant investments in the various investment platforms.

The Smart Industries portfolio expanded with investments in ALT Technologies, Arplas, MEGA International and Summa. In addition, first-time investments were made in Acceo (Sustainable Cities), Breath Therapeutics, EndoStim, G-Therapeutics and Spineart (Health & Care), and Joolz and Real Impact Analytics (Connected Consumer). There were also follow-on investments in, among others, Biom'Up, Brakel, Ecochem, Europlasma, Itineris, Jenavalve, OTN, TINC and Topas Therapeutics.



## Record divestments

In 2016-2017, Gimv sold its shares, among others, in Altair/Brunel, Biodiesel Holding (Bioro), BMC, GreenPeak, Hecht, Lampiris, Leyton, Multiplicom, Nomadesk, Onedirect, Punch Powertrain and Vandemoortele. Added to these were a large number of distributions from the third-party funds. For these divestments Gimv received in all EUR 394.3 million (227.2 million in 2015-2016).

Additional divestments via the co-investment funds (minority interests) added a further EUR 313.5 million (EUR 76.3 million in 2015-2016), bringing **total divestments (on balance sheet and via co-investment funds) to EUR 707.8 million** (EUR 303.5 million in 2015-2016).

On top of the sales proceeds of EUR 394.3 million, the sold shareholdings generated during FY 2016-2017 EUR 1.7 million of dividends, interest and management fees. In this way, sold shareholdings produced a total of EUR 396.0 million. On 31 March 2016 these divestments were carried at a total value of EUR 312.1 million. Consequently, the sales generated 26.9% more (EUR 83.9 million) than their carrying value at 31 March 2016 (measured at fair value in the consolidated figures). Over the entire period the realised money multiple on these sold shareholdings was 2.3x (i.e. versus their investment cost).

## Portfolio represents three quarters of total assets

Total assets amounted at 31 March 2017 to EUR 1 315.3 million. The portfolio amounts to EUR 963.6 million compared with EUR 1 013.9 million at 31 March 2016. The decrease in the total portfolio is relatively limited, especially taking into account the important level of divestments.

This is explained by the EUR 179.6 million of new investments, in addition to the rise in value of the existing shareholdings in the portfolio.

## Net cash position amounts to a quarter of total assets

Gimv's net cash position at the end of March 2017 is EUR 313.9 million, compared with EUR 183.9 million<sup>3</sup> at 31 March 2016. This increase is explained by the significant divestments in the first half of the year.

## Equity rises further to EUR 1 233.2 million or EUR 48.50 per share

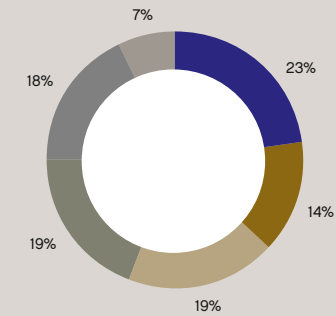
Equity (group's share) (= net asset value) amounted at 31 March 2017 to EUR 1 233.2 million (EUR 48.50 per share), as against EUR 1 167.9 million (EUR 45.93 per share) at 31 March 2016. The increase in equity during FY 2016-2017, combined with the dividends of EUR 62.3 million paid out during the financial year, represents an economic return on equity for the financial year of 11.0%, in line with Gimv's long-term return.

## Research and development

Gimv and its consolidated subsidiaries did not undertake any research and development activities during the past year.

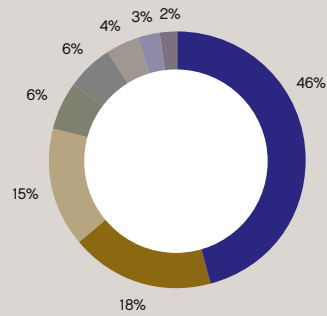
<sup>3</sup> Cash and cash equivalents of EUR 192.8 million, corrected for advance payments to be paid from divestments.

### Portfolio according to platform



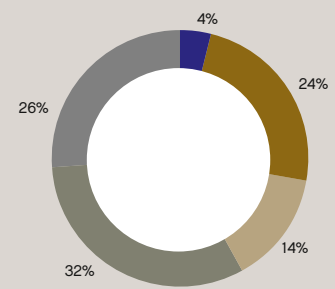
- Connected Consumer
- Health & Care
- Smart Industries
- Sustainable Cities
- Third-party funds
- Other participations

### Portfolio per valuation method



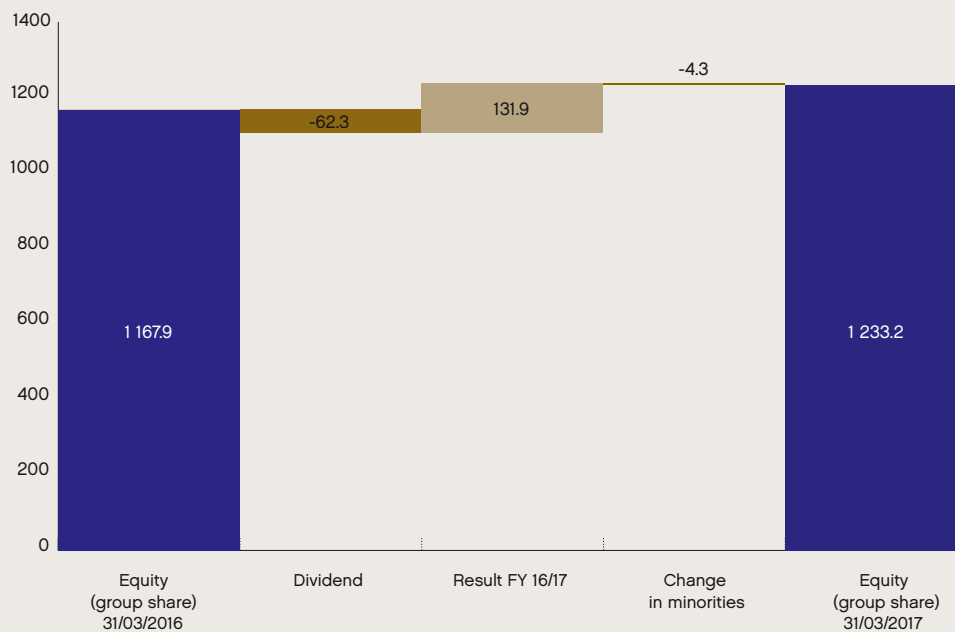
- Multiple
- Third-party funds
- Cost
- Loans
- Listed
- Other
- Price last round
- Co-investment partnerships

### Portfolio by vintage



- ≤ 2006
- 2007-2009
- 2010-2012
- 2013-2015
- ≥ 2016

### Evolution of equity (in EUR million)



## Key Figures

Consolidated financial statements (in 000 EUR)	31/03/2017	31/03/2016	31/03/2015	31/03/2014	31/03/2013
Equity	1 233 177	1 167 887	1 092 636	992 043	1 011 829
Portfolio	963 585	1 013 894	920 189	930 959	814 357
Cash and cash equivalents	313 906	192 774	184 766	56 637	195 297
Net cash and cash equivalents	313 906	183 881	184 766	56 637	195 297
Balance sheet total	1 315 260	1 230 329	1 136 048	1 026 721	1 072 483
Net profit	131 853	137 175	135 991	14 998	32 746
Total gross dividend <sup>1</sup>	63 567	62 295	62 295	60 576	58 711
Investments (own balance sheet)	179 628	130 220	154 283	194 566	110 806
Investments (including co-investment partnerships)	195 795	162 492	190 958	264 768	150 888
Divestments (own balance sheet)	394 346	227 168	331 960	95 765	180 686
Divestments (including co-investment partnerships)	707 817	303 468	367 431	131 143	254 833
Number of employees	93	95	103	99	97
<b>Key figures per share (in EUR)</b>					
Equity	48.50	45.93	42.97	40.12	42.22
Net profit	5.19	5.39	5.35	0.61	1.37
Diluted net profit	5.19	5.39	5.35	0.61	1.37
Gross dividend <sup>1</sup>	2.50	2.45	2.45	2.45	2.45
Share price (on the closing date of the financial year)	52.31	48.50	41.89	37.12	38.99
Total number of shares	25 426 672	25 426 672	25 426 672	24 724 780	23 963 786
<b>Ratios</b>					
Pay-out ratio	48.2%	45.4%	45.8%	403.9%	179.3%
Net return on equity	11.0%	12.6%	13.7%	1.5%	3.2%
Gross return on portfolio <sup>2</sup>	18.8%	20.0%	17.3%	3.8%	5.9%
Premium (+) / discount (-) on equity	7.9%	5.6%	-2.6%	-7.5%	-7.7%

1 For the financial years 2012-2013 and 2013-2014 paid out as an optional dividend

2 (Realised capital gains + unrealised capital gains on financial fixed assets + dividends + interests + management fees + turnover) / portfolio at start of financial year

## 10. Occurrences after closing of the financial year and prospects

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### 10.1 Main events since 31 March 2017

Shortly before the end of the quarter, it was announced that an agreement had been reached with Altice for the acquisition of online video advertising specialist **Teads**, in which Gimv has a small shareholding. The transaction is expected to be completed later this month.

Earlier this month, Gimv invested EUR 5 million in the French immuno-oncology start-up **ImCheck Therapeutics** ([www.imchecktherapeutics.com](http://www.imchecktherapeutics.com)), which focuses on developing new antibodies that activate the immune system against various cancers. This investment is part of a total EUR 20 million investment round by a syndicate of specialized life sciences investors.

Earlier this month, Gimv also took a significant interest in **MVZ Holding AG**, a leading group of Swiss medical practices. Gimv has also committed to provide additional capital for the group's further expansion in Switzerland.

Recently it was decided that Mr Tom Van de Voorde will join the **Executive Committee** as head of the Smart Industries platform. Tom (°1971) started at Gimv in 2007. Prior to that, he worked as Head of M&A at NIBC Advisory and before that as Deputy Director of Investment Banking & Private Equity at Bank Degroof. Tom holds a Master's Degree in Commercial Engineering, as well as an MBA.

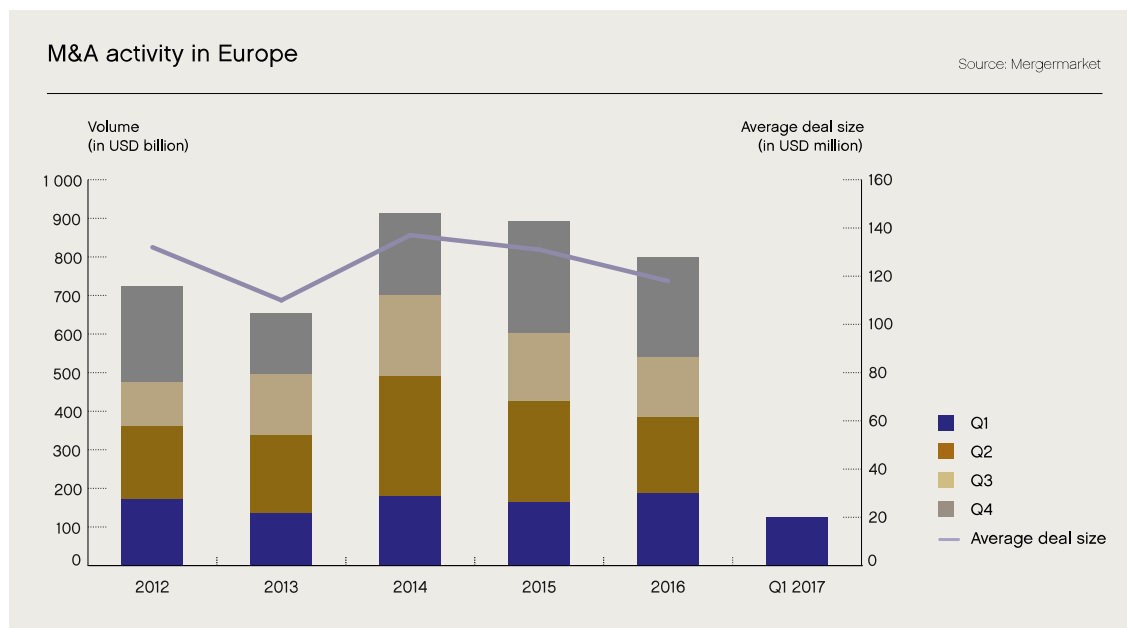
### 10.2 Outlook

The results of our businesses and the value development of the portfolio remain dependent on a number of external factors. These include (i) the continuing recovery in Europe's economy and the strength of this recovery, (ii) the further economic developments in emerging markets, (iii) the recovery of confidence by governments, savers and consumers, hampered by ageing, budgetary measures and inflationary pressure, (iv) the geopolitical climate in various regions of the world, (v) the stability of the regulatory environment and the tax treatment of entrepreneurial risk-taking in the markets in which Gimv and our businesses operate, (vi) the stability and liquidity of the financial system, both in terms of valuation levels and for the financing of our companies, (vii) market receptivity to new IPOs and capital transactions, (viii) the appetite of international groups and industry players for further acquisitions, and (ix) the duration and modalities of the liquidity creation programmes of both the FED and the ECB, and thus the room for further impulses for growth, which can have a major impact on financial markets. We must also keep in mind that a number of sectors are facing disruptive development, which brings huge challenges of adapting to them, but at the same time also provides opportunities for companies to reinvent themselves. Assessing the impact of all these factors for the coming period is therefore particularly difficult.

## 11. Market information and trends

### 11.1 Global M&A market - Europe

2016 was another very busy year for the mergers & acquisitions market. With a global volume of USD 3 281 billion in 2016, the market declined by 16% from record year 2015, but remained at the same level as 2014. The decrease in total M&A volume comes mainly from the USA, where financial market volatility had a dampening effect on transaction volumes in the first half of the year, while the run-up to the presidential elections in the second half of the year also led many buyers to put acquisition plans on hold.



Europe accounted for USD 798 billion - a quarter of the overall volume. Compared with 2015, this represents a modest 10% decrease in value terms, while the number of transactions remained almost unchanged. Seen in its historical context, 2016 was still a very good year, despite the Brexit referendum and growing euroscepticism. In 2016, measured across almost 7 000 transactions, the average transaction value in Europe was USD 118 million, just 10% lower than in 2015. This average needs, however, to be placed into perspective: 21 mega transactions of more than EUR 5 billion each already accounted for almost EUR 300 billion.

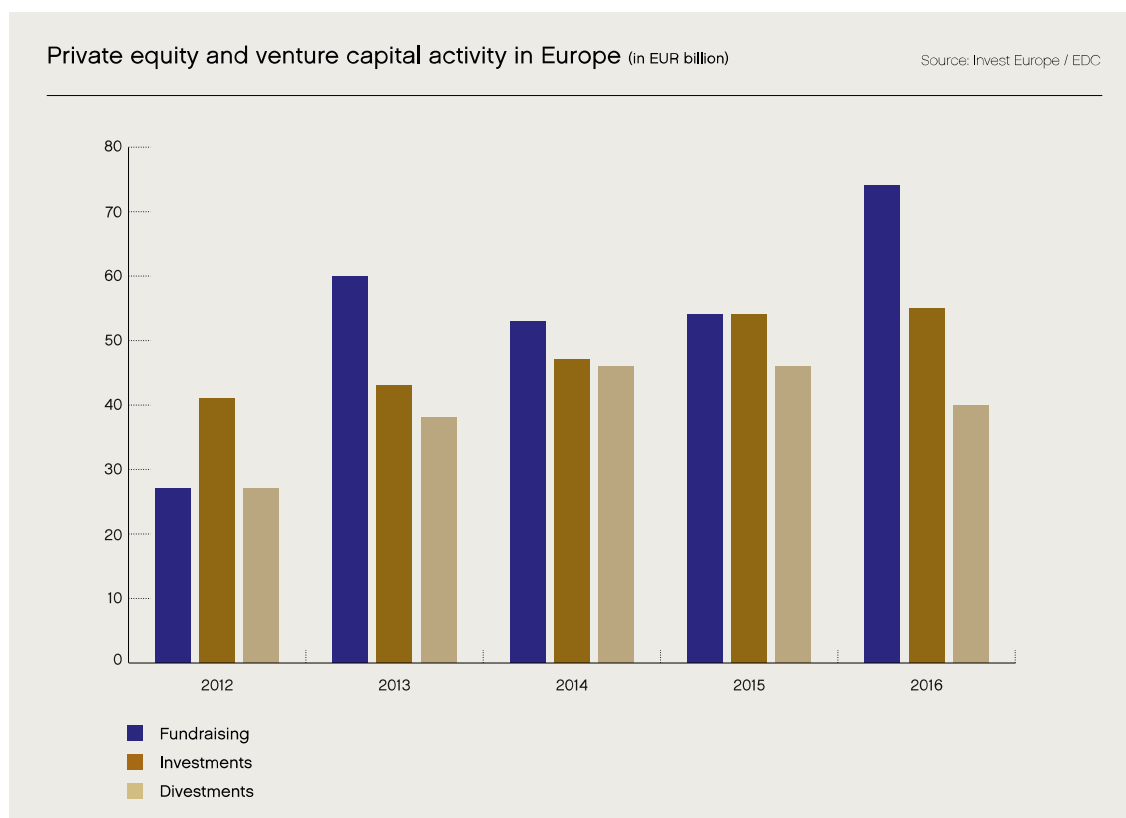
According to data from Mergermarket/Merrill Corporation, the share of buyouts in the global M&A market amounted in 2016 to about 12.3% of total deal volume, a modest increase from the figure of 10% in 2015. For Europe, this share was 15%, a stable percentage compared with the previous year. Despite low interest rates, private equity players face heavy competition in all markets from strategic buyers. These have the advantage of not only high equity valuations and cheap financing, but also healthy balance sheets with historically high liquidity positions, encouraging them to seek growth through acquisitions. This is a trend we can expect to see again in 2017, and which could also fuel the number of mega transactions.

### 11.2 Private equity in Europe

In 2016, the private equity industry in Europe continued to do well. Despite political instability and a certain degree of protectionism, the euro area seems to have gained a new growth dynamic since 2016. Parallel with this, equity markets rose and interest rates remained historically low. In addition there are - specifically for our sector - the high valuations, tougher regulations and fierce competition owing to an abundance of capital. Fund managers were looking in 2016 for new ways to put their capital to work. Their first focus was on creating further value in their portfolios with follow-on

investments and buy & build strategies. At the same time, their investment focus expanded from large companies into the small and medium enterprise segment.

Competition and high valuations had also a beneficial side to them: with industrial buyers looking for buy & build opportunities, 2016 was again a strong year for exits. These brought - as in the past two years - a flow of distributions towards investors, in turn forming a solid basis for a post-crisis record amount of fundraising. All this made 2016 another good year for the private equity industry, in which an attractive return could be achieved for investors.



## 11.3 Investments

Invest Europe (former EVCA) figures for 2016 show that EUR 53.7 billion was invested in the European private equity market, a similar amount to 2015 (EUR 53.9 billion) and the second highest level since 2008. The number of investments decreased by about 7% to just 6 000 transactions. Over 83% of investments were in SMEs.

Geographically, the largest number of transactions (also in value) were concluded on the France/ Benelux axis, where 35% of the total investment amount was put to work, ahead of Southern Europe (19%), the United Kingdom (17%) and Germany (17%).

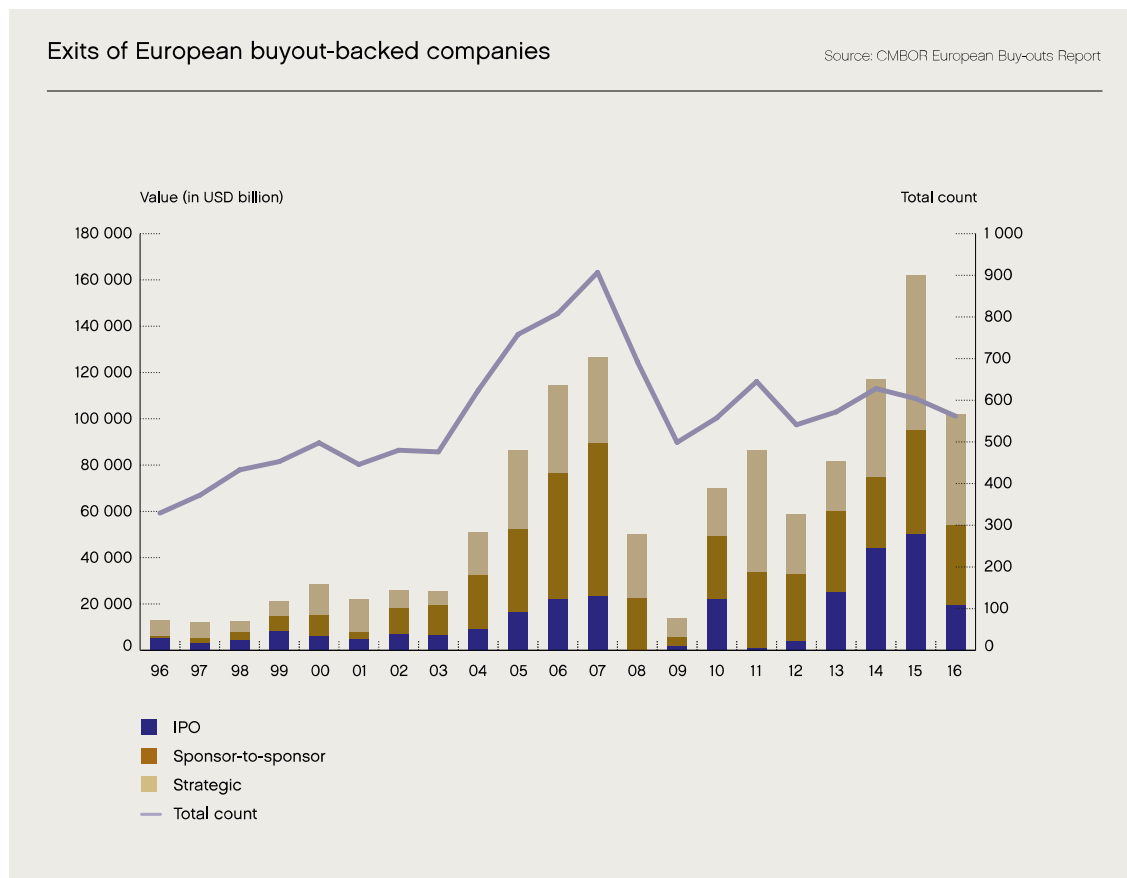
In an economic climate that remained relatively uncertain for most of the year, companies took the opportunity to shed non-core activities in order to boost their profit margins. In this way, seven out of the ten largest private equity transactions consisted of divestments of major business departments.

The capital available worldwide for private equity investments continued to increase, reaching USD 1.5 trillion at the end of 2016. This gives more than ample room for new investments and - despite the high valuations - many fund managers are under pressure to put this capital to work.

## 11.4 Exits

At EUR 38.9 billion, total divestments were down 14% on 2015, but in line with the average amount since 2012. The number of exits also fell to around 3 500. It should be noted that Invest Europe

counts exits at cost, without factoring in any capital gains on sales. The chart below from the CMBOR European Buy-Out Report shows better the effect of the sales price and shows - albeit only for buyouts - that the exit amount decreased in 2016 by approximately one third versus 2015.



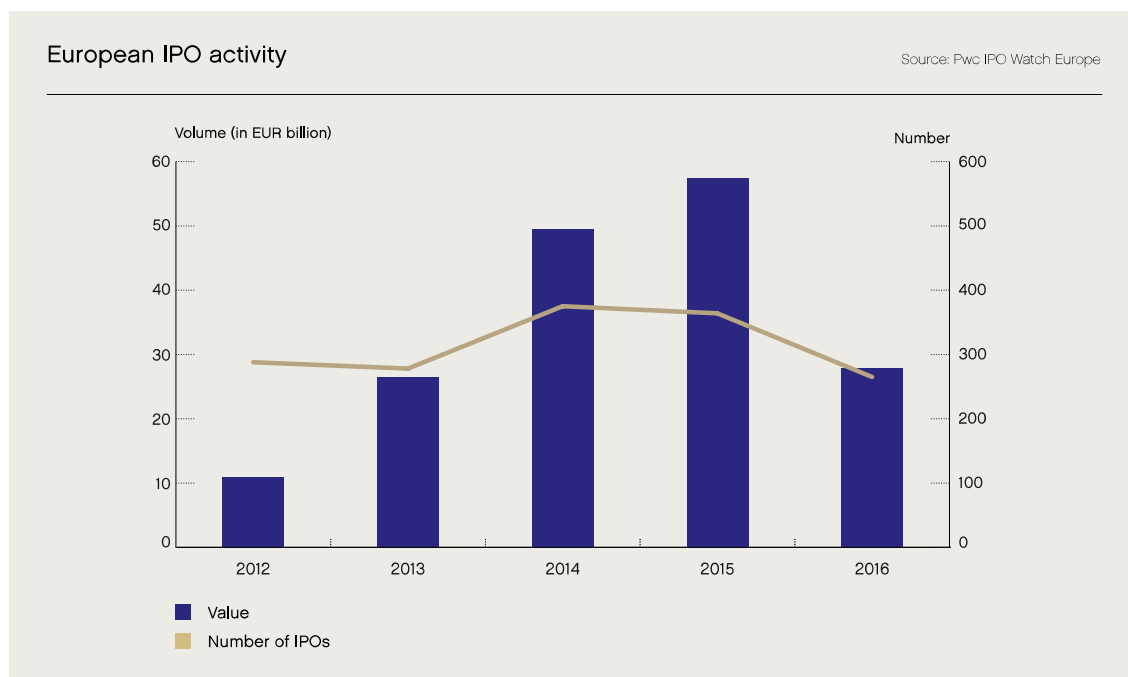
According to Invest Europe, the preferred divestment routes in 2016 were sales to other private equity players (29%) and sales to industrial players (27%). In addition in 2016 many companies held by private equity players were brought to the stock market (17% of the divestment total). The above chart broadly confirms this.

## 11.5 IPOs

2016 saw a sharp fall in the number of IPOs compared to 2015 and 2014. IPO Watch Europe 2016 (from PwC) tells us there were 265 IPOs in 2016 (-26% versus 2015), raising a total amount of EUR 28 billion (just half of the 2015 figure of EUR 57.4 billion). IPOs by private equity players played a prominent role last year, representing half of all IPOs in both numbers and value.

IPOs also fell significantly in size, with the average raised amount down from EUR 249 million in 2015 to EUR 184 million in 2016 (-26%). Just five IPOs raised more than EUR 1 billion (Innogy, Dong Energy, Nets, Conva Tech Group and ASR Nederland), with two of these five brought to market by a private equity player.

2017 looks to be more promising here. The upturn in the European economy, extremely low volatility, low interest rates, and relatively high market values mean that there is once again a pipeline of European companies preparing for an IPO.



## 11.6 Fundraising

Following a few record years for exits with attractive returns and the resulting distributions to investors, in 2016 there was plenty of cash around, with investors ready and keen to allocate significant sums to the sector. Fundraising level in 2016 was at its highest level since 2008. According to preliminary data from Invest Europe, 393 European private equity funds raised EUR 75 billion, bringing the total amount raised over the past four years to EUR 240 billion, or twice the amount raised in 2009-2012.

In addition to the current high distributions, the permanent quest for return is another major driver for investors to make new allocations. In the long term, the private equity industry has proven itself to generate consistently better returns than other asset categories.

In 2016 we again saw a trend towards larger funds; funds with final closings in 2016 clocked out at an average EUR 438 million. However, a large part of the fundraising went to nine buyout funds with more than EUR 1 billion, together accounting for more than half of the total amount raised. Large investors, like pension funds, insurers and sovereign wealth funds, are opting to place large sums in a restricted number of large funds in order to reduce the number of managers. At the same time we are increasingly seeing these large investors in managed accounts, direct investments and co-investments.

Pension funds are again the main investors in private equity. Government agencies, insurers, funds of funds and sovereign wealth funds also continue to play their role. Approximately 42% of the amount raised comes from investors outside Europe (33% in 2015), confirming that, despite growing eurosepticism, there is confidence in the European private equity industry (source: Invest Europe).

## 11.7 Return

In 2016, the private equity sector also outperformed the public markets in terms of return. Thus, the European buy-out funds realized an annual return (for the 12 months to end-June 2016) of 10% versus -11% for MSCI Europe (source: Global Private Equity Report 2017 - Bain & Company). But also in the longer term (10-year returns) we are seeing an attractive additional return compared with equity markets (11% vs. 4%). In addition, the stock exchanges can exhibit significant fluctuations on a daily basis, while, with their quarterly valuations, private equity portfolios show considerably less volatility. For this reason private equity remains an interesting asset category for long-term investors.



Honesty requires us to say, though, that the extra return (outperformance) generated by the private equity sector versus the public markets has declined in recent years under pressure of more competition and a glut of resources for a limited number of transactions. In addition, the absence of economic turmoil in recent years makes it much more difficult to separate the wheat from the chaff among companies, with the result that value creation through operational improvements is becoming increasingly important.

## 12. Risk Factors

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Gimv is - just like any other company - exposed to a number of risks. The increasing complexity of society and of the investment projects in which Gimv is involved, along with the changing laws and regulations, call for a high degree of risk awareness.

Risk management is the process of identification, assessment, management and communication of risk from an integrated and organization-wide perspective. This is a continuous process, if only because the current situation and measures taken in changing circumstances require this of us.

This section describes the risks with which Gimv is confronted as an investment company, along with the operational and financial risks associated with Gimv's investment activities.

The Company is convinced that risk management is an essential part of good governance and the development of a sustainable business. By maintaining an appropriate balance between risks and returns the Company seeks to maximize business success and shareholder value. Optimal risk management needs also to contribute to the realization of the (strategic) objectives:

- optimizing operational business processes in terms of effectiveness and efficiency;
- increasing the reliability of financial reporting;
- monitoring its activities in accordance with regulations, laws and codes of conduct.

We describe below what we believe to be the most important risks to which the Company is exposed. The order of the risks listed below is arbitrary.

### 12.1 Economic risk

The evolution of the general economic situation can, just like all other risks to which Gimv's investee companies are exposed, potentially impact the results of the shareholdings and by extension the valuation of these shareholdings on Gimv's balance sheet. Given Gimv's highly differentiated portfolio, spread over 51 different shareholdings operating in different sectors and countries, fluctuations in the economic situation can have very varied impacts.

The concentration in the portfolio is limited. No individual holding represents more than 10% of the total value of the investment portfolio, and the largest five holdings together make up 20.5% of the total portfolio, compared with a quarter at the end of March 2016 (see table below).

Investment portfolio (in descending order of value)	31-03-2017	31-03-2016
1. Itho Daalderop / Klimaatgarant		1. Punch Powertrain
2. Grandeco		2. Vandemoortele
3. Almaviva Santé		3. Itho Daalderop / Klimaatgarant
4. United Dutch Breweries (UDB)		4. Almaviva Santé
5. Mackevision		5. United Dutch Breweries (UDB)
Share of total portfolio	20.5%	25.4%
6. Brakel		6. GreenPeak
7. Teads		7. Grandeco
8. Walkro		8. Mackevision
9. Joolz		9. Teads
10. Acceo		10. Wolf
Share of total portfolio	34.6%	37.7%

Difficult economic conditions may adversely affect not only the valuation of the existing Gimv portfolio, but also the quantity and quality of new investment opportunities, the exit opportunities for existing shareholdings (and therefore on cash generation), and the ability to raise funds for the co-investment partnerships. By consequence Gimv's turnover, earnings and cash flow are subject to many different elements and can therefore fluctuate significantly. Gimv is therefore unable to guarantee that it will maintain its current dividend policy at all times.

## 12.2 Market risk

The value of the listed portion of the portfolio depends directly on the stock market prices of the companies concerned and on the fluctuations thereof. Under IFRS, the valuation of unlisted investments depends also on a number of market-related elements (*inter alia* through comparison with a 'peer group' of listed companies). The volatility of such market data does not necessarily reflect the performance of the shareholding in question. This means that the unrealized capital gains and losses on the unlisted part of Gimv's portfolio (and therefore Gimv's earnings) are also determined to a large extent by market developments.

A 10% change in the share prices of the listed part of the portfolio and in the value of the unlisted part of the portfolio measured using multiples has an impact of EUR 5 386 and EUR 44 297 respectively (at end-March 2016: EUR 3 937 and EUR 41 614 respectively). Further information on the value over time of these shareholdings and on the parameters determining this value is given in [clarification 14 to the annual accounts \(16.14\)](#).

## 12.3 Risk in relation to anti-trust legislation

In principle, Gimv invests on a non-recourse basis. This implies that the financial risk is limited to the amount of the investment in the shareholding concerned. In recent years, however, private equity companies themselves have been directly fined for violation of anti-trust legislation by their investee companies. These violations were committed by shareholdings in which private equity firms held controlling stakes. The cartel authorities consider maintaining a controlling interest a sufficient ground for direct liability for the fines imposed, even if the private equity company itself was in no way involved in the cartel infringement.

## 12.4 Competition risk

Gimv operates in a competitive market of both local and international private equity players and a rapidly changing competitive landscape. Gimv's success is largely determined by its ability to

maintain a strong competitive and differentiated position. This led among others to the strategic reorientation in 2012.

## 12.5 Tax risk

Currently, Gimv has offices in Belgium, the Netherlands, France and Germany. As a result, Gimv is subject to the jurisdictions of different tax authorities. This means that changes in the tax laws of the countries concerned can affect Gimv's results.

Capital gains on shares are the most important component of Gimv's result. Currently these are subject only to a Belgian corporation tax levy of 0.412% (except for capital gains realized within one year to which a 25.75% tax rate is applied). Any change in the corporate tax treatment of capital gains on shares can have a material impact on Gimv's results.

## 12.6 Regulatory risk

Gimv's key activity consists of private equity investments, a sector that has, in recent years, been increasingly subject to European and national regulations (e.g. AIFMD - Alternative Investment Fund Managers Directive 2011).

The ever-changing regulatory environment is closely monitored at Gimv, the impact on the organization, administration and reporting is evaluated on a regular basis, and any necessary adjustments are made. With the rules differing from one type of private equity firm to another and from country to country, Gimv risks suffering competitive disadvantage from a changing regulatory framework.

## 12.7 Liquidity risk

Gimv's portfolio consists of investments that are generally high risk, unsecured and unlisted and therefore illiquid. The realisation of capital gains on its investments is uncertain, can be slow in coming and is often legally or contractually restricted during certain periods (lock-up, stand still, closed period, etc.). These capital gains depend, among other things, on the earnings evolution of the specific shareholding, on the general economic situation, on the availability of buyers and financing, and on the possibility of IPOs. As a result, the illiquid nature of its assets presents a risk for Gimv's results and cash flow generation. In addition, Gimv does not always control the timing or the course of the sales process, which can potentially lead to a suboptimal return.

With a net cash position and unused credit lines, Gimv is not exposed to the risks associated with debt financing. Gimv does keep watch, however, to ensure that the buyout companies build in sufficient margins and do not incur any debts which could exceed their repayment capacities in normal circumstances. The average debt ratio for Gimv's portfolio companies is 2.4 times operating cash flow (or EBITDA). For this reason the Board considers the liquidity risk a limited one.

## 12.8 Credit risk

Gimv incurs credit risk (or counterparty risk) both in respect of its cash position and as a result of the loans in the investment portfolio.

At treasury level this risk is managed through distributing this cash sensibly across a sufficiently large number of banks and other financial institutions with good ratings. This cautious approach of its treasury policy does not, however, give any guarantee against adverse changes in the financial institutions in question, which may potentially have a significant impact on Gimv's cash position.

The credit risk from the loans in the investment portfolio is diversified over a large number of holdings. Total loans at end-March 2017 are EUR 118 985 (12.3% of the total investment portfolio), with the largest loan equal to 2.5% of the total investment portfolio. At end-March 2017, 4.0% of the total loan portfolio was in arrears (1.7% at end-March 2016). A more detailed description of the loans is provided in [clarification 15 to the annual accounts \(16.1.15\)](#).

The loans that Gimv makes available to its shareholdings are often subordinated to the investments of other parties. This subordination applies generally vis-à-vis funds made available by financial institutions, with the risk of there being insufficient proceeds from the sale or liquidation of the company in question to repay the loans from Gimv. Where a shareholding gets into financial difficulties, Gimv's influence can also decrease to the benefit of the secured creditors. The directors view the change in fair value of investments due to changes in credit risk as insignificant and therefore present no sensitivity figures with respect to credit risk.

## 12.9 Interest and refinancing risk

Since Gimv is currently financial debt-free, it is right now not directly subject to any interest or refinancing risk. Gimv's investee companies obviously make frequent use of debt financing. For certain shareholdings this means that an interest and/or refinancing risk exists when existing loans come to maturity and need to be refinanced.

Leveraged buyouts bear the inherent risk of the investee company getting into serious trouble in the event that a drastic fall in earnings erodes its repayment capacity. Moreover, a particular outcome in one shareholding (e.g. bankruptcy) can have a (direct or indirect) impact on the attitude of interested third parties towards one or more other shareholdings.

## 12.10 Human resources risk

For achieving its objectives, Gimv is largely dependent on the experience, commitment, reputation, deal-making skills and networks of its senior employees. Human capital is a key corporate asset at Gimv. The departure of senior staff can therefore adversely impact Gimv's activities and results.

## 12.11 Currency risk

As of 31 March 2017, Gimv group has foreign currency assets with a countervalue of EUR 36 863. The breakdown by currency is shown in the table below:

Portfolio in foreign currency on 31 March 2017	in foreign currency	in k EUR
USD	32 292	30 273
GBP	5 594	6 590
<b>Total</b>		<b>36 863</b>

Portfolio in foreign currency on 31 March 2016	in foreign currency	in k EUR
USD	36 931	32 438
GBP	16 618	20 994
<b>Total</b>		<b>53 433</b>

This shows that Gimv's direct exchange rate risk is rather limited (up to 3.0% of the Group's equity). A 10% change in the USD and GBP exchange rate against the EUR has an impact of about EUR 3 686 or 0.3% of Gimv's equity (EUR 5 343 at end-March 2016). Gimv aims for a 60% hedging of the currency risk of USD denominated assets, through forward sales of USD. These hedges produced in 2016-17 a positive result of EUR 1 086. The result of this hedging is included in the other operating result, see [clarification 8 to the annual accounts \(see 16.1.8\)](#).

Besides the direct foreign exchange risk through the holding of foreign-currency denominated participating interests, Gimv also has an indirect exchange rate risk from the activities and, potentially, the financing of the portfolio companies. Any hedging against this latter currency risk takes place at the level of the respective portfolio companies.

## 12.12 Risk in relation to Fund commitments

The company has in the past invested in private equity funds managed by third parties. These investment commitments must be paid in proportion to the investments that are decided and implemented. Gimv has no further control or power of decision over these investments.

The amount of outstanding commitments to these funds has fallen sharply in recent years since Gimv has opted in principle against any new commitments to external funds.

At end-March 2017 Gimv still had EUR 22 144 of such outstanding commitments to funds managed by third parties (= 7.1% of its cash resources). For more details, the reader is referred to the table of outstanding fund commitments in note 23 to the financial statements (16.1.23). The greatly reduced amount of these fund commitments means that there is no risk of investment calls limiting the capacity to make direct investments.

## 12.13 Risk in relation to the off-balance sheet commitments and significant pending litigation

As part of its investment activities, Gimv has a whole series of commitments that are not expressed on its balance sheet. In a number of cases, for example, Gimv is committed to follow-up investments. These commitments total EUR 30 487 (EUR 16 293 at end-March 2016). There are also a whole series of agreements or commitments that can directly impact the shareholdings and/or their value. The Company's shareholding may be diluted by exercise of share options and the effect of anti-dilution clauses; there can be agreements concerning division of the proceeds of any sale or obligations to co-sell with other investors.

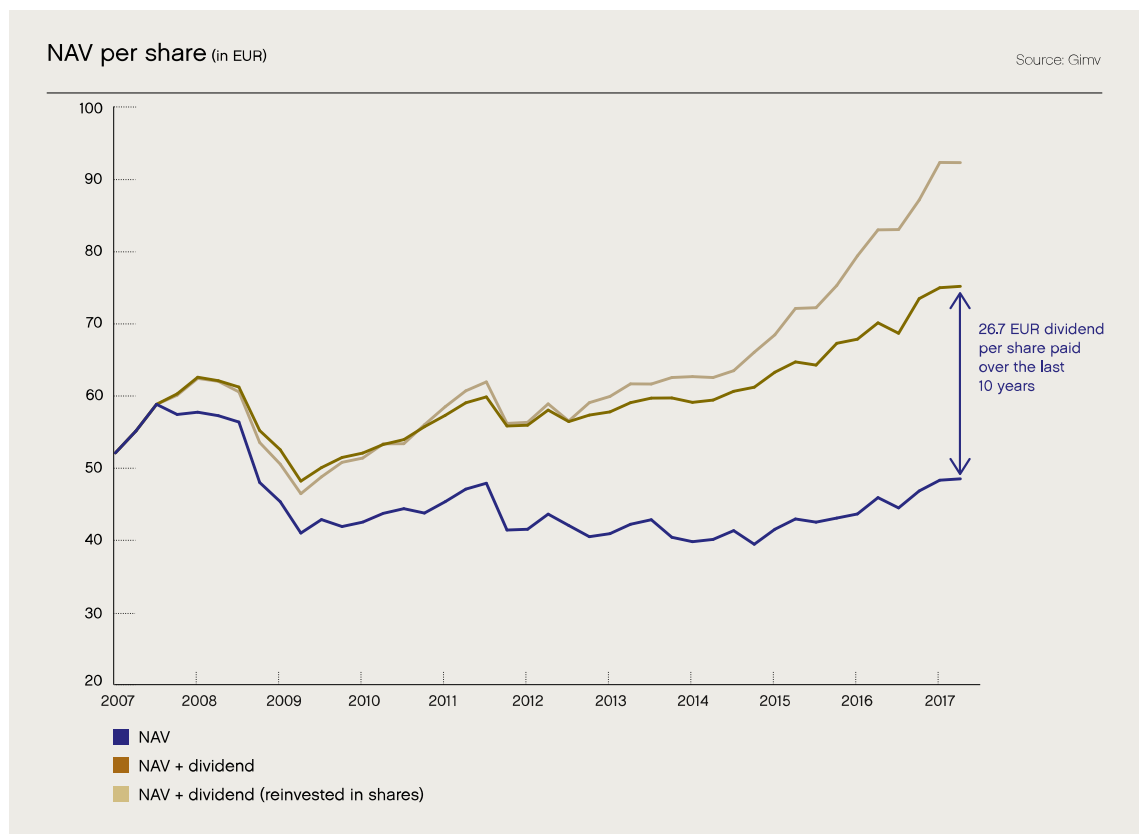
When selling shareholdings, the company has in certain cases to provide warranties with respect to these. At the end of March 2017, there were 20 files (17 at end-March 2016) for which representations and warranties were still outstanding. In addition, the Company is involved in a limited number of judicial proceedings, both as defendant and as plaintiff. Where deemed necessary, the requisite provisions are set aside, based on an assessment of these risks using the available information. A more detailed description can be found in [clarification 24 to the annual accounts \(16.1.24\)](#).

## 13. Share and shareholders

### 13.1 NAV over time

2016-2017 was another strong year, in which Gimv was able to add 11 new promising growth companies to its portfolio, and in which our existing investments posted very attractive results. Helped by a continuing positive exit environment, we also made a number of successful divestments, which translated into a strong annual result, above the long-term average for the third year in succession. The evolution of the NAV during the 2016-2017 financial year, with the dividends paid during the year, represents a total return of 11%.

The chart below shows the evolution of NAV per share. Despite fluctuations in the NAV, Gimv has been able to realize an attractive return over a 10-year period (including the 2008-2009 financial crisis and the 2011 euro crisis). For an investor reinvesting his dividend in Gimv shares, the return would have been around 6%, as illustrated by the upper line in the graph.



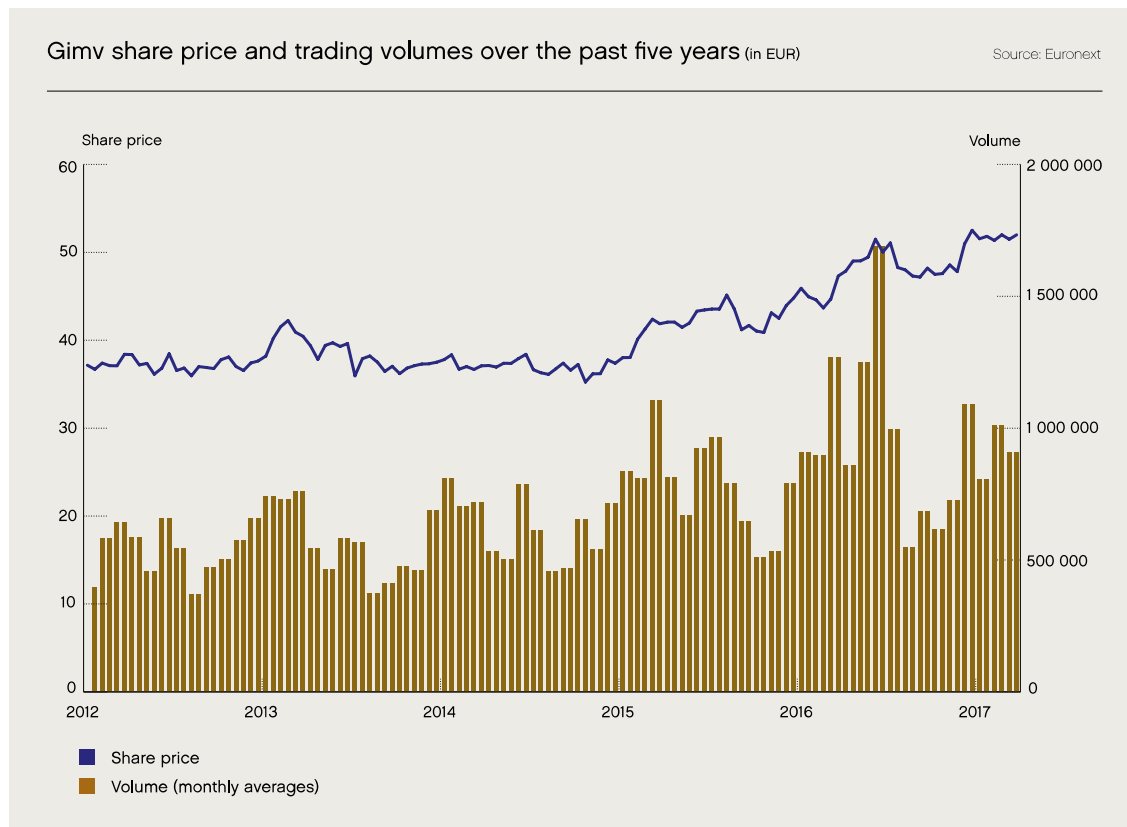
### 13.2 Share price over time

2016 was again a choppy trading year, characterized by a weak start, but eventually ending with attractive market gains. In the second half of the year signals appeared of increasing economic momentum, including rising confidence indicators, supported by the ECB's continuing low interest rate policy. At the same time, the geo-political climate remains uneasy.

Over the past financial year, Gimv's stock price rose by 7.9% to EUR 52.3, buoyed by good results and strong investment and divestment activity. Including the gross dividend paid, this gave shareholders a total return of 12.9% in the past financial year.

The average share price was EUR 49.7, with a low of EUR 45.5 in June and a high of EUR 52.9 in December 2016.

Average daily trading volume during the past year rose slightly to 18 646 shares, compared with 18 541 in FY 2015-2016. This gives an average daily turnover of the Gimv share of EUR 929 998.

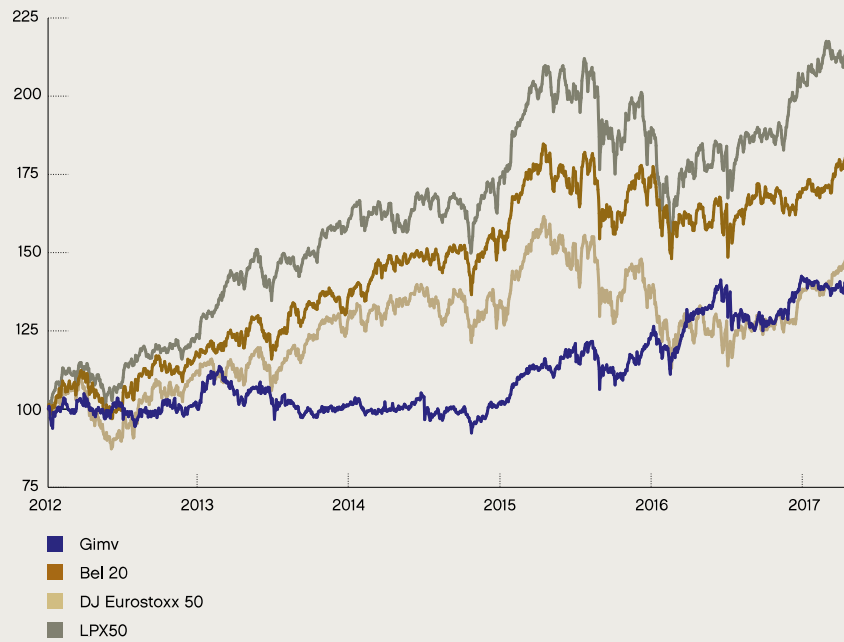


Gimv's stock price has risen steadily since late 2014 (from EUR 38 at end-December 2014 to EUR 52.3 at end-March 2017 or +50% including gross dividends). With its consistent value measurement and dividend policy, Gimv can count on a large number of long-term investors, which somewhat limits the volatility of the share price. This aspect can also be seen in the relative performance of the Gimv share compared with the indexes (see chart below). With Gimv's share price less impacted by the crisis in 2008, the increase in the ensuing years was also less dramatic.

Following a stock market correction in the second half of 2015 and early 2016, growing confidence in an economic recovery and confirmation of the ECB's long-term interest rate policy have translated into a positive stock market trend since summer 2016. After falling back in early 2016, the Bel 20, DJ Eurostoxx 50, and LPX50 all experienced an attractive rebound in the second half. Particularly striking this year again is the strong performance of the LPX50, a price index for listed private equity companies.

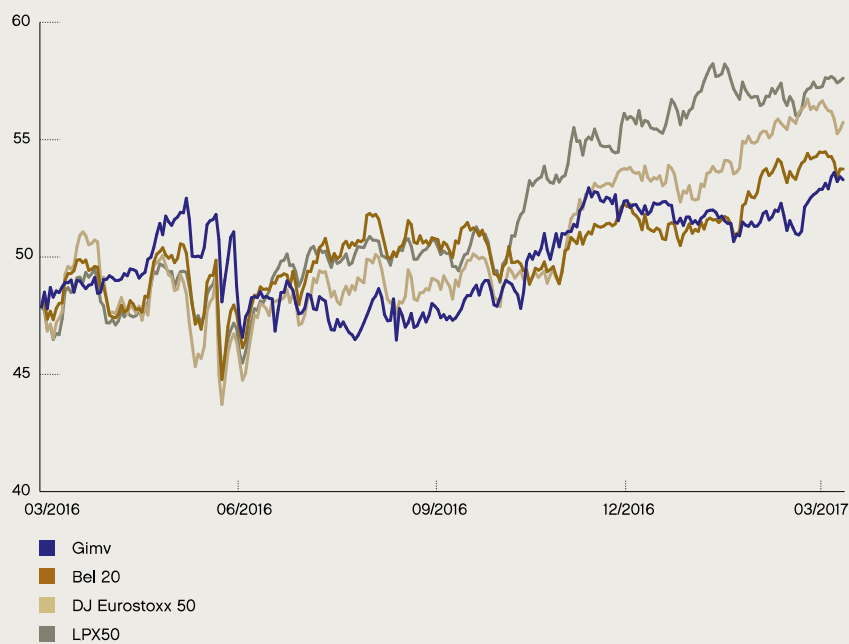
Gimv share performance versus indexes (5 year)

Source: Bloomberg



Gimv share performance versus indexes (1 year)

Source: Bloomberg





## 13.3 Dividend policy

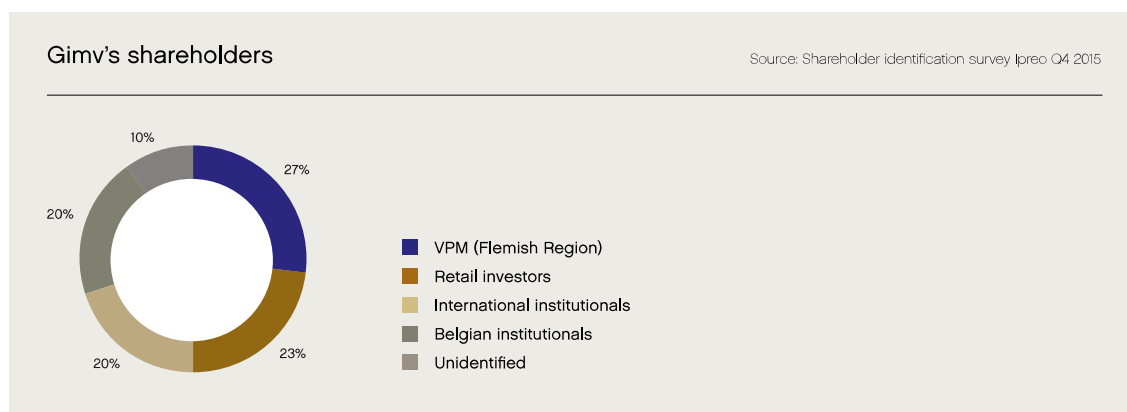
The board of directors will be proposing a gross dividend of EUR 2.50 per share (EUR 1.75 net) to the general shareholders meeting in June. This is an increase from the EUR 2.45 of the past few years. Gimv's dividend policy is not to reduce the dividend and to increase it whenever possible.

Since Gimv's result as an investment company depends on the sale of its investments and the evolution in the value of the portfolio, Gimv cannot guarantee that this policy will continue in the future.

## 13.4 Shareholding system

The Gimv share has been listed on Euronext Brussels since 26 June 1997. The capital of Gimv amounts to EUR 241 364 628 and is represented by 25 426 672 fully paid-up shares without nominal value. All shares are listed on Euronext Brussels, have the same rights and fractional value and are fully paid up.

The largest shareholder in Gimv NV is the 'Vlaamse Participatiemaatschappij' (VPM). VPM held on end-March 2017 26.82% of the capital or 6 818 407 shares, making it a reference but not a majority shareholder. VPM is 100% owned by the Flemish Region. All other shares are distributed among the investing public. 40% of the shares are held by institutional investors, half of them in Belgium, 23% are held by retail investors and the remaining 10% could not be identified.



## 13.5 Communication

Gimv attaches the highest importance to providing accurate and timely information to both individual and institutional investors. For this it uses various communication channels such as the website, annual report, press releases and presentations to investors, both in groups and individually.

<b>Share code</b> GIMB	<b>Bloomberg code</b> GIMB BB	<b>GIMB</b> <b>LISTED</b> <b>EURONEXT</b>
<b>ISIN code</b> BE0003699130	<b>Liquidity providers</b> Bank Degroof Petercam & KBC Securities	
<b>Reuters code</b> GIMV.BR	<b>Principal paying agent</b> KBC Bank	

## 13.6 Financial calendar

28 June 2017

**General shareholders' meeting in respect of FY 2016-2017**

3 July 2017

**Ex-date of the 2016-2017 dividend (coupon no. 24)**

4 July 2017

**Record date of the 2016-2017 dividend (coupon no. 24)**

5 July 2017

**Payment date of the 2016-2017 dividend (coupon no. 24)**

20 July 2017

**Business update first quarter FY 2017-2018 results (period 01/04/17-30/06/17)**

23 November 2017

**Announcement of first half FY 2017-2018 results (period 01/04/17-30/09/17)**

## 14. HR & network

'We connect with our entrepreneurs' mindsets.'

Our multidisciplinary and international teams are closely involved in the growth paths of 51 promising companies. As professional investment partners, we team up with a company's business management in an ambitious vision of bringing the investee to a following level in its life cycle with a shared plan and a systematic approach. Depending in each case on the specific context, we work together with our portfolio companies on strategic innovation, scalability, strengthening the balance sheet, consolidating the market position, optimizing the sales apparatus, inspiring and where necessary strengthening management teams, streamlining business processes or governance. All this to enable them to flourish optimally in the digital and globalized world in which we live and operate today.

Each of our shareholdings also responds in its own very specific way to current social issues and challenges. As Gimv we are proud to be able to build with them, and in doing so contribute to a broader-based society in terms of economic fabric, employment, optimization of care, services and other components of social life. We see this as our social return.

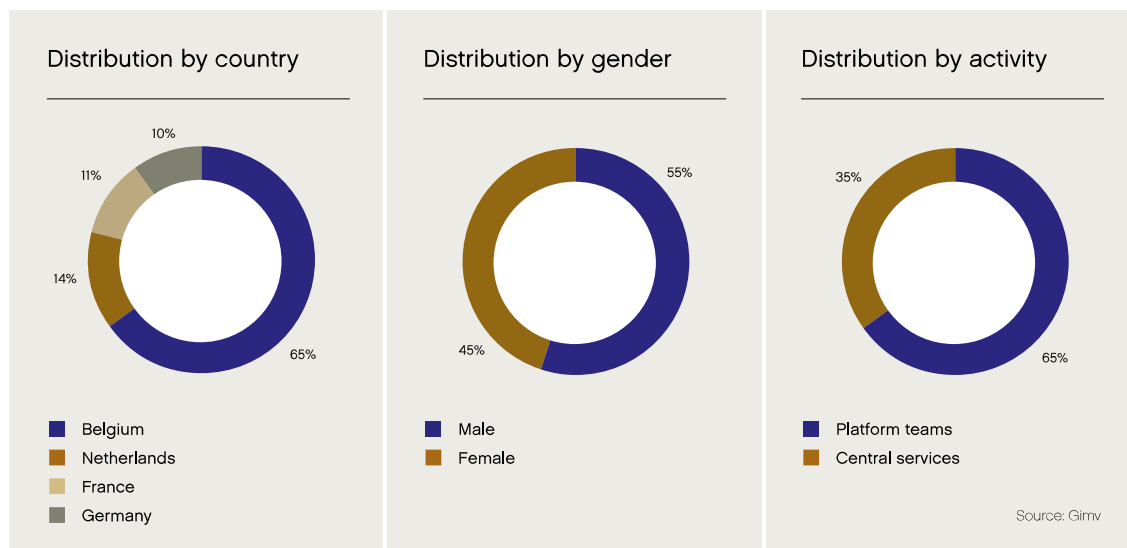
An active investment approach 'across the full cycle' calls for a dynamic interplay of mutually complementary talents, that is a combination of financial and strategic skills, specialist sector expertise and a deep, intuitive understanding of 'the DNA of business'. Thank you to everyone - to the management teams and employees of Gimv itself and its subsidiaries, and those of our portfolio companies - for another very strong result.

Meet us on [www.gimv.com](http://www.gimv.com) (team) or via [LinkedIn](#).

**93** employees

**4** countries

**4** offices



## 15. Corporate governance statement

Gimv applies the Belgian Corporate Governance Code for listed companies (2009) as its point of reference ([www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be)). Independent studies have shown that Gimv's corporate governance policy is highly in conformity with the recommendations and guidelines of this Code. PwC Business Advisors' Corporate Governance Survey for September 2016, for instance, has officially confirmed this.

The most important aspects of Gimv's corporate governance policy are explained in its Corporate Governance Charter. The full text is available on [Gimv's website](#) and, on request, Gimv will send a hard copy by regular mail. Gimv updates its Corporate Governance Charter whenever there are relevant developments. The most recent version was approved in May 2017.

Changes and relevant events that occurred during the past financial year, are amplified in the following corporate governance statement. In order to obtain a complete picture, this chapter can best be read together with the Corporate Governance Charter.

### 15.1 Board of Directors

The key strategic and investment decisions are being made within the board of directors. The board of directors consists of twelve members who in principle convene on a monthly basis whereby defining the principles of the strategic policy. The implementation of this strategic policy is taken on by the chief executive officer.

#### 1 Composition

In accordance with article 12 of Gimv's articles of association, the board of directors of Gimv is composed of:

- five directors nominated by the Flemish Government or a company controlled by the Flemish Government, as long as the Flemish Government holds 25% of the shares. The chairman of the board of directors is elected from these five directors;
- a minimum of three independent directors, appointed in accordance with article 524 of the Belgian Company Code;
- the remaining directors, selected out of candidates who are not nominated by the Flemish Government nor by a company controlled by the Flemish Government.

Koen Dejonckheere has been appointed CEO by the board of directors and is the only executive director within Gimv. The other members of the board of directors are non-executive directors.

During the annual general meeting of Wednesday 28 June 2017, Koen Dejonckheere's directors' mandate will expire. He will run for reappointment. Christ'l Joris has decided to resign from the board of directors. She will be replaced as independent director by An Vermeersch during the annual general meeting of 28 June 2017. As per 1 October 2016, Marc Van Gelder resigned as director of Gimv. On 1 January 2017, Manon Janssen was co-opted as his replacement as director and this co-optation will be presented to the annual general meeting of 28 June 2017 for ratification. The Company would like to express its gratitude towards Christ'l Joris and Marc Van Gelder for their longstanding commitment towards Gimv.

#### Deviation of best-practice principle 4.1

Five directors within the board of directors are nominated by the Vlaamse Participatiemaatschappij (VPM), of which they are also directors. As such, the nomination procedure for these directors deviates from the regular procedure, since the board of directors of Gimv has no direct influence on the nomination procedure or selection criteria for directors nominated by VPM. This situation is characteristic for Gimv's shareholders' structure (and the management agreement between VPM and

the Flemish Government). This is a factual given that Gimv has to take into account. Nevertheless, VPM adheres to a well-balanced composition and complementarity within the directors' profiles.

## Independent directors

The board of directors of Gimv consists of six directors for whom the general meeting concluded at their appointment that they comply with the criteria of article 524 of the Belgian Company Code: Christ'l Joris, Sophie Manigart, Dirk Boogmans, Luc Missorten, Marc Van Gelder and Bart Van Hooland. These directors also meet the criteria of independence as set out in Annex A of the Belgian Corporate Governance Code.

## 2 Members



Luc Missorten, Koen Dejonckheere, Bart Van Hooland, Geert Peeters, Marc Descheemaecker, Karel Plasman, Dirk Boogmans, Christ'l Joris, Manon Janssen, Hilde Laga, Brigitte Boone, Sophie Manigart

### Dirk Boogmans, Director

Dirk Boogmans has been a company director and advisor since 2008. Previously, he was CEO both at Gimv and at building group CFE.

He presides the audit committees of VUB (Flemish University Brussels), UZ Brussels (Brussels University Hospital) and the Flemish Council for Science and Innovation (VRWI). Dirk Boogmans is a director at BNP Paribas Fortis Bank, Vinçotte Group and ASAP HR Group NV.

He has been a board member of Gimv since June 2010.

### Brigitte Boone, Director

Brigitte Boone obtained a master degree in law as well as in economic law. She is alumna from INSEAD and Harvard Business School.

Between 1985 and 2009, Brigitte Boone held various positions (legal counsel, head tax department, CEO Fortis Private Equity, CEO commercial and investment banking) at Generale Bank, subsequently Fortis Bank. She was also member of the management committee and of the board of directors at Fortis Bank until May 2009.

Currently, Brigitte Boone is managing director at 2B Projects. In addition, Brigitte Boone holds independent director's mandates at Amonis OFF, Studio 100, Plopsaland, DS Textiles and Puilaetco Dewaay. She is also non-executive director at Imec and BTC. Brigitte Boone has been a member of Gimv's board of directors since June 2015.

## Koen Dejonckheere, CEO

Koen Dejonckheere was appointed CEO of Gimv in 2008. Previously, he was managing director at KBC Securities. Prior to that, Koen Dejonckheere was active in both Corporate Finance and Private Equity.

Koen Dejonckheere graduated in civil engineering at Ghent University and has an MBA from IEFSI-EDHEC in Lille (France).

In addition to his position as CEO, he has also been a member of the board of directors of Gimv since 2008.

## Marc Descheemaeker, Director

In 1977, Marc Descheemaeker graduated in Masters in Applied Economics from UFSIA (University of Antwerp). In 1978, he completed his studies at the College of Europe in Bruges, where he obtained a postgraduate degree in European Economy.

Marc Descheemaeker was CEO of the NMBS (national railroad company of Belgium) from 2004 till 2013 and is since 2013 chairman of the Board of BAC (Brussels airport company).

In addition, Marc Descheemaeker is chairman of the board of directors at De Lijn and Lijncom, independent director of the High diamond council Antwerp (HRD), member of the board at Vitrufin (holding above Ethias) and member of the board of directors at the European Investment Bank (EIB) and the European Investment Fund (EIF). Since January 2017, Marc Descheemaeker has been a member of the board of directors of NMBS.

Marc Descheemaeker has been a board member of Gimv since October 2014.

## Manon Janssen, Director

Manon Janssen graduated as a commercial engineer at the VUB/Solvay Business School. She began her career at Procter & Gamble where she worked for 16 years in different countries and where she was responsible for major brands.

In 2000, she became Vice President of Marketing & Innovation at Electrolux Europe and in 2005 she started as Chief Marketing Officer at Philips Lighting. From May 2010 till May 2015, Manon Janssen was CEO and Managing Director of Ecofys Group, a leading consulting firm in the field of energy and climate.

Since September 2015, she is CEO and Chairman of the Board of Management at Ecorys, an international administration office which helps private and public leaders at making informed choices with regard to social, spatial and economic issues. In addition, Manon Janssen is chair at the Top Sector Energy (NL) and a member of several expert committees in the field of energy transition.

Manon Janssen has been a board member of Gimv since January 2017.

## Christ'l Joris, Director

Christ'l Joris is chairperson of the board of directors at ETAP and of the supervisory board of Parfibel, as well as being a previous chairman of Agoria. Beginning her career as an academic, she subsequently started to work in the mental health sector and for the King Baudouin Foundation. She is a member of the strategic committee at VBO and is a member of the general assembly at, amongst others, UZA and Technopolis.

She has been a board member of Gimv since June 2010.

## Hilde Laga, Chairman

Hilde Laga has been a member of Gimv's board of directors since June 2015 and chairman of Gimv since 1 April 2016.

She is a member of the board of directors at Barco, Agfa Gevaert and Greenyard, all of which are listed on Euronext. Furthermore, she is a visiting professor at the law faculty of the KU Leuven as well as a member of the Belgian Corporate Governance Commission. She is the founder of the law firm Laga, where she was managing partner for years, as well as head of the corporate and M&A department.

## Sophie Manigart, Director

Sophie Manigart is Professor Corporate Finance at the Faculty of Economics and Business Administration at Ghent University as well as partner at Vlerick Business School. In addition, Sophie Manigart is a director at AXA Belgium and at the Belgian Venture Capital and Private Equity Association. She has been a board member of Gimv since June 2010.

## Luc Missorten, Director

Luc Missorten was CEO of Corelio until the end of September 2014. Previously, Missorten held positions at the law firm Linklaters and Citibank, and after that, he was appointed chief financial officer at AB Inbev and UCB.

Luc Missorten holds various director's positions, mainly in listed companies (Barco, Ontex, Recticel and Scandinavian Tobacco Group).

Luc Missorten has been a member of Gimv's board of directors since June 2014.

## Geert Peeters, Director

Geert Peeters is currently COO at Cath Kidston Ltd, previously held various positions throughout a long career at VF Corporation and Levi Strauss & Co and also worked for Bacardi Ltd and Sofinal S.A. Geert Peeters holds a master degree in industrial engineering/textile chemistry, an executive MBA from Flanders Business School and a Master in Operations & Supply Chain Management from Vlerick Business School.

Geert Peeters has been a member of Gimv's board of directors since April 2016.

## Karel Plasman, Director

Karel Plasman holds a master degree in commercial and financial sciences. He was a professor at the Handelshogeschool in Antwerp teaching modern financial techniques for 5 years.

Karel Plasman held senior management positions at international financial organisations such as Rabobank Nederland, VISA international London and the Almanij-group.

In June 2002, Karel Plasman started up Corga SA Luxemburg which after evolution was integrated in Acerta Consult. Until May 2014, Karel Plasman was appointed CEO of the Acerta Group.

Karel Plasman has been a member of Gimv's board of directors since June 2015.

## Marc Van Gelder, Director

Marc Van Gelder is the former CEO at Mediq (Utrecht), a retail- and distribution company for pharmaceutical and medical appliances. Prior to that, he held various positions at Mc Kinsey & Company and Royal Ahold, in the US as well as in the Netherlands.

Marc Van Gelder is a member of the board of directors at Vastned, Maxeda and Action and member of the supervisory board at the Helen Dowling Institute, Royal Palace Het Loo and at Mint Solutions BV. He is also chairman of the Diabetic Fund.

Marc Van Gelder was a member of Gimv's board of directors since June 2014. In October 2016, he decided to resign from the board and his mandate became vacant.

## Bart Van Hooland, Director

Bart Van Hooland is an entrepreneur active in SMEs in various sectors. His main activity today is managing DROIA, an investment and venturing organisation focused on new cancer therapies. He is also involved as shareholder and director in producers of building and garden materials, and in companies with water-related activities such as surveying, diving and dredging. He develops activities as start-ups or through new partnerships. He has been a board member of Gimv since June 2010.

## Corporate mandates

Hereafter you will find a full overview of all corporate mandates held by Gimv's directors on 31 March 2017.

Name	Board memberships
Dirk Boogmans	Alden Biesen Zomeropera, ASAPbe, BNP Paribas Fortis, Steunfonds Ambulante Diensten, Vinçotte Groep, VUB (chairman audit committee)
Brigitte Boone	Amonis OFF, BTC, Delhaize Management, DS Textiles, Fidemec, Interuniversity Micro-Electronica Centrum (IMEC), Plopsaland, Puilaetco Dewaay Private Bankers, Studio 100, 2B Projects [management company], VPM
Koen Dejonckheere	Various entities of the Gimv-group, Belgian Association of Listed Companies (chairman), Enternext, Home Invest Belgium GGV, Roularta Media Group, Verbond van Belgische Ondernemingen (VBO) (member strategic committee), Vlaams Netwerk van Ondernemingen (VOKA) (director) and VEV (chairman), TDP, Hospitalgroup AZ Delta
Marc Descheemaeker	BAC, De Lijn, Europese Investeringsbank (EIB), Europees Investeringsfonds (EIF), HRD Antwerp, Lijncom, NMBS, Vitrufin, VPM
Manon Janssen	Ecorys (member board of management), Topsector Energie (chairman Topteam)
Christ'l Joris	ETAP and various entities of the ETAP-group, FT.I. (Technopolis) (annual general meeting), National Bank of Belgium (member board of censors & remuneration committee), Parfibel (the Netherlands), Stichting Parfibel (the Netherlands), Tri, UZA (annual general meeting), VBO (member strategic committee), Wolkammerij
Hilde Laga	Agfa-Gevaert, Barco, Commissie Corporate Governance, Fund+, Greenyard, Kortrijk Innovatie Netwerk, KU Leuven, Ons Erfdeel, VPM, UZ Leuven (management committee), Zorg KU Leuven
Sophie Manigart	AXA Belgium, Belgian Venture Capital and Private Equity Association, Beschutte Werkplaats Ryhove, Ovinto
Luc Missorten	Barco, Corelio, Ontex, Recticel, Scandinavian Tobacco Group
Geert Peeters	Cath Kidston Ltd., VPM
Karel Plasman	Anautica, Antwerp International Golf and Country Club Rinkven, Induss, Oscare, NxtPort, VPM
Marc Van Gelder	Action, Diabetes Fonds, Helen Dowling Instituut, JP Morgan European Small Equity Fund, Maxeda, Mint Solutions, Paleis Het Loo, Vastned
Bart Van Hooland	Aura Invest, Bioncotech (Sp), Boribat, Clair Sàrl (Lux), Convert Pharmaceuticals, Deco, DROIA SA (Lux), DROIA NV, DROIA Invest SA (Lux), DROIA Inc (US), Ghent Dredging, G-tec, Normoxys Inc (US), Pont, PX Biosolutions (Australië), Scala International, Scala Plastics, Scala Plastics Poland, TUSK Therapeutics SA (Lux), TUSK Therapeutics NV, TUSK Therapeutics Ltd (UK), Tux, Xia



## 3 Operations

### Activity report

The board of directors exercised its powers during financial year 2016-2017 as described in the Corporate Governance Charter.

In addition to its usual activities and investment decisions, the board of directors has intensively worked on the following issues:

- Gimv's strategic positioning
- the value creation process within the portfolio companies
- the allocation of resources to and the vision on its infrastructure activities
- the organization of corporate governance at portfolio level
- the approval of an updated Dealing Code (for the implementation of the new rules with regard to market abuse) and Code of Conduct.

### Number of meetings and attendances

During financial year 2016-2017, the board of directors convened ten meetings, five of which occurred during the first and second quarter, and five during the third and fourth quarter of the financial year.

On average, 96.6% of the directors were present. The directors' individual attendances are listed in the remuneration report (cfr. [infra](#), point 15.7).

### Conflicts of interest - Article 523 of the Belgian Company Code

During the meetings of the board of directors throughout financial year 2016-2017, two situations have given rise to the application of the procedure for conflicts of interest.

During its meeting of 19 April 2016, the board of directors deliberated and resolved on the CEO's share in the long term incentive plan 2016-2018 (cfr. [Infra](#)). The following paragraph was added to the minutes of this meeting:

*Prior to the deliberation on this item on the agenda, the CEO leaves the meeting. For the evaluation and decision of his share in the carried interest, the CEO points out that he is faced with an interest of proprietary nature in accordance with article 523 BCC, because he himself is a beneficiary. As such, he does not take part in the deliberation and leaves the meeting.*

#### **Decision**

*The role of CEO is essential for the implementation of the Company's investment policy. Taking this into account, the board of directors approves – upon recommendation of the remuneration committee – the CEO's share in the carried interest at 5% of the total carried interest potential over the investment period 2016-2018.*

During its meeting of 17 May 2016, the board of directors deliberated and resolved on the CEO's bonus with regard to financial year 2015-2016. The following paragraph was added to the minutes of this meeting:

*As a next item on the agenda, the CEO's bonus over the past financial year is discussed. For the evaluation and decision of his bonus, the CEO points out that he is faced with an interest of proprietary nature in accordance with article 523 BCC, because he himself is a beneficiary. As such, he does not take part in the deliberation and leaves the meeting.*

*The chairman of the remuneration committee announces that the proposal of bonus for the CEO over the past financial year amounts to 120 000 EUR.*

**Decision**

*Taking the Company's results over the past financial year and the status of the objectives into account, the board of directors approves – upon recommendation of the remuneration committee – the CEO's bonus at 120 000 EUR.*

## Conflicts of interest - Article 524 of the Belgian Company Code

Listed companies are required to subject decisions which are situated within the powers of the board of directors and which relate to the relation between the company and its affiliated companies, to a committee of three independent directors. These directors are assisted by one or more independent experts. Article 524 of the Belgian Company Code sets out the procedure to be followed.

During the meetings of the board of directors throughout financial year 2016-2017, there have been no situations which have given rise to the application of this procedure for conflicts of interest.

## Gimv shares owned by the members of the board of directors

Hilde Laga owns no Gimv shares.

In the beginning of the financial year, Koen Dejonckheere held 6 434 Gimv shares. As per 31 March 2017, this situation is unchanged.

Christ'l Joris has also informed the Company that she owns Gimv shares on 31 March 2017 as part of her private assets.

## 4 Evaluation

Every two years, the chairman organises an evaluation of the board of directors' performance. This exercise consists of a questionnaire with regard to various aspects of governance, as well as of individual interviews with each director.

The aim of this exercise is to capture individual opinions and feedback by means of a quantitative instrument. The following items are included in the questionnaire:

- to what extent is information timely and accurately presented to the directors and how does management formulate answers to questions and remarks?
- how do discussions and decision-making processes work within the board and is there adequate opportunity to present all points of view?
- how is the participation of each individual director rated, as well as each director's contribution of their specific expertise during discussions?
- how is the leadership by the chairman perceived during meetings, with particular attention to everybody's right to speak, the conformity of the decisions with the discussions and consensus of the directors?

During financial year 2015-2016, the board of directors has evaluated its performance in accordance with the procedure set out above and it has reported its outcome in the annual report pertaining to financial year 2015-2016. During financial year 2016-2017, there was no evaluation process.

## 5 Remuneration

The remuneration of the directors is set forth in the remuneration report ([cfr infra point 15.7](#)).

## 6 Rules of Conduct

### Gimv Dealing Code and Gimv Code of Conduct

Gimv has implemented a 'Gimv Dealing Code' and a 'Gimv Code of Conduct' which both apply to Gimv group's directors and employees. Both documents can be found on Gimv's website.

### Ethic Code

Gimv is inspired by the code of conduct of the Belgian Venture Capital & Private Equity Association (BVA). This code aims to contribute to the continuous development of the private equity sector in Belgium. The most important points of this code deal with sustainable value creation and an active involvement of the shareholders in portfolio companies, as well as an ethical use of investment means based on integrity, trust and clear communication. The full text of the code can be found on the website of the BVA ([www.bva.be](http://www.bva.be)).

## 15.2 Advisory committees within the board of directors

Three specialised advisory committees are set up within the board of directors: the **audit committee**, the **remuneration committee** and the **nomination committee**. The establishment and functioning of these committees is set out in Gimv's articles of association and Corporate Governance Charter. After each meeting, the board of directors receives a report with recommendations from each committee.

### 1 Audit committee

#### Composition

The members of the audit committee are Luc Missorten (chairman), Brigitte Boone, Sophie Manigart, Marc Van Gelder (until 1 October 2016) and Marc Descheemaecker (since 19 April 2016). It is thus comprised solely of non-executive board members, half of which are independent. All members of the audit committee meet the criteria of expertise regarding bookkeeping and audit.

## Operations

### Activity report

The main role of the audit committee is to direct and supervise the financial reporting, the accounting process and the administrative records of the Company. Each quarter, the financial reports are discussed, with special attention to valuation decisions regarding portfolio participations and funds. The audit committee also monitors the efficiency of internal control and risk management within Gimv. The audit committee systematically reports to the board of directors with regard to its activities, and yearly reassesses the audit committee charter.

During financial year 2016-2017, the audit committee has paid special attention to a number of particular subjects:

- The financial reporting was discussed in detail during all of the four meetings of the audit committee, both for the applied reporting process as for the portfolio valuation and -results. During the meetings of May and November, the annual and bi-annual results, respectively, and the financial communication were discussed in the presence of the statutory auditor. The meeting in May also discussed the financial report as included in the annual report 2016-2017.
- The applied valuation methods, as set out in Gimv's valuation guidelines, have been continuously monitored by the audit committee. During the past financial year, specific focus went to the various components of the valuation evolution, whereby emphasizing the impact of the results of the portfolio companies on the valuation, as well as the evolution of the applied valuation methods and possible discounts.
- Annually, the audit committee analyses the fiscal situation of Gimv group, as well as any possible tax disputes. In addition, the ongoing legal disputes, as well as the off-balance sheet obligations, have been discussed on the basis of internal and external reports. The audit committee concluded that the annual accounts and the annual report provide an accurate and complete view of all issues.

With regard to the internal control programme, as from this financial year, the portfolio- and process risks to which Gimv is faced during its activities will be discussed and assessed on a regular basis within the audit committee. A number of these risks (e.g. market and economic risks, liquidity risks and currency hedging) are included in the recurrent financial reporting. In addition, a number of other risks (e.g. tax risks, legal risks, ...) are reviewed annually. A number of other risks are reviewed on an ad-hoc basis. For example, this year, the audit committee discussed the risks associated with the group insurance as well as the processes for the avoidance of fraud. The combination of recurrent and ad-hoc reporting of the major risks should allow Gimv's management to ensure the efficiency and implementation of the applied processes and to continuously improve them. The full report on the internal control measures and methodology can be found in the chapter that focuses on internal control and risk management (cfr. [infra point 15.6](#)).

The auditor's management letter contained no recommendations for material adjustments.

The audit committee has no knowledge of facts or circumstances with a potentially large impact on Gimv which are not included in the annual accounts or the annual report.

### Number of meetings and attendances

During financial year 2016-2017, the audit committee convened four meetings, with a general attendance rate of more than 94%. The individual attendances of the members of the audit committee are included in the remuneration report under the overview of the remuneration of the board of directors (cfr. [infra point 15.7](#)).

The audit committee meets at least once a year without the members of the executive committee and at least once without the auditor.

## 2 Remuneration committee

### Composition

The members of the remuneration committee are Dirk Boogmans (chairman), Christ'l Joris, Bart Van Hooland, Karel Plasman (since September 2015) and Geert Peeters (since 19 April 2016).

It is thus comprised solely of non-executive board members, three of whom are independent.

### Operations

#### Activity report

During financial year 2016-2017, the remuneration committee has examined the recurrent activities as set out in the Corporate Governance Charter.

In addition, the remuneration committee has paid special attention to a number of particular subjects during the past financial year:

- evaluation of the executive management and establishment of their objectives and their annual variable remuneration;
- establishment of the principles and allocation for the long term incentive plan for investment period 2016-2018;
- assessment and benchmarking of the existing long term incentive plans;
- state of affairs of the group insurance scheme within Gimv Group.

In the framework of the annual general meeting of 29 June 2016, the remuneration committee has compared the remuneration structure of the non-executive directors with the market standards and has presented its recommendations to the board of directors. The proposed alterations have been approved by the board of directors, have been further set out in the annual report 2015-2016 (p. 75), have been approved also by the annual general meeting of 29 June 2016 and have been implemented since 1 July 2016.

#### Number of meetings and attendances

During financial year 2016-2017, the remuneration committee convened five meetings. On average, 92% of its members were present. The individual attendances of the members are listed in the remuneration report under the heading 'Remuneration of the board of directors'. (cfr. [infra point 15.7](#))

## 3 Nomination committee

### Composition

The nomination committee is composed of Hilde Laga (chairman), Christ'l Joris, Dirk Boogmans and Marc Descheemaecker (since 19 April 2016).

It is thus comprised solely of non-executive board members, half of whom are independent.

## Operations

### Activity report

During financial year 2016-2017, the nomination committee has specifically focused on the search for a replacement for Marc Van Gelder, who voluntarily resigned from the board of directors as per 1 October 2016. This exercise resulted in the cooptation of Manon Janssen as from 1 January 2017.

### Number of meetings and attendances

During financial year 2016-2017, the nomination committee convened two meetings, both with a full attendance rate.

### Deviation of best-practice principles 5.3.1 and 5.3.4

The nomination committee has no authority to nominate members of the executive committee, except for the CEO. Unlike companies with a one-tier management structure, Gimv has a two-tier structure, which gives the CEO responsibility for the daily management of the Company and, as such, for the composition of the management.

## 15.3 Executive committee

It is the chief executive officer's responsibility to follow up on the strategic and investment decisions of the board of directors. The CEO is assisted in the execution of his duties by the executive committee.



# 1 Members

Alongside the CEO, the executive committee is comprised of the following members:

## Edmond Bastijns, Chief Legal Officer and Secretary General

Edmond Bastijns joined Gimv in September 2000 and since 2007, he has been responsible for the legal department in his capacity as Chief Legal Officer. In July 2016, he was appointed Secretary General and became a member of the executive committee. Before Gimv, he was a lawyer at Linklaters in Brussels (formerly De Bandt, van Hecke & Lagae) from 1996 until 2000. He holds a Master's degree in Law from the University of Leuven (KU Leuven) and he recently completed the Advanced Management Program at the Chicago Booth School of Business.

## Alex Brabers, Chief Business Operations

Alex Brabers joined Gimv in 1990, after working for one of the predecessors of Belfius Bank. Alex developed the international venture capital activity of Gimv, by investing in new innovative companies, followed by active support of the management team and eventually exiting either through IPO or trade sale. He built the VC team of Gimv and coached it in developing its place in the European VC ecosystem. Since 2012, Alex is responsible for all investment activity of Gimv, overseeing the 4 investment platforms.

He is a board member of various portfolio companies, including OTN Systems (B) and Itineris (B). Before that, he was a member of the board of directors of Telenet (B), Mobistar (B), Emme (F), Barco (B), Barconet (B), Option (B), Teads (F), Inside Secure (F), Punch Powertrain (B), Oree (Isr), Virtensys (UK) and Telos (Ca).

Alex was involved in policy issues for the European VC and PE industry as board member of Invest Europe and as chairman of the Venture Capital Platform of Invest Europe.

Alex Brabers holds a Master degree in Economics from the University of Leuven (KU Leuven).

## Bart Diels, Head Health & Care

During his more than 20 years at Gimv, Bart Diels has built a successful and broad full cycle track record, both in early and late stage investments, in business building, buy & build strategies and exit (IPO & trade sale) and this in different sectors.

Bart guided early stage companies such as BAI, Coreoptics, eXimius, Filepool and Metris from a smart idea towards a rewarding exit. Also later stage deals such as FICS and LMS were successfully sold. Today, Bart is chairman at OTN Systems and board member at Eurocept. In addition to his deal experience, Bart was also very instrumental in building out Gimv's Venture Capital team and practice. His broad experience will be vital in further expanding Gimv's Health & Care platform, which he has been leading since the end of 2012.

Bart holds a Master's degree in Financial and Quantitative Economics and an MBA, both from the University of Antwerp (Belgium).

## Peter Maenhout, Head Connected Consumer

Peter Maenhout joined Gimv in 2009 as Executive Vice-President for the Belgian Buyout & Growth activities, incl. the Gimv-XL Fund. Before joining Gimv, he was head of the Benelux office for investment manager Amber Capital. Prior to that, he was active in mergers & acquisitions and equity capital market transactions at Petercam and Generale Bank.

In his various functions he has been working closely together with management teams of both private and public companies, but also with their shareholders and entrepreneurs and this across a wide variety of industries in the Benelux.

Peter Maenhout holds Master Degrees in International Relations (UG) and in Finance (Vlerick) as well as an MBA from the University of Chicago.

## Benoît Raillard, Operating Partner

Benoît Raillard joined Gimv in 2014 as an Operating Partner. Before Gimv, Benoît was a Senior Director at AlixPartners, he held executive positions in B2B service and retail companies (Elis, 5àSec) under several LBO transactions, he has been a strategy consultant at Bain & Co, a manager at Eli Lilly & Co in sales and marketing, and a manager at BNP Paribas in New York. Benoît has a significant experience in operational effectiveness improvement, in corporate strategy, in operational and financial restructuring, and working-capital improvement. His industry sector expertise includes retail, food and beverage services, garden centers, healthcare (pharmaceuticals and services), industrial equipment rental and maintenance, and business services.

Benoît has an MBA from the Harvard Business School, an MSc. in aeronautic engineering from Ecole Centrale de Paris and a finance degree from the Institut d'Études Politiques de Paris.

## Kristof Vande Capelle, CFO

Kristof Vande Capelle is Chief Financial Officer of Gimv.

Before joining Gimv in September 2007, he worked at Mobistar as Director Strategic Planning and Investor Relations.

Other professional experiences are Credit Analyst at KBC and Academic Assistant at the University of Leuven. He holds a Master in Applied Economics (major in Corporate Finance) and a Master of Arts in Economics, both from the University of Leuven (KU Leuven).

## Ivo Vincente, Head Sustainable Cities

Before joining Gimv in 2002, Ivo Vincente worked with Alpinvest Partners and PwC. Through the years he gained a lot of experience with numerous transactions. He has been involved among others in the investments in Muelink & Grol, Holonite, Bever ZwerfSPORT, Geveke, De Groot International, OGD, Studiekring, Oldelft Ultrasound, ARS T&TT, and more recently Brakel and Itho-Daalderop. Ivo holds board seats at various Gimv portfolio companies.

At Gimv, he is the Managing Partner in charge of the Sustainable Cities platform and he is member of the Executive Committee. Until January 2014, he was Head of Gimv the Netherlands.

## Changes in the composition of the executive committee during financial year 2016-2017

Dirk Beeusaert left Gimv in July 2016. He was Secretary General and his successor is Edmond Bastijns.

Bart Cauberghe was appointed as member of the executive committee in May 2016 and subsequently left Gimv in January 2017. During that period, he was head of the investment platform Smart Industries and he has been replaced after the closing of the financial year – in May 2017 – by Tom Van de Voorde (see also [Chapter 10.1 Events after 31 March 2017](#)).



## 2 Remuneration

For the remuneration of the members of the executive committee, see the remuneration report (cfr. [infra point 15.7](#)).

## 3 Evaluation

The CEO evaluates the members of the executive committee on a yearly basis. The results are presented to and discussed within the remuneration committee.

Each year, the remuneration committee evaluates the CEO's performance. This evaluation is prepared jointly by the chairman of the board of directors and the chairman of the remuneration committee.

The remuneration committee informs the board of directors on the abovementioned evaluations.

## 4 Ownership of shares as per 31 March 2017

The table below gives an overview of the Gimv shares held by the members of the executive committee at the start and the end of financial year 2016-2017:

	1 April 2016	31 March 2017
Edmond Bastijns	900	900
Alex Brabers	10 050	10 050
Bart Diels	2 935	2 935
Peter Maenhout	5 000	5 000
Benoît Raillard	3 884	3 884
Kristof Vande Capelle	3 101	3 101
Ivo Vincente	2 707	2 707

## 15.4 Capital

### Reference shareholder

Vlaamse Participatiemaatschappij (VPM) owns 6 818 407 Gimv shares, which equals a stake of 26.82% in the Company.

Listed companies have to submit decisions belonging to the competence of the board of directors and relating to the relationship between the Company and its affiliates (other than its subsidiaries) to a committee of three independent directors in advance. The directors are assisted by one or more independent experts. Article 524 of the Belgian Company Code describes the procedure to be followed.

## Evolution of the capital

Gimv's share capital amounts to 241 364 628.63 EUR and is represented by 25 426 672 shares without nominal value. All shares have the same rights and fractional value and are fully paid up. Since 1995, the following capital increases have been carried out (in euro):

Date	Capital		Share premium	Total number of shares
	Increase	Total		
31-01-1995	672 262.43	102 756 848.68	1 021 820.48	4 145 201
31-07-1995	12 146 782.71	114 903 631.39	37 436 384.32	4 635 201
27-05-1997 (1)	103 240 216.26	218 146 301.80	-	23 176 005
05-12-2000 (2)	1 853 698.20	220 000 000.00	-	23 176 005
03-08-2012 (3)	7 478 071.40	227 478 071.40	17 130 237.58	23 963 786
02-08-2013 (3)	7 223 793.74	234 701 865.14	17 946 082.81	24 724 780
01-08-2014 (3)	6 662 763.59	241 364 628.63	16 552 314.41	25 426 672

(1) Incorporation of premium and stock split 1:5

(2) Capital increase and conversion in euro

(3) Capital increase through the offering of a stock dividend

Apart from the aforementioned shares, the Company has not issued any other securities that could increase the number of shares upon exercise or conversion.

All the Company's shares are listed on the First Market of Euronext Brussels, with share code GIMB, ISIN-code BE0003699130, Reuters-code Gimv.BR and Bloomberg code GIMB BB.

## Authorised capital and purchase of own shares

The board of directors is authorised to increase the capital of the Company in one or more installments with a total amount of maximum EUR 220 000 000.

Until 29 June 2021, the board of directors can exercise this right in the following special circumstances:

- when an unforeseen urgent need for financing arises and market conditions do not lend themselves to a public issue;
- where it appears necessary to enable the Company to react quickly to market opportunities, especially with regard to the full or partial acquisition of companies, mergers and/or establishing strategic alliances;
- whenever the costs of convening a general shareholders' meeting are disproportionate to the amount of the intended capital increase;
- when, owing to the pressing urgency of the particular situation, a capital increase under the capital procedure appears necessary in the interest of the Company;
- whenever the Company wishes to issue shares, warrants, options or other securities for the employees, directors or advisers of the Company or associated companies;
- when a capital increase is carried out in the framework of the granting of a stock dividend, whether the dividend is paid up directly in new shares, or indirectly in cash, whereby the money will be used immediately for subscription to new shares;
- and for all transactions related thereto.

Furthermore, the board of directors is specifically authorised to use the aforementioned authorised capital in the event of a public takeover bid on securities issued by the Company. The board of

directors may exercise this right until 29 June 2021. During the past financial year, the board of directors did not make use of this authorisation.

The board of directors is also authorised to acquire or dispose of its own shares, inside or outside the stock market, whereby treating all shareholders equally. This authorisation has been granted for a period of five years until 29 June 2021. The Company has not used the possibility of purchasing its own shares during the past financial year.

## Threshold for convening the general meeting

Shareholders who represent, independently or jointly, 3% of the authorized capital, have the right to put items on the agenda of the general meeting and to submit proposals for resolutions.

In addition, the board of directors takes every reasonable proposal from any shareholder, irrespective of the amount of shares he owns, into consideration. If the proposal is of interest for Gimv and its shareholders, the board of directors will put the item on the agenda of the general meeting.

## 15.5 External audit

The external audit of Gimv and most of its subsidiaries was entrusted to B.C.V EY Bedrijfsrevisoren, represented by Ömer Turna, by decision of the general meeting of 26 June 2013. Gimv paid a total amount of EUR 504 323 (VAT excluded) during financial year 2016-2017 to EY Bedrijfsrevisoren. This amount includes:

- EUR 83 190 for statutory audit of Gimv's annual accounts;
- EUR 205 871 for statutory audit of the annual accounts of Gimv's subsidiaries, for which EY Bedrijfsrevisoren is appointed as company auditor;
- EUR 12 000 for all other audit assignments, mostly in connection with audit assignments for Gimv's portfolio companies;
- EUR 36 680 for tax advice assignments of Gimv's portfolio companies;
- EUR 77 980 for assignments outside the scope of auditing, including the verification of the variable remuneration and monitoring of the value of share options of co-investment companies;
- EUR 88 602 for various due diligence assignments.

The remuneration for the statutory audits of the annual accounts of Gimv and its (direct or indirect) subsidiaries is subject to the yearly evolution of the consumer price index.

Article 134, §4 of the Belgian Company Code mandates companies to incorporate the 'subject and remuneration connected to tasks, mandates or assignments entrusted to a person with whom the statutory auditor has concluded an employment agreement or collaborates with professionally, and to companies or people affiliated with the auditor' in an annex to the annual accounts and this within Gimv, Gimv's Belgian affiliates and its subsidiaries abroad. Since Gimv, as an investment company, is active in an elevated number of participations, in Belgium as well as abroad, it has agreed to the following procedures with its auditor:

- the additional statutory tasks assigned to, as well as the other services provided by the statutory auditor (and the companies that he has links or a form of cooperation with) are subject to a strict monitoring or even approval procedure by the audit committee;
- Gimv requires a specific report of the assignments EY (and the companies that it has links or a form of cooperation with) has carried out for Gimv's Belgian affiliates where Gimv holds more than 50% of the shares, and its subsidiaries abroad;
- for any other participations, whether or not these companies are linked to Gimv, the Company asks its auditor EY (or any other company linked to EY) whether any tasks, mandates or assignments have been carried out. Gimv's management is usually not involved in the choice of service providers for its portfolio companies, so it does not have this information. A survey has shown that the only material assignments EY has provided were due diligence exercises with regard to acquisitions;
- EY also has internal systems which are able to timely detect conflicts of interest. Although Gimv has no reason to doubt the correctness of the information thus obtained, it cannot give any guarantee about the accuracy and completeness.

## 15.6 Internal control and risk management

Internal control can be defined as a system, developed by Management, which contributes to the governance of the Company's activities, its efficient performance and an optimal use of its assets, whereby taking the targets, size and complexity of the activities into account.

The ever-increasing complexity of today's society and of Gimv's investment projects in general, as well as the changing laws and regulations necessitate a higher risk-awareness.

Risk management is the process of identification, evaluation, control and communication of risks from an integrated and organisation-wide perspective. It is a continuous process, since today's changing society and the need for new measures in changing circumstances forces us to guard it.

This chapter gives an overview of Gimv's possible risks as an investment company, as well as the operational and financial risks in the specific market segments where the Company operates.

As previously mentioned, Gimv applies the Belgian Corporate Governance Code for listed companies as a point of reference. In accordance with article 1.4 of this Code, this chapter elaborates on the most important elements of Gimv's internal control and risk management systems.

### Control environment

The control environment of the Company is based on its corporate culture and determines how the organisation deals with risk management:

- mission and values (cfr. 5.1 ), organisational culture, management style and philosophy and corporate structure;
- definition of integrity and ethics in the ethic code and the Gimv code of conduct for the board of directors and employees ([www.gimv.com](http://www.gimv.com), about Gimv, corporate governance, corporate governance charter);
- role and responsibilities of the board of directors and the various committees as defined in the corporate governance charter ([www.gimv.com](http://www.gimv.com), about Gimv, corporate governance, corporate governance charter); on the one hand, each department within Gimv operates with a high level of independence, but on the other hand, Gimv also developed a powerful and centralised decision process for new investments.

### Approach according to COSO-model

The Company is convinced that risk management is an essential part of good governance and the development of a sustainable corporate performance. Through its risk management and by finding the right risk return balance, the Company aims to maximise its performance and value creation for its shareholders. More specifically, it aims for a better realisation of the objectives in the areas of strategy, operations, finance (reporting) and compliance:

- optimisation of the effectiveness and efficiency of operational company processes;
- reliability of financial reporting;
- consistency with laws, regulations and codes of conduct.

This approach is in line with the COSO-model, an international framework for an integrated system of internal control and risk management, developed by the Committee of Sponsoring Organisation of the Treadway Commission ('COSO') and built around 5 components: (i) control environment, (ii) process of risk management, (iii) control activity, (iv) information and communication and (v) supervision and monitoring. This model is acknowledged as the standard framework for internal control.

## Management measures and internal control

This renewed risk analysis will be the basis for an update of the risk- and control matrix which maps the major risks and corresponding processes. This matrix shows the risks and the accompanying control measures for each process. It includes operational risks as well as risks concerning financial reporting.

- During a first phase, Gimv evaluated whether the set-up of the internal control mechanisms was sufficiently effective and efficient. In case of deficiencies, remedial measures were taken by the responsables for the relevant process and control mechanisms.
- In a second phase, all control mechanisms which were evaluated as effective and efficient, were tested by random checks. In this manner, it is studied which the control mechanisms are that are built in into the ordinary business processes and whether they work properly. In case of any shortcomings, recommendations are formulated and a second round of checks will determine whether all recommendations have been implemented.

## Assessment of current approach

With regard to the internal control programme, as from this financial year, the portfolio- and process risks to which Gimv is faced during its activities will be discussed and assessed on a regular basis. A number of these risks (e.g. market and economic risks, liquidity risks and currency hedging) are included in the recurrent financial reporting. In addition, a number of other risks (e.g. tax risks, legal risks, ...) are reviewed annually by the audit committee. A number of other risks are reviewed on an ad-hoc basis. For example, this year, the audit committee discussed the risks associated with the group insurance as well as the processes for the avoidance of fraud. The combination of recurrent and ad-hoc reporting of the major risks should allow Gimv's management to ensure the efficiency and implementation of the applied processes and to continuously improve them.

## The most important risks

The Company's major risk factors are defined in Chapter 12. ([Risk factors](#)).

## 15.7 Remuneration report

### a. Remuneration policy for non-executive directors

#### Procedures

The annual general meeting decides upon the remuneration of the members of the board of directors. The total amount of fixed remuneration and attendance fees for all directors, Chairman and CEO included, is decided on an annual basis by the annual general meeting, thereby granting authorisation to the board of directors to distribute the remuneration amongst the directors. As a rule, the directors' remuneration is assessed as to its market conformity every two years. The most recent assessment was carried out in 2016.

The remuneration committee and the board of directors want to ensure that the remuneration package is able to attract the required profiles for the board of directors.

#### Policy and remuneration level

Gimv's non-executive directors are entitled to a fixed annual remuneration and attendance fees:

- there is a fixed annual remuneration for the board members as well as for the chairman of (each of) the committees;
- there is also an attendance fee for board- as well as committee meetings, except for the chairman of the board of directors.

This remuneration structure aims for an active participation in both board and committee meetings. The fixed remuneration for the committee chairpersons is justified by the fact that the proper operation of these committees requires adequate preparation by their chairpersons.

### **Principles established by the general meeting**

On 29 June 2016, Gimv's annual general meeting established the total remuneration of all board members, including chairman and CEO, at maximum 1 450 000 EUR per year. The directors were authorised to further distribute this remuneration. The following distribution was agreed within the board of directors:

- the annual fixed remuneration of the chairman of the board of directors is set at 175 000 EUR (reimbursement of expenses for an annual amount of 48 000 EUR excluded); the chairman is not granted any premiums for any group insurance, nor any attendance fees for board or committee meetings);
- the fixed remuneration for the CEO amounts to 516 512 EUR (premiums for group insurance excluded);
- the fixed remuneration for non-executive directors amounts to 21 000 EUR a year;
- committee chairpersons (except for the chairman of the board of directors) receive a fixed annual remuneration of 7 500 EUR and the committee members (except for the chairman of the board of directors) receive a fixed annual remuneration of 3 750 EUR.

In addition, the directors (other than the chairman of the board) receive an attendance fee per board or committee meeting. Until 30 June 2016, this attendance fee amounted to 670 EUR, and on 1 July 2016, this was increased to 1 250 EUR per meeting. The total annual amount for attendance fees per member cannot exceed 6 250 EUR.

Apart from the fixed remuneration and attendance fees, non-executive directors do not receive any other remuneration, nor do they participate in the group insurance scheme for Gimv employees, with the exception of the chairman who is entitled to reimbursement of expenses (cfr. supra).

The CEO is entitled to a fixed remuneration, receives a variable remuneration as well as certain benefits in kind and is also a beneficiary of the group insurance and of the LTIP (cfr infra). In this manner, the CEO is the only director who takes part in any incentive plan for Gimv employees. The annual shareholders' meeting of 26 May 2005 approved the CEO's participation in all variable remuneration systems for the Company's staff members. However, the board of directors still has final decision power in this respect.

### **Remuneration for the board of directors paid out during financial year 2016-2017**

The total remuneration actually paid out and charged to financial year 2016-2017 amounted to 1 291 904 EUR, including the remuneration for the chairman and the CEO. This amount is distributed as follows :

	year of birth	appointed director		fixed remuneration		attendance fee		total received financial year		
		since	until	BoD	committee	presence/ meeting	fee		presence/ meeting	fee
				BoD		Committees				
Dirk Boogmans	1955	2010	2018	21 000	11 250	10/10	10 760	7/7	5 670	48 680
Brigitte Boone	1960	2015	2019	21 000	3 750	10/10	10 760	4/4	3 750	39 260
Koen Dejonckheere	1969	2009	2017	(1)	n/a	10/10	n/a	n/a	n/a	(1)
Marc Descheemaeker	1955	2014	2019	21 000	7 500	10/10	10 760	5/6	6 250	45 510
Manon Janssen	1961	1/01/2017	2020 (2)	0	0	2/2	2 500	n/a	n/a	2 500
Christl Joris	1954	2010	2018	21 000	7 500	9/10	9 510	6/7	5 670	43 680
Hilde Laga	1956	2015	2019	(3)	(3)	10/10	n/a	2/2	n/a	(3)
Sophie Manigart	1962	2010	2018	21 000	3 750	10/10	10 760	4/4	3 750	39 260
Luc Missorten	1955	2014	2018	21 000	7 500	10/10	10 760	4/4	3 750	43 010
Karel Plasman	1954	2015	2019	21 000	3 750	10/10	10 760	5/5	4 420	39 930
Geert Peeters	1966	2016	2019	15 750 (4)	2 813 (4)	9/10	9 510	4/4	3 750	31 823
Marc Van Gelder	1961	2014	30/09/2016	15 750 (4)	5 625 (4)	4/5	3 260	2/2	1 250	25 885
Bart Van Hooland	1964	2010	2018	21 000	3 750	9/10	10 090	4/5	3 750	38 590
(1) cfr. fee CEO										
(2) subject to the decision of the annual general meeting of 28 June 2017										
(3) cfr. fee Chairman										
(4) this table takes the amounts paid in financial year 2016-2017 into account. Since payments of the fixed remuneration until past financial year 2016-2017 always occurred end of December and end of June, they do not coincide with the closing of the financial year. As from financial year 2017-2018, the fixed remuneration will also be paid quarterly, so the reporting and payment dates will follow the same frequency.										

## b. Remuneration of the members of the executive committee and other staff members

### Introduction

#### Objectives

Gimv's remuneration policy aims to attract and continuously motivate reputed profiles with the necessary experience to ensure the Company's continuous sustainable and profitable growth in the various countries in which Gimv operates (Belgium, the Netherlands, France and Germany). The remuneration policy focuses on aligning the interests of its employees with those of its shareholders by letting them share in the creation of shareholder value, by means of a long term incentive plan.

The total remuneration package for staff members is composed of three elements which combine this long term objective with the annual remuneration:

- An annual remuneration, comprised of :
  - a fixed annual remuneration; and
  - a variable annual remuneration (the 'bonus plan')
- A long term incentive plan ('LTIP', also 'carried interest' or 'co-investment structure')

Of the entire remuneration package, the fixed yearly remuneration counts for about 60% on average in the long term.

For the coming two years, Gimv wishes to maintain these remuneration objectives, namely a combination of a long term incentive which ensures value creation and follow-up of the investments with an annual remuneration.

#### Procedures

Gimv's remuneration committee, which directly reports to the board of directors, periodically benchmarks Gimv's remuneration packages with other private equity funds in Belgium or the Benelux or with other European funds which have teams in the countries where Gimv operates, since these players aim to attract the same reputed profiles as well as with a relevant sample of other listed companies. A remuneration policy is indeed a fluctuating matter which asks for a regular assessment. In this framework, Gimv is assisted by HR experts active within the industry and within the various markets in which Gimv operates. At the time of this annual report, a reputed external HR expert has been undertaking such benchmarking exercise for the CEO's total remuneration package, the other members of the executive committee and all staff members of Gimv.

## Annual variable remuneration: the bonus plan

### Principles

#### Members of staff

The bonus plan for staff members is based on group-, team- and individual objectives. It is set up as a short term incentive and as a guidance tool. The bonus is clearly complementary to the long term incentive plan (LTIP) which runs over a period of 8 to 13 years.

The total annual bonus budget depends on the realisation of the **group objectives** (more specifically the net result, the investment activity and the value creation within the portfolio). The maximum bonus budget amounts to 30% of the total fixed remuneration cost. In addition, some minimum financial group objectives are determined. If these minima are not realised, there will be in principle no bonus budget for that financial year (not even if the team- and/or individual objectives are met). In between these extremities, the bonus budget is calculated proportionally. At the start of each financial year, the board of directors determines the group objectives upon recommendation of the remuneration



committee. Since these objectives are based upon Gimv's strategy and are as such confidential, no further details will be published on this matter.

The individual share of an employee in this bonus budget depends on two components: his or her position and the realisation of the team and individual objectives. At the start of the financial year, each beneficiary is informed of his/her **team** and **individual objectives**. The weight of the team objectives next to the individual objectives depends on the position of the employee. The reasoning behind this is that the bonus for junior employees is more dependent on the individual objectives:

	Analyst/Associate	Principal	Partner
Team objectives	30%	40%	50%
Individual objectives	70%	60%	50%

Both the team- and individual objectives are jointly decided upon by manager and employee, based on annual assessment meetings, and are recorded in the annual appraisal report. Next to the evaluation meetings, no other evaluation criteria or methods are applied. The bonus is paid each year after the closing of the financial year and after the evaluation of the realisation of the objectives.

### CEO and other members of the executive committee

The CEO and the other members of the executive committee do not take part in the bonus plan as set out above. Their annual variable remuneration is determined in a discretionary manner within the same envelope of 30% of the fixed remuneration. The amount is determined among other things by the extent to which both the aforementioned group objectives (50%) as well as the individual objectives (50%) are met within a financial year. The group objectives are the same as for all staff members, i.e. the net result, the investment activity and the value creation within the portfolio. For the members of the executive committee, these are also their team objectives.

In May, the CEO annually reports to the remuneration committee on the extent to which the objectives are met in the financial year to which the criteria of performance pertain. The final decision on the amount of the annual variable remuneration is taken as follows:

- for the CEO: by the board of directors upon recommendation of the remuneration committee;<sup>1</sup>
- for the other members of the executive committee: by the remuneration committee upon recommendation of the CEO.

Since the amount of this variable remuneration is lower than a quarter of the total annual remuneration, this variable remuneration component for the CEO and the other members of the executive committee is not subject to the stipulations of article 520ter of the Belgian Company Code. In addition, since this variable component is on the one hand determined by audited results and is on the other hand discretionary by nature, the Company has no right of recovery.

1. Evidently, the CEO does not take part in the deliberations of the remuneration committee and of the board of directors on his remuneration package, in accordance with the legal provisions with regard to conflicts of interest.

## Financial year 2015-2016

This annual report pertains to the bonus which was paid out in the past financial year 2016-2017, and as such pertains to the objectives for financial year 2015-2016. The group objectives for financial year 2015-2016 were comprised on the one hand of a net profit objective and on the other hand of quantitative objectives in the framework of investments and value creation. In financial year 2015-2016, all objectives were fully met. In financial year 2016-2017, Gimv paid out a total variable remuneration in the framework of the bonus plan of 3 177 655 EUR (including the CEO and the other members of the executive committee).

## Financial year 2016-2017

For financial year 2016-2017, the group objectives are also comprised on the one hand of a net profit objective and on the other hand of quantitative objectives in the framework of investments and

value creation. These group objectives are focused on the realisation of the midlong-term plan for the Company. The threshold for the net profit objective for financial year 2016-2017 is established at 2/3 of the net profit, below which threshold the bonus budget is naught. The assessment of these objectives, the determination of the amount of the bonus and its payment, will take place, as is the rule, in financial year 2017-2018. The outcome will be published in next year's annual report.

## Long Term Incentive Plan (LTIP) - Horizon 8 to 13 years

### Principles

In accordance with the market practices in the private equity industry in the markets in which Gimv operates, Gimv has created a long term incentive plan (also 'carried interest' or 'co-investment structure') since 2001. The members of the executive committee and a significant group of staff members participate in the realised net capital gains and thereby in the long-term results of Gimv. It is only when a portfolio of companies is successfully exited, after calculation of all profitable and unprofitable participations and after the realization of a minimum return, that staff members can share in the realised capital gains. In this manner, the interests of the staff members are directly aligned with those of the Company and its shareholders, more specifically the maximization of realised net capital gains on the portfolio and, consequently, the creation of shareholder value.

This LTIP is based on subsequent investment periods of three years ('vintage'), whereby Gimv's members of staff co-invest, through co-investment vehicles, in the basket of companies in which Gimv invests during this three-year period. The co-investments are not carried out per individual participation, but per group (basket or vintage) of companies, such that profitable and loss-making investments compensate each other. The co-investment is principally carried out with financing through a loan granted by Gimv to the relevant co-investment vehicle.

The LTIP aims at value creation in the long term, which characterises Gimv: a first payment will only take place 8 years after the start of the three-year investment period. The payment is effectuated on the basis of the capital gains on the total investment portfolio realised in cash at that time (and not of individual participations). The 8-year period is followed by a 5-year earn-out period during which additional cash realisations within the investment portfolio can lead to additional payments (in principle once a year). The part of the investment portfolio which is not realised in cash by means of a sale to third parties at the end of this 13-year period can no longer lead to any payment in the framework of the LTIP.

In the framework of this LTIP approximately 12.5% of the net capital gains value realised in cash following exit of the investment portfolio in question (including calculation of the profitable and loss-making investments and after deduction of financing and management costs), are granted to the beneficiaries since 2010. Prior to 2010, this percentage amounted to 10%. The eventual percentage can be negatively influenced if certain options or warrants are not vested nor exercised (cfr. infra).

Currently, the LTIP has approximately 50 beneficiaries. The LTIP is characterized by its high level of solidarity. The more senior within the organization, the more the beneficiary is incentivized on group level by the LTIP. That is why Gimv has created, per 3-year investment period, LTIP's for each of the four individual platforms<sup>2</sup> and an LTIP on group level (Adviesbeheer Gimv Groep), with the aim to incentivize on the appropriate level.

Of the total LTIP, approximately 30-40% is granted to the members of the executive committee (including the CEO) and approximately 60 to 70% to the other staff members. This LTIP is not categorized as variable remuneration.

2. Prior to 2010, Gimv had two departments, namely 'Buyouts & Growth' and 'Venture Capital'.

## The LTIP in practice

For each 3 year investment period, Gimv incorporates a co-investment vehicle for each of the four investment platforms, as well as an umbrella co-investment vehicle (cfr. supra). The Belgian beneficiaries of the LTIP are granted warrants (prior to 2013 they were granted options) on shares of the co-investment vehicles, while the foreign beneficiaries are granted shares of the co-investment vehicles.

The beneficiaries' rights in the framework of the LTIP are, as a rule, only acquired in a definitive way throughout a period of eight years (the 'vesting period'), and this in the following manner: no vesting in the first year, 18.75% per year in the second and third year, subsequently 7.5% per year as from the fourth until and including the eighth year and finally 25% at the start of the ninth year. A first payment can only be effectuated after the eighth year, followed by an earn-out period of 5 years.

Upon exercise, each warrant gives the right to one share in the co-investment vehicle in question. The shares of the co-investment vehicles acquired by exercise of the warrants can be sold to Gimv at the earliest eight years after the start of the 3-year investment period. As such, a first payment can only be effectuated after the eighth year, followed by an earn-out period of 5 years.

The value of the sale price is determined by realised net capital gains value on the investment basket in question, which leads to an alignment of the beneficiaries' interests with those of the Gimv shareholders.

The net capital gains are transferred to the beneficiaries in the form of the sale price to Gimv of the shares of the co-investment vehicles, after having obtained a minimal return of approximately 4% on the basket of investments in question (the so-called 'hurdle'), whereby only the portion above the minimum threshold is taken into account (there is no so-called 'catch-up').

The principal characteristics of the warrants and put-and call options as set out above are identical for all beneficiaries (including the CEO and the other members of the executive committee).

## Built-up value under the LTIP

As per 31 March 2017, the total built-up value for all beneficiaries amounted to 53 098 793 EUR <sup>3</sup>, compared to 27 374 192 EUR as per 31 March 2016.

The break down as per 31 March 2017 of the outstanding provisions for earn-out payments (LTIP 2004-2007 and 2007-2009) and of the total built-up value (LTIP 2010 and further) is as follows:

Vintage	Total provision for earn-outs per 31/03/2017
2004 - 2007	1 055 045
2007 - 2010	1 038 003

Vintage	Total accrued LTIP value per 31/03/2017
2010 - 2013	47 094 926
2013 - 2016	3 910 819
2016 - 2018	0

3. The value built up in the framework of the LTIP on the active vintages (2004, 2007, 2010, 2013 and 2016) is included in the annual accounts under the headings 'minority interests' (i.e. the value of the shares in the co-investment vehicles which are held by the beneficiaries) and 'provisions' (i.e. a provision for the warrants of the co-investment vehicles which are not yet exercised and/or Gimv's obligations in the framework of the earn-out). The amount of 53 098 793 includes, minority interests for an amount of 37 536 059 EUR as well as provisions for an amount of 15 562 733 EUR.

The amounts set out above are liable to changes within the coming years because of various reasons:

- the evolution of the value of the underlying, not yet realised investment portfolio (as stated before, the vintage pertains to more than one company);
- the cash realisation of the built-up capital gains on the underlying investment portfolio and its timing;
- the increase or decrease of the total number of outstanding options/warrants and/or the total number of outstanding shares.

In addition, the minority participations and provisions assume that the beneficiaries of the LTIP will be active within Gimv until the end of the vesting scheme.

During financial year 2016-2017, the following transactions were carried out:

- the allocation of the LTIP 2016-2018;
- an earn-out payment in the framework of the vintages 2004-2006 and 2007-2009 for a total amount of 812 092 EUR for all beneficiaries.

The remuneration policy as set out above resulted during the past financial year in below mentioned payments for the CEO and the other members of the executive committee, respectively.

## Chief Executive Officer

During financial year 2016-2017, Gimv paid a total amount of 718 776 EUR to Koen Dejonckheere, CEO, in his capacity of independent service provider. This amount includes:

Annual fixed remuneration	Fixed premium group insurance	Annual variable remuneration 2016-2017 (4)	Premium bodily injury insurance	Other (5)
516 512	73 286	120 000	1 851	7 127

Apart from the remuneration for his mandate as chief executive officer responsible for the daily operations, the CEO does not receive any additional remuneration for his mandate as director.

The tax value of the benefits in kind included in the CEO's remuneration package amounts to 10 901 EUR. These benefits comprise a company car and the reimbursement of telecommunication expenses.

His share in the total built-up value of the LTIP is set out in the table on p. 75.

During financial year 2016-2017, the following transactions were carried out with regard to the CEO:

- the granting of 892 warrants on shares Adviesbeheer Gimv Group 2016 (5% of LTIP 2016-2018), the co-investment vehicle on group level, the exercise of which is subject to the conditions with regard to vesting as previously set out, and with an exercise price of 2 EUR per warrant;
- an earn-out payment in the framework of the vintage 2007-2009 for an amount of 7 160 EUR

During financial year 2016-2017, the CEO did not exercise any options or warrants, neither were there options or warrants which expired, nor did he transfer shares, options or warrants.

In the framework of the CEO's reappointment during the annual general meeting of 26 June 2013, his entitlement in case of termination was limited to twelve months' worth of fixed and variable remuneration in order to comply with the provisions of article 554 of the Belgian Company Code. If his mandate is terminated after the age of 60, there will be no severance payment.

4. This variable remuneration was paid out in cash in financial year 2016-2017 and pertains to financial year 2015-2016

5. This payment pertains to the CEO's share in the earn-out which Biotech Fonds Vlaanderen received after the exit of its share in ActoGenix. This principle was agreed on during the hiring process of the CEO in 2008. In the framework of that agreement of 2008, the CEO will also in the future be entitled to a part of the capital gains that Biotech Fonds Vlaanderen has realised or will realise in the framework of the exit of the last three remaining participations (i.e. Multiplicom, AgroSavfe and Complix), on the condition that the CEO is still present at the time of payment. The CEO's share in the provision that was set aside in the framework of the exit of Multiplicom amounts to 155 709 EUR as per 31 March 2017.

## Remuneration of the other members of the executive committee

During financial year 2016-2017, Gimv paid a total amount of 4 218 891 EUR to the members of the executive committee <sup>6</sup> (excluding the CEO). This amount is composed as follows:

Annual fixed remuneration	Annual variable remuneration 2015-2016 (7)	Premiums group insurance (8)	Premium bodily injury insurance	Final calculation exit bonus (9)	Other (10)
1 950 471	757 500	301 251	4 124	1 177 339	28 206

The tax value of the benefits in kind included in the remuneration package of the members of the executive committee (excluding the CEO) amounts to 29 126 EUR. These benefits comprise a company car and the reimbursement of telecommunication expenses.

The individual share of the members of the executive committee (including the CEO) in the total built-up value of the LTIP is as follows <sup>11</sup> :

6. The amounts set out in this overview also take into account the remuneration that was paid out to Dirk Beeusaert and Bart Cauberghe (who both left the Company) except for the severance payments.

7. This annual variable remuneration was paid out in cash during financial year 2016-2017 and pertains to financial year 2015-2016.

8. For 4 members, the amounts are determined by a defined benefit, for 2 members the group insurance is a defined contribution scheme and 1 member has no group insurance.

9. This amount pertains to the final calculation in the framework of the exit bonus for three members of the executive committee (i.e. Alex Brabers, Bart Diels and Dirk Beeusaert) who joined Gimv prior to 2001 and for whom the exit bonus allowed to take part in the capital gains on the remaining investments from before 2001 (except for Barco).

10. This amount pertains to a historic agreement (comparable to a carried interest system) whereby certain staff members, including certain members of the executive committee, take part in the earn-out received by Biotech Fonds Vlaanderen through the sale of ActoGenix. These members of the executive committee will also in the future be entitled to a part of the capital gains that Biotech Fonds Vlaanderen has realised or will realise in the framework of the exit of the last three remaining participations (i.e. Multiplicom, AgroSavfe and Complix), on the condition that they are still present at the time of payment. The joint share of the members of the executive committee (CEO excluded) in the provision that was set aside in the framework of the exit of Multiplicom amounts to 601 169 EUR as per 31 March 2017.

11. During financial year 2016-2017, both Dirk Beeusaert and Bart Cauberghe left the Company. Dirk Beeusaert's share in the total built-up value of the LTIP is as follows: 55 270 EUR (share in the earn-out LTIP 2004-2007), 44 028 EUR (share in the earn-out LTIP 2007-2010), 2 418 572 EUR (share in the LTIP 2010-2013) and 74 105 EUR (share in the LTIP 2013-2016). Bart Cauberghe's share in the total built-up value of the LTIP is as follows : 921 308 EUR (share in the LTIP 2010-2013) and 40 534 EUR (share in the LTIP 2013-2016).

Overview share EXCO in LTIP (in EUR)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Paid in 2016-17	Granted in 2016-17	
<b>Koen Dejonckheere</b>				2007-10			2010-13						2016-19															7 160	
<b>Edmond Bastijns</b>		2004-07		2007-10			2010-13						2016-19															15 512	
																												3 124	
<b>Alex Brabers</b>		2004-07		2007-10			2010-13						2016-19															8 008	
																												1 095	
<b>Bart Diels</b>		2004-07		2007-10			2010-13						2016-19															3 994	
																												543	
<b>Peter Maenhout</b>				2007-10			2010-13						2016-19															0	
<b>Benoît Raillard</b>													2016-19																
<b>Kristof Vande Capelle</b>		2004-07		2007-10			2010-13						2016-19															2 482	
																												2 416	
<b>Ivo Vincente</b>		2004-07		2007-10			2010-13						2016-19															3 994	
																												543	

▼ First settlement after 8 years and start earn-out period of 5 years  
 ▼ End of the earn-out period

For the members of the executive committee (including the CEO), a condition to take part in the LTIP is that they each individually should own at least 100 000 EUR<sup>12</sup> in Gimv shares during each investment period.

During financial year 2016-2017, the following transactions were carried out by the members of the executive committee (other than the CEO):

- the allocation of the LTIP 2016-2018 as set out in the overview below, the exercise of which is subject to the conditions with regard to vesting as previously set out and with an exercise price of 2 EUR per warrant on shares Adviesbeheer Gimv Group 2016 and 5 EUR per warrant on shares of the platform co-investment vehicles:

	Warrants on shares Adviesbeheer Gimv Group 2016	Warrants on shares of the relevant platform co-investment vehicle	In % of LTIP 2016 - 2018
Edmond Bastijns	535	0	3.0%
Alex Brabers	803	0	4.5%
Kristof Vande Capelle	535	0	3.0%
Benoît Raillard	535	0	3.0%
Bart Diels	476	827	4.0%
Peter Maenhout	476	699	4.0%
Ivo Vincente	476	750	4.0%

- earn-out payments in the framework of the vintages 2004-2006 and 2007-2009, the individual amounts of which are set out in the overview on page 75.

During financial year 2016-2017, the members of the executive committee did not exercise any options or warrants, neither were there options or warrants which expired, nor did they transfer shares, options or warrants.

With regard to the appointment and the dismissal of the members of the executive committee (CEO excluded), there are no special agreements and the common provisions of law apply.

On behalf of the board of directors, 16 May 2017

Hilde Laga, chairman and Dirk Boogmans, director

12. Newly appointed members of the executive committee, will have to build this amount of 100 000 EUR over a period of 3 years.

## 16. Annual accounts

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### General information

**Gimv NV**

Public Limited Company

**Registered office**

Karel Oomsstraat 37  
2018 Antwerp  
T +32 3 290 21 00  
[info@gimv.com](mailto:info@gimv.com)  
[www.gimv.com](http://www.gimv.com)

**Commercial register:** Antwerp no. 222.348

**Enterprise no.:** BE0220.324.117

**Date of formation:** 25/02/1980

**Financial year:** 1 April 2016 – 31 March 2017

**Financial servicing:** KBC Bank

**Number of shares** (31/03/2017): 25 426 672

The consolidated financial statements of Gimv NV at 31 March 2017 were approved for publication by the Board of Directors on 16 May 2017.

### Consolidation

As a result of the exemption from compulsory consolidation for investment entities, approved by the European authorities on 20 November 2013, Gimv as an investment entity is no longer required to fully consolidate its majority shareholdings in the statutory consolidation. In accordance with IFRS 9 Financial Instruments, Gimv records these subsidiaries at fair value through profit and loss.

With the application of IFRS 10, Gimv has changed its valuation rules for assessing the control and consolidation of other entities. IFRS 10 introduces a new control model that applies to all entities. Among other things this requires Gimv to consolidate entities that it de facto controls. However, an exception is allowed if an entity meets the definition of an investment entity.

**IFRS 10 (2012) defines an investment entity as an entity that:**

- obtains funds from one or more investors for the purpose of providing these investors with investment management services;
- commits to its investor(s) to achieve capital gains or other investment income or a combination of both (corporate purpose);
- measures and evaluates the performance of substantially all of its investments on a fair value basis

**Funding sources**

As a publicly listed investment company Gimv obtains its funds from a wide variety of investors (who are shareholders of the listed company). In addition to a number of institutional investors, there are also a large number of (mainly Belgian) retail investors who through their shares in Gimv gain access to a portfolio of unlisted growth companies.

Gimv also carries out investments in the form of co-investment partnerships, using funds provided by external parties.

**Corporate Objective**

Gimv's stated aim is to 'achieve double-digit returns and implement an attractive dividend policy through the performances of our portfolio companies and through successful exits'. Gimv invests in companies with a view to achieving a financial return on exit, and not to developing products and services in cooperation with the investee companies.



It strives first of all to build strongly performing companies, with the potential to grow on the basis of, among other things, competitive advantage, dominant market position, strong management and potential scalability in other markets. Starting from carefully selected macro trends, Gimv's vision for the future is translated into four investment platforms, each with a specific investment approach: Connected Consumer, Health & Care, Smart Industries en Sustainable Cities.

#### **Fair value**

Gimv management assesses the performance of the investments on the basis of fair value.

The results of the portfolio valuation (by reference to fair value) are explained in detail in the external financial communication to investors, analysts and the press.

### Impact of new or amended standards applicable after 1 April 2016

The Group has applied certain new and amended standards and interpretations for the first time. The Group has not applied in advance other new or amended standards and interpretations that are already published but are not yet in force.

Although these new and amended standards and interpretations were first applied in 2016, they did not materially affect the consolidated financial statements. The nature and effect of the new and amended standards and interpretations are explained below:

- Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment entities: Application of the consolidation exemption, effective 1 January 2016
- Amendments to IFRS 11 *Joint Arrangements* - Recognition of the acquisition of interests in joint operations, effective 1 January 2016
- Amendments to IAS 1 *Presentation of the Financial Statements* - Initiative on disclosures, effective 1 January 2016
- Annual improvements to IFRSs 2012-2014 cycle (published in September 2014), effective 1 January 2016

#### **Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment entities: Application of the consolidated exemption**

The amendments relate to issues arising from the application of the investment entities exemption in IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the consolidation exemption for intermediate parents (IFRS 10.4) also applies to an intermediate parent that is the subsidiary of an investment entity that measures its subsidiaries at fair value.

The amendment to IAS 28 *Investments in Associates and Joint Ventures* clarifies that an investor can apply the fair values as used by the investment entity in measuring the interests in its subsidiaries. This applies when using the equity method for measuring an interest in the investment entity in which this investor has significant influence ('associate'). The amendments apply to financial periods beginning on or after 1 January 2016).

#### **Amendments to IFRS 11 *Joint Arrangements* - Recognition of the acquisition of interests in joint operations**

The amendments provide that the relevant principles, including the disclosure requirements, of IFRS 3 *Business Combinations*, are applied in recognizing the acquisition of an interest in a joint operation with a 'business' and in the formation of a joint operation if - and only if - an existing 'business' is brought into this joint operation. The changes have no effect on the Group as no interest in a joint operation was acquired during the reporting period.

#### **Amendments to IAS 1 *Presentation of the Financial Statements* - Initiative on disclosures**

The amendments clarify the existing requirements of IAS 1 and do not lead to a significant change. The amendments clarify that:

- specific items in the profit and loss account, the statement of comprehensive income and the balance sheet may be disaggregated;
- flexibility is permitted in the order of presentation of notes in the financial statements; and

- the share of the unrealised results of associates and joint ventures included in the statement of comprehensive income and which is recognized by the equity method must be presented in the statement of comprehensive income as a single item. A distinction must be made here between items that will in future be reclassified through profit and loss and those that will not.

The improvements also clarify the requirements that apply when additional subtotals are presented in the balance sheet, income statement and statement of comprehensive income, and the requirements with respect to materiality. The amendments apply to financial periods beginning on or after 1 January 2016.

#### Annual improvements to IFRSs 2012-2014 cycle (published in September 2014)

The '2012-2014 cycle' with improvements to standards and interpretations aims to remove inconsistencies and clarify texts. These improvements are:

- IFRS 5 *Assets classified as held for sale and discontinued operations*. Assets (or groups of assets) are generally disposed of by sale or by payment to owners. The improvement clarifies that a switch from one disposal method to another is not viewed as a new disposal plan, but as a continuation of the original plan.
- IFRS 7 *Financial instruments: Provision of information*
  - Service contracts: The improvement clarifies that a service contract incorporating a compensation may be indicative of continued involvement in a financial asset.
  - Information requirements for offsetting and for interim condensed financial statements: The improvement clarifies that the disclosure requirements for offsetting do not apply to interim condensed financial statements unless the information provided is an important adjustment compared to the information contained in the most recent annual report.
- IAS 19 *Employee Benefits* : The improvement clarifies that the market depth for high-quality corporate bonds is assessed based on the currency in which the pension obligation is expressed and not based on the country where the pension obligation exists. If there is no deep market for high-quality corporate bonds in that currency, government bonds must be used as a starting point. This improvement is applied prospectively.

The improvements have no effect on the Group.

#### Standards that have been published but are not yet in effect

The new and amended standards and interpretations published on the date of publication of the Group's financial statements but not yet effective are explained below. The Group intends to apply these new and amended standards and interpretations as from their effective dates.

- Amendments to IAS 7 *Statement of Cash Flows* - Disclosure initiative, effective 1 January 2017
- Amendments to IAS 12 *Profit taxes* - Recognition of deferred tax assets for unrealised losses, effective 1 January 2017
- Amendments to IFRS 2 *Share-based Payment* - Classification and measurement of share-based payment transactions (1), effective 1 January 2018
- Amendments to IFRS 4 *Insurance Contracts* - Application of IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*, effective 1 January 2018
- IFRS 9 *Financial Instruments*, effective 1 January 2018
- IFRS 15 *Revenue from Contracts with Customers*, (including Amendments to IFRS 15: Effective date of IFRS 15 and Clarifications of IFRS 15 (2)), effective 1 January 2018
- IFRS 16 *Leases*, effective 1 January 2019
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*, effective 1 January 2018
- Annual improvements - 2014-2016 cycle

1. Not yet adopted by the EU as of 31 March 2017

2. IFRS 15, including 'Amendments to IFRS 15: Effective date of IFRS 15', has been adopted by the EU. The 'Clarification of IFRS 15', has not yet been adopted by the EU as of 30 March 2017.

#### Amendments to IAS 7 *Statement of Cash Flows*- Disclosure Initiative

The amendments require that information be provided on changes in financing obligations, whether or not arising from cash flows. Comparative information is not required when applying the amendments for the first first time. The changes will not significantly affect the Group.

**Amendments to IAS 12 *Profit taxes* - Recognition of deferred tax assets for unrealised losses**

The changes clarify that it is necessary to assess whether tax legislation limits sources of tax profit that can be offset against timing differences. The application of the amendments does not affect on the Group's financial position and results, as the Group does not have offsettable timing differences or assets falling within the scope of the changes. The changes will not significantly affect the Group.

**Amendments to IFRS 2 *Share-based Payment* - Classification and measurement of share-based payment transactions**

The amendments clarify:

- the effects of the conditions for unconditional commitment on the measurement of a share-based payment transaction settled in cash;
- the classification of a share-based payment transaction that is settled net after deduction of withholding tax; and
- the processing of a share-based payment transaction where, owing to a change in terms, settlement take places in equity instruments rather than in cash.

These changes are applied prospectively. Retrospective application is allowed where this is applied to all changes and other criteria are met. The amendments are effective for financial periods beginning on or after 1 January 2018. Advance application is permitted. The Group is busy assessing the possible impact of the changes on the consolidated financial statements.

**Amendments to IFRS 4 *Insurance Contracts* - Application of IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts***

These changes are not relevant to the Group because no insurance contracts are issued.

**IFRS 9 *Financial instruments*:**

The final version of IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 brings together all three aspects of the project relating to the processing of financial instruments: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for financial periods beginning on or after 1 January 2018. Early application is permitted. Retrospective application is mandatory, except for hedge accounting. Comparative information does not need to be provided. Hedge accounting is generally applied prospectively, with a limited number of exceptions.

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

IFRS 15 introduces a five-step model for recognizing revenue from contracts with customers. Under IFRS 15, revenue from delivery of goods or services is recognized in the amount of compensation that the company expects to be entitled to. IFRS 15 is effective for financial periods beginning on or after 1 January 2018. Full retrospective application or a modified retrospective application is required. The changes will not significantly affect the Group.

**IFRS 16 *Leases***

IFRS 16 sets out the principles for the recognition, measurement, presentation and explanation of leases. Lessees recognize all leases, under a single model, in the balance sheet. The changes will not significantly affect the Group.

**IFRIC 22 *Foreign Currency Transactions and Advance Consideration***

IFRIC 22 refers to the exchange rate to be used when recognizing advance payments received or made in foreign currency. The interpretation is effective for financial periods beginning on or after 1 January 2018. The interpretation will not affect the Group.

**Annual improvements - 2014-2016 cycle:**

The '2014-2016 cycle' with improvements to standards and interpretations aims to remove inconsistencies and clarify texts. These improvements are:

- IAS 28 *Investments in associates and joint ventures* : The improvements clarify that the choice to measure investments at fair value with changes in value through profit and loss can be made per individual investment. The amendments are effective for financial periods beginning on or after 1 January 2018.
- IFRS 12 *Disclosure of interests in other entities* : Improvements to IFRS 12 *Disclosure of interests in other entities* -The improvements clarify that the disclosure requirements in IFRS 12, except those in paragraphs B10-B16, apply to interests in subsidiaries, joint ventures and associates (or part of an investment in joint ventures and associates) classified as (or included in a group of assets classified as) held for sale. The amendments are effective for financial periods beginning on or after 1 January 2017.

The improvements are not expected to affect the Group.

## Significant judgements and estimates

In putting together the balance sheet and income statement, estimates or assumptions are often made that influence the assets or liabilities reported at balance sheet closing date and the income and charges for the reporting period. Although such estimates are made in a rational fashion, based on management's knowledge of the business, it is possible that actual figures will differ from the estimated figures. The largest risk of material adaptations relates to the estimates made in determining the fair value of the financial assets and loans to companies in the investment portfolio (done in accordance with the [valuation rules described in section 16.1.5.](#))

# 16.1 Consolidated annual accounts

## 1 Income statement

	Explanation	2016-2017	2015-2016	2014-2015
1. Operating income		271 813	266 897	278 763
1.1. Dividend income	7.1 - 1.1 / 8	42 810	15 582	8 740
1.2. Interest income	7.1 - 1.2 / 8	8 209	10 623	13 567
1.3. Gain on disposal of investments	7.1 - 1.5 / 8	88 085	74 506	114 097
1.4. Unrealised gains on financial assets at fair value through P&L	7.1 - 3 / 8	124 539	158 920	128 108
1.5. Management fees	7.1 - 1.3 / 8	2 284	3 200	7 426
1.6. Turnover	7.1 - 1.4 / 8	474	1 288	1 473
1.7. Other operating income	8	5 413	2 779	5 352
2. Operating expenses (-)		-120 389	-116 145	-134 880
2.1. Realised losses on disposal of investments	7.1 - 2 / 8	-3 832	-3 973	-11 525
2.2. Unrealised losses on financial assets at fair value through P&L	7.1 - 3 / 8	-59 409	-57 227	-67 799
2.3. Impairment losses	7.1 - 12.2 / 8	-9 456	-12 983	-14 408
2.4. Purchase of goods and services	8	-15 323	-14 176	-13 479
2.5. Personnel expenses	8	-20 756	-18 977	-17 784
2.6. Depreciation of intangible assets	8	-189	-168	-102
2.7. Depreciation of property, plant and equipment	8	-980	-996	-958
2.8. Other operating expenses	8	-10 444	-7 646	-8 826
3. Operating result, profit (loss)		151 424	150 752	143 883
4. Financial income	9	2 301	2 403	3 387
5. Financial costs (-)	9	-573	-611	-725
6. Share of profit (loss) of associates		-	-	-
7. Result before tax, profit (loss)		153 151	152 544	146 544
8. Tax expenses (-)	10	-3 515	-3 839	-3 825
9. Net profit (loss) of the period		149 635	148 705	142 719
9.1 Non-controlling interest		17 782	11 530	6 728
9.2 Attributable to equity holders of the parent		131 853	137 175	135 991
<b>Earnings per share (in EUR)</b>		<b>2016-2017</b>	<b>2015-2016</b>	<b>2014-2015</b>
1. Basic earnings per share	11	5.19	5.39	5.40
2. Diluted gains earnings per share (1)	11	5.19	5.39	5.40

1. Assumed that all stock options/warrants which were in the money as at the end of the period would be exercised

## 2 Balance sheet

Assets	Explanation	31-03-2017	31-03-2016	31-03-2015
I. Non-current assets		972 701	1 023 548	930 055
1. Intangible assets		495	630	356
2. Property, plant and equipment	13	8 620	9 024	9 511
3. Financial assets at fair value through P&L	14	844 600	888 536	788 284
4. Loans to investee companies	15	118 985	125 358	131 904
5. Other financial assets		-	-	-
II. Current assets		342 560	206 781	205 993
6. Trade and other receivables	16	23 134	12 000	17 124
7. Loans to investee companies		-	-	-
8. Cash, deposits and cash equivalents	17	292 068	192 031	181 019
9. Marketable securities and other instruments	17	21 838	744	3 747
10. Other current assets		5 520	2 006	4 103
<b>Total assets</b>		<b>1 315 260</b>	<b>1 230 329</b>	<b>1 136 048</b>

Liabilities	Explanation	31-03-2017	31-03-2016	31-03-2015
I. Equity	3	1 278 921	1 195 074	1 111 210
A. Equity attributable to equity holders of the parent company		1 233 177	1 167 887	1 092 636
1. Issued capital		241 365	241 365	241 365
2. Share premium account / Treasury shares		51 629	51 629	51 629
3. Retained earnings		940 183	874 893	799 642
B. Non controlling intrest		45 744	27 187	18 575
II. Liabilities		36 339	35 254	24 838
A. Non-current liabilities		18 257	12 309	7 095
4. Pension liabilities	19	-	-	-
5. Provisions	20	17 636	11 415	6 491
6. Deferred tax liabilities		620	895	604
B. Current liabilities	21	18 083	22 945	17 743
7. Financial Liabilities	21	-	-	-
8. Trade and other payables	10	12 754	18 235	9 102
9. Income tax payables		179	1 039	467
10. Other liabilities		5 149	3 670	8 173
<b>Total equity and liabilities</b>		<b>1 315 260</b>	<b>1 230 329</b>	<b>1 136 048</b>

## 3 Changes in equity

Year 2016-2017		Attributable to shareholders of the parent					
	Explanation	Issued capital	Share-premium account	Retained earnings	Total	Non-controlling interests	Consolidation
Total 01/04/2016	2	241 365	51 629	874 894	1 167 888	27 187	1 195 074
1. Net profit (loss) of the period	1	-	-	131 853	131 853	17 782	149 635
2. Capital increase		-	-	-	-	-3 484	-3 484
3. Acquisition of subsidiaries		-	-	-	-	-	-
4. Dividends to shareholders	12	-	-	-62 295	-62 295	-	-62 295
5. Other changes		-	-	-4 268	-4 268	4 259	-9
<b>Total 31/03/2017</b>	<b>2</b>	<b>241 365</b>	<b>51 629</b>	<b>940 183</b>	<b>1 233 177</b>	<b>45 744</b>	<b>1 278 921</b>

Year 2015-2016		Attributable to shareholders of the parent					
	Explanation	Issued capital	Share-premium account	Retained earnings	Total	Non-controlling interests	Consolidation
Total 01/04/2015	2	241 365	51 629	799 642	1 092 636	18 575	1 111 210
1. Net profit (loss) of the period	1	-	-	137 175	137 175	11 530	148 705
2. Capital increase		-	-	-	-	742	742
3. Acquisition of subsidiaries		-	-	-	-	-	-
4. Dividends to shareholders	12	-	-	-62 295	-62 295	-	-62 295
5. Other changes		-	-	372	372	-3 661	-3 289
<b>Total 31/03/2016</b>	<b>2</b>	<b>241 365</b>	<b>51 629</b>	<b>874 893</b>	<b>1 167 887</b>	<b>27 187</b>	<b>1 195 074</b>

Year 2014-2015		Attributable to shareholders of the parent					
	Explanation	Issued capital	Share-premium account	Retained earnings	Total	Non-controlling interests	Consolidation
Total 01/04/2014	2	234 702	35 077	722 264	992 043	10 990	1 003 034
1. Net profit (loss) of the period	1	-	-	135 991	135 991	6 728	142 719
2. Capital increase		6 663	16 552	-	23 215	2 041	25 256
3. Acquisition of subsidiaries		-	-	-	-	-	-
4. Dividends to shareholders	12	-	-	-60 576	-60 576	-	-60 576
5. Other changes		-	-	1 962	1 962	-1 185	777
<b>Total 31/03/2015</b>	<b>2</b>	<b>241 365</b>	<b>51 629</b>	<b>799 642</b>	<b>1 092 636</b>	<b>18 575</b>	<b>1 111 210</b>

## 4 Cash Flow statement

This cash flow is based on Gimv and its subsidiaries. Gimv group reports its majority shareholdings at market value based on the exception for investment entities (in line with IFRS 10). Gimv group has no claim whatsoever on the cash balances of its majority shareholdings. Gimv group is responsible solely for the value of the group's investment in the company in question.

	Explanation	31-03-2017	31-03-2016	31-03-2015
<b>I. NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (1 + 2 )</b>		<b>-82 603</b>	<b>-23 504</b>	<b>-30 740</b>
1. Cash generated from operations (1.1. + 1.2. + 1.3. )		-78 227	-20 237	-27 676
1.1. Operating result		151 423	150 752	143 883
1.2. Adjustment for		-211 001	-182 839	-182 796
1.2.1. Interest income (-)	7.1 - 1.2	-8 209	-10 623	-13 567
1.2.2. Dividend income (-)	7.1 - 1.1	-42 810	-15 582	-8 740
1.2.3. Gain on disposal of investments	7.1 - 1.5	-88 085	-74 506	-114 097
1.2.4. Losses on disposal of investments	7.1 - 2	3 832	3 973	11 525
1.2.5. Depreciation and amortisation	8	1 170	1 164	1 060
1.2.6. Impairment losses	7.1 - 12.2	9 456	12 983	14 408
1.2.7. Translation differences		-	-	-
1.2.8. Unrealised gains (losses) on financial assets at fair value through P&L		-65 131	-101 693	-60 309
1.2.9. Increase (decrease) in provisions		5 947	4 923	-2 902
1.2.10. Increase (decrease) pension liabilities (assets)		-	-	-
1.2.11. Other adjustments		-27 173	-3 479	-10 173
1.3. Change in working capital		-18 649	11 850	11 238
1.3.1. Increase (decrease) in trade and other receivables		-11 133	5 124	6 251
1.3.2. Increase (decrease) in trade and other payables (-)		-5 481	9 133	-921
1.3.3. Other changes in working capital		-2 035	-2 407	5 908
2. Income taxes paid (received)		-4 375	-3 267	-3 064
<b>II. NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>264 302</b>	<b>92 016</b>	<b>193 568</b>
1. Purchase of property, plant and equipment (-)	13	577	-526	-810
2. Purchase of investment property (-)		-	-	-
3. Purchase of intangible assets (-)		-	-	-
4. Proceeds from disposal of property, plant and equipment (+)		-	17	-
5. Proceeds from disposal of intangible assets (+)		-	-	-
6. Proceeds from disposal of financial assets at fair value through P&L (+)		359 248	176 904	306 283
7. Proceeds from repayment of loans granted to investee companies (+)		44 373	22 333	25 676
8. Investment in financial assets at fair value through P&L (-)		-163 545	-121 623	-140 186
9. Loans granted to investee companies (-)		-16 083	-8 597	-14 096
10. Net investment in other financial assets		-	-	-



11. Acquisitions / Disposals of subsidiaries, associates or joint ventures, net of cash acquired (-)		-	-	-
12. Interest received		1 625	10 623	7 104
13. Dividends received		42 810	15 582	8 740
14. Government grants received		-	-	-
15. Other cash flows from investing activities		-4 701	-2 697	857
<b>III. NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>-60 568</b>	<b>-60 503</b>	<b>-34 699</b>
1. Proceeds from capital increase	3	-	-	23 215
2. Proceeds from borrowings		-	-	-
3. Proceeds from the sale of treasury shares		-	-	-
4. Capital repayment		-	-	-
5. Repayment of borrowings (-)		-	-	-
6. Purchase of treasury shares (-)		-	-	-
7. Interest paid (-)		-573	-611	-725
8. Dividends paid (-)	3	-62 295	-62 295	-60 576
9. Other cash flows from financing activities		2 301	2 403	3 387
<b>IV. NET INCREASE (DECREASE) IN CASH AND (I + II + III)</b>		<b>121 132</b>	<b>8 008</b>	<b>128 129</b>
<b>V. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>192 774</b>	<b>184 766</b>	<b>56 637</b>
<b>VI. CASH AND CASH EQUIVALENTS, END OF PERIOD (IV + V)</b>		<b>313 906</b>	<b>192 774</b>	<b>184 766</b>

## 5 Valuation rules (IFRS)

### 5.1 Consolidation principles

The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

#### Scope of consolidation

Since 21 November 2013, the amendment to IFRS 10, IFRS 12 and IAS 27 entitled 'Investment Entities' has been approved by the European Union. The amendment introduces an exemption for investment entities to the general principle that a parent must consolidate all of its subsidiaries.

An investment entity is defined as an entity that acquires funds from one or more investors for the purpose of providing investment management services to these investors, undertakes to its investors to realize capital gains or other investment income or a combination of both, and measures and assesses the performance of all its investments on a fair value basis.

Given that Gimv meets the definition of an investment entity, it measures all majority shareholdings at fair value with changes in value recognized through profit and loss. See below ('determination of fair value') for more information about the measurement procedure.

Subsidiaries of an investment entity that provide asset management services to third parties are, however, required to be consolidated.

All assets, liabilities, capital, profits, losses and cash flows deriving from transactions within the Gimv consolidated group are fully eliminated.

### 5.2 Associates

Associates are undertakings in which Gimv has significant influence over the financial and operating policies, but which it does not control. Given that Gimv is an investment company, these investments are measured at fair value, in accordance with IAS 28, para. 1 and are presented in the balance sheet as 'Financial assets at fair value through profit and loss'. Changes in fair value are included in profit or loss in the period in which the change took place.

### 5.3 Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the individual transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet closing date. Foreign exchange gains and losses resulting from currency transactions and from the translation of monetary assets and liabilities are recognized in the income statement. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### 5.4 Financial derivatives

Derivatives are measured at fair value. Changes in fair value are recognized in the income statement. Gimv does not apply hedge accounting for IAS 39 purposes.

## 5.5 Financing costs

Financing costs are charged against the income statement as soon as incurred.

## 5.6 Intangible assets

Acquired intangible assets other than goodwill are recognized at cost and amortized on a straight line basis over a period of five years. The amortization period and method are reviewed annually. The carrying values of intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

## 5.7 Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses. Depreciation is recorded over the estimated useful lives of the assets using the straight line method.

Estimated useful lives are:

- buildings 20-30 years
- installations: 10 years
- machinery 5 years
- furniture: 10 years
- office equipment: 5 years
- computers: 3 years
- vehicles: 5 years
- leasehold improvements: the remaining period of the lease contract.

Depreciation is calculated from the date the asset is available for use.

## 5.8 Impairment of fixed assets

At each closing date, the Group assesses whether there is any indication that an asset may be impaired. Where such indications of impairment exist, the Group makes an estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable value. The recoverable value of an asset is the greater of either the fair value less costs to sell or the value in use. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current money market yields and the risks specific to the asset. For an asset that does not generate separately identifiable cash inflows, the recoverable amount is determined at the level of the cash-generating unit to which the asset belongs.

Impairment losses are recognized in the income statement.

## 5.9 Financial assets

Gimv follows the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines) as explained below. In December 2015 a new version of these guidelines was published, replacing the previous version as from 1 September 2015.

Shareholdings are classified as financial fixed assets and measured at fair value via the income statement. This covers equity instruments belonging to the Group's investment portfolio, including associates. These investments are initially recorded at cost. Subsequently the unrealized gains and losses resulting from the periodical revaluations are recognized in the income statement.

Loans to portfolio companies are financial assets with fixed or determinable payments that are not listed in an active market. After initial recognition, these financial assets are measured at cost less any impairment losses when there are doubts about the recoverability of the loan.

Realized gains and losses on investments are calculated as the difference between the selling price and the carrying amount of the investment at the date of disposal. All 'regular way' purchases and sales of financial assets undertaken are recognized on the trade date.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

## Determination of fair value

### a. Listed companies

For investments that are actively traded in organized financial markets, fair value is determined by reference to the stock exchange bid prices on the balance sheet closing date. Any limitations on the negotiability of the share, or situations where the share price is not representative given the size of the shareholding, are taken into account in the valuation. Generally no discounts are applied to listed prices, except where contractual, governmental or other legally enforceable limitations exist that can influence the value, or in the scenarios below:

- When a stock price is available on an active market, but this stock price is not a representative measure of fair value as a result of information occurring after the balance sheet date but before the measurement date. The stock price used will be adjusted with the information after the balance sheet date; and
- In determining the fair value of an obligation or equity instrument belonging to the group based on the stock price, used for identical asset components in an active market and when specific adjustments are required due to specific factors that apply.

Adjusting publicly available information means that the assets or liabilities, valued by these adjustments, will be lower than level 1.

### b. Instruments for which no quoted market price exists

In accordance with IAS 13, fair value is determined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In the absence of an active market for a financial instrument, the Gimv group uses valuation models. Gimv follows here the International Private Equity and Venture Capital Valuation Guidelines. The valuation methodologies are applied consistently from period to period, except where a change would result in a better estimate of fair value.

## Valuation methodologies

### 1. Price of a recent transaction

This method will be applied in the case of a recent investment in a company which has no significant profits or significant positive cash flows. For these starting enterprises, there are usually no existing earnings or positive cash flows, nor will there be in the short-term future. It is difficult to gauge the probability and financial impact of the success or failure of development or research activities and to make reliable cash flow forecasts. Consequently the most appropriate approach to determine fair value is a methodology that is based on market data, that being the price of a recent investment. Where there has been a recent investment in the enterprise in question, the price will generally provide a good indication of fair value, if the purchase price was representative of the fair value at the time. In the event of an internal round involving only existing investors proportionally to their existing investments, it is important to must examine whether specific conditions exist that could reduce the reliability of this financing round as an indication of real value. Nevertheless a financing with investors at a lower price than the valuation at the most recent reporting date may indicate a decrease in value and is taken into consideration.

The objectives of investors in making an internal down round may vary. Although a down round evidences that the company was unable to raise funds from investors at a higher valuation, the

purpose of such a round may be, among others, the dilution of the founders or of investors not participating in the financing round.

Similarly when a financing is done at a higher valuation (internal up round), in the absence of new investors or other significant factors which indicate that value has been enhanced, the transaction alone is unlikely to be a reliable indicator of fair value. By using the 'recent transaction price' method, Gimv takes the costs of the investment itself or the price at which a significant new investment was made in the company for determining the fair value of the investment. Gimv does this only for a limited period following the date of the relevant transaction. This length of this period will depend on the specific features of the investment in question. During the limited period following the date of the relevant transaction, Gimv assesses whether changes or events subsequent to the relevant transaction would imply a change in the investment's fair value. Where Gimv decides that an indication exists that the fair value has changed (on the basis of objective data or the particular investment manager's experience), it will adjust the price of the most recent financing round.

## 2. Earnings Multiple

The method is applied to investments in an established business with an identifiable stream of turnover or profit that can be considered to be maintainable.

(i) In using the earnings multiple method to determine the fair value of an investment, a multiple is applied that is appropriate and reasonable (given the risk profile and earnings growth prospects of the company) to the maintainable turnover or profit of the company. Depending on the circumstances the multiple will be determined by reference to a one or more comparable companies or the earnings multiple of a quoted stock market sector or sub-sector. It is important that the market-based multiple derived from the group of comparable listed companies (the 'peer group') be corrected for the differences between the peer group and the company to be valued. Account is taken here of the difference in liquidity of the shares being valued compared with that of listed shares. Other reasons for correcting multiples can be size, growth, diversity, type of activities, differences in markets, competitive position, etc. Recent transactions involving the sale of similar companies may also serve as a basis for determining an appropriate multiple.

(ii) The factor defined under (i) is adjusted for any surplus assets or liabilities and other relevant factors to derive an enterprise value for the company;

(iii) From this enterprise value are deducted all amounts relating to financial instruments ranking ahead of the highest ranking instrument of the Group in a liquidation and taking into account the effect of any instrument that may dilute the Group's investment in order to derive the net equity value;

(iv) The net equity value is appropriately apportioned between the relevant financial instruments. Recent transactions involving the sale of similar companies may also be used as a basis to determine an appropriate multiple.

The data used are based on the most recent available information Gimv can rely on (historical, current or forecast), and are adjusted for exceptional or non-recurring items, the impact of discontinued operations and acquisitions and forecasted downturns in profits.

The following methods are in use at Gimv:

- comparable price/earnings, price/cash flow, enterprise value/earnings before interest (and tax and depreciation) and enterprise value/sales multiples
- reference to relevant and applicable sub-sector average multiples
- actual entry multiples paid for an investment.

## 3. Investments in funds not managed by the Gimv group

For investments in funds not managed by the Gimv group, the fair value of the investment is derived from the value of the net assets of the fund. Depending on market circumstances it can be decided to base the valuation of the funds on individual valuations of the underlying shareholdings, based on the Gimv valuation methodology. In turbulent markets the value of the funds can be adapted as a function of the relevant stock market indexes between the fund reporting date and the Gimv balance sheet closing date.

Although the reported fund value provides a relevant starting point for determining the fair value of the fund, it may be necessary to adjust this value on the basis of the best available information at reporting date. Elements that can give rise to an adjustment are: a timing difference between the fund's and Gimv's reporting dates, major valuation differences or any other element that can impact the value of the fund.

#### 4. Discounted cash flows or earnings

This methodology involves determining the value by calculating the present value of the expected future cash flows of the underlying business. Owing to the high degree of subjectivity of the inputs, discounted cash flow is only used as a cross-check of values determined using market-based methodologies.

#### Specific considerations

- Movements in exchange rates that may impact the value of the investments are taken into account.
- Where the reporting currency is different from the currency in which the investment is denominated, the translation into the reporting currency is done using the exchange rate at reporting date.
- Major positions in options and warrants are valued separately from the underlying investments, using an option valuation model. The fair value is based on the assumption that options and warrants will be exercised whenever the fair value is in excess of the exercise price.
- Other rights such as conversion options and ratchets, which may impact the fair value, are reviewed on a regular basis to assess whether these are likely to be exercised and the extent of any impact on the value of the investment.
- Differential allocation of proceeds, such as liquidation preferences, may have an impact on the valuation. If these exist, they are reviewed to assess whether they give a benefit to the Gimv group or to third parties.
- Loans pending a coming financing round are, in the case of an initial investment (bridge loans), measured at cost. Where doubts exist as to the feasibility of the final financing, a discount may be applied.
- Whenever bridge finance is provided to an existing investment in anticipation of a follow-on investment, the bridge finance is included together with the original investment and valued as a package.
- Many financial instruments used in private equity accumulate the interest, which is paid out in cash only at redemption of the instrument. In measuring these, Gimv takes into account the total amount receivable, including the increase in accumulated interest.
- When a mezzanine loan is the only instrument held by Gimv, this is measured on a stand-alone basis. The issue price is a reliable indicator here of the fair value at that time. Any indication of a significant weakening of activities or a major change in the expected return at a subsequent date can lead to a revision of the fair value. Any warrants attached to this loan are measured separately.
- Where the mezzanine loan is one of a number of instruments held by the Gimv group in the underlying business, then the mezzanine loan and any attached warrants are included as a part of the overall investment package being valued.
- Where doubts exist as to the creditworthiness of the beneficiary of a loan, and hence as to the repayment of the loan in question, a discount can be applied to the nominal amount.
- Indicative offers are not used in isolation but need to be corroborated by one of the valuation methodologies.

### 5.10 Criteria for the writing out of financial assets and liabilities

Financial assets and liabilities are written out of the books whenever the Gimv group no longer manages the contractual rights attached to them. It does this whenever the financial assets are sold or whenever the cash flows attributable to these assets and liabilities are transferred to an independent third party. After initial recognition, these investments are measured at fair value, with unrealized gains and losses recognized in the income statement. Realized gains and losses on investments are calculated as the difference between the selling price and the carrying amount of the investment at the date of disposal. All 'regular way' purchases and sales of financial assets undertaken are recognized on the trade date. Regular way purchases or sales are purchases or

sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

## 5.11 Regular purchase and sales of financial assets

Regular purchases and sales of financial assets are recorded at transaction date.

## 5.12 Other current and non-current assets

Other non-current and current assets are measured at amortised cost.

## 5.13 Income tax

Current taxes are based on the results of the group companies and are calculated according to the local tax rules. Deferred income tax is provided, based on the liability method, on all temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

## 5.14 Liquid assets

Cash and cash equivalents are split into two categories. The first consists of cash, bank deposits and liquid assets. These are all treasury resources held in cash or on a bank deposit, including treasury resources invested in liquid products not subject to fluctuations in value. These products are therefore reported at nominal value. The second comprises negotiable securities and other liquid assets. These are treasury resources invested in negotiable securities or funds which are subject to market valuation. These investments may be originally recognized at fair value, being equal to their cost price at recognition date. Subsequently these products are measured at fair value, with any fluctuations taken into the financial result.

## 5.15 Non-controlling interests

'Non-controlling interests' is that part of the net results and of net assets of a subsidiary attributable to interests which are not owned, directly or indirectly through subsidiaries, by the Gimv group.

## 5.16 Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligations and a reliable estimate of the amounts can be made. Where the group expects an amount which has been provided for to be reimbursed, the reimbursement is recognized as an asset only when the reimbursement is virtually certain.

## 5.17 Revenue Recognition

Interest revenue is recognized as revenue using the effective interest method as set out in IAS 39. Dividends allocated to Gimv group are recorded as revenue once the general meeting of shareholders has approved the dividend. Fees are recorded as revenue in accordance with the contractual provisions in the relevant agreement.

## 5.18 Employee benefits

Post-employment benefits comprise pensions, life insurance and medical care.

Retirement benefits under defined contribution and defined benefit plans are provided through separate funds or insurance plans.

- Defined benefit plans: for defined benefit plans, the amount recognized in the balance sheet is determined as the present value of the defined benefit obligation less any past service costs not yet recognized and the fair value of any plan assets. Where the calculation results in a net surplus the recognized asset is limited to the total of all cumulative unrecognized past service costs and the present value of any refunds from or reductions in future contributions to the plan.
- Defined contribution plans: As a result of the legislative changes, Gimv no longer values defined contribution plans at intrinsic value. In line with the defined benefit plans, the net outstanding pension liability is determined by actuarial calculation in accordance with IAS 19 (using the PUC method).

The recognition of actuarial gains and losses is determined separately for each defined benefit plan. Actuarial gains and losses are fully recognized in the income statement in the period in which they are established.

## 5.19 Share-based payment transactions

In order to involve employees more closely in the respective investment portfolios, options, warrants and/ or shares are offered to members of staff in the co-investment companies which have been set up by business unit. The value of these options is subsequently determined based on the evolution of the value of the underlying portfolio in the co-investment company in question. The fair values of these options are calculated annually and presented in accordance with IAS 37.

## 5.20 Financial liabilities

Interest-bearing loans and borrowings are initially measured at cost less transaction-related costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. The amortized cost calculation factors in any issue costs and any redemption discount or premium.

## 5.21 Dividends

Dividends proposed by the board of directors after year-end are not recorded as debts in the financial statements until they have been approved by the shareholders at the annual general meeting.

## 5.22 Earnings per share

The Group calculates both basic and diluted earnings per share in accordance with IAS 33. The basic earnings per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share is computed using the average number of shares outstanding during the period plus the dilutive effect of warrants and stock options outstanding during the period.



## 6 Subsidiaries

Subsidiaries not falling under IFRS 10 are fully consolidated. Regardless of the participation percentage, Gimv retains control over these companies under the contractual provisions.

Name of the subsidiary	City, country	Company number	% voting right	Change to previous year	Reason why > 50% does not lead to consolidation
<b>Consolidation</b>					
Advanced Joining Technologies B.V. (Arplas)	Amersfoort, The Netherlands	65528247	60.11%	60.11%	IFRS 10
Advanced Safety Technologies B.V. (ALT)	Utrecht, The Netherlands	68218737	74.07%	74.07%	IFRS 10
Adviesbeheer Gimv B&G Belgium 2010	Antwerp, Belgium	0823 741 915	79.18%	-9.37%	
Adviesbeheer Gimv B&G 2004	Antwerp, Belgium	0863 249 322	100.00%	0.00%	
Adviesbeheer Gimv B&G 2007	Antwerp, Belgium	0887 141 115	100.00%	0.00%	
Adviesbeheer Gimv B&G 2010	Antwerp, Belgium	0824 507 397	88.40%	0.00%	
Adviesbeheer Gimv B&G Netherlands 2010	The Hague, The Netherlands	50482904	67.67%	0.00%	
Adviesbeheer Gimv CO2020 2013	Antwerp, Belgium	0518 892 392	89.69%	3.80%	
Adviesbeheer Gimv CO 2016	Antwerp, Belgium	0649 473 594	90.48%	-9.52%	
Adviesbeheer Gimv CT 2007	Antwerp, Belgium	0893 833 224	100.00%	0.00%	
Adviesbeheer Gimv DS 2004	Antwerp, Belgium	0863 250 114	91.92%	0.00%	
Adviesbeheer Gimv DS 2007	Antwerp, Belgium	0887 077 371	100.00%	0.00%	
Adviesbeheer Gimv Fund Deals 2007	Antwerp, Belgium	0893 837 083	100.00%	0.00%	
Adviesbeheer Gimv Group 2010	Antwerp, Belgium	0824 472 383	40.83%	0.00%	
Adviesbeheer Gimv Group 2013	Antwerp, Belgium	0515 977 741	70.06%	1.69%	
Adviesbeheer Gimv Group 2016	Antwerp, Belgium	0649 467 260	87.42%	-12.58%	
Adviesbeheer Gimv HC 2013	Antwerp, Belgium	0518 890 018	92.74%	0.00%	
Adviesbeheer Gimv HC 2016	Antwerp, Belgium	0649 474 782	76.72%	-23.28%	
Adviesbeheer Gimv LS 2004	Antwerp, Belgium	0863 241 897	100.00%	0.00%	
Adviesbeheer Gimv LS 2007	Antwerp, Belgium	0887 140 224	100.00%	0.00%	
Adviesbeheer Gimv Participants 2004 BV	The Hague, The Netherlands	27340017	100.00%	0.00%	
Adviesbeheer Gimv Participants 2007 BV	The Hague, The Netherlands	27362562	100.00%	0.00%	
Adviesbeheer Gimv SC 2013	Antwerp, Belgium	0518 894 273	83.47%	0.00%	
Adviesbeheer Gimv SC 2016	Antwerp, Belgium	0649 474 188	91.75%	-8.25%	
Adviesbeheer Gimv SI 2013	Antwerp, Belgium	0518 893 085	94.85%	0.00%	
Adviesbeheer Gimv SI 2016	Antwerp, Belgium	0649 472 705	86.62%	-13.38%	
Adviesbeheer Gimv Tech 2004	Antwerp, Belgium	0863 241 107	92.69%	0.00%	
Adviesbeheer Gimv Tech 2007	Antwerp, Belgium	0887 142 303	100.00%	0.00%	
Adviesbeheer Gimv Venture Capital 2010	Antwerp, Belgium	0823 743 893	72.62%	0.97%	

The consolidated financial statements are expressed in thousands of euros unless otherwise mentioned.

Adviesbeheer Gimv XL	Antwerp, Belgium	0823 740 430	100.00%	0.00%	
Almaviva Santé	Marseille, France		28.54%	0.00%	IFRS 10
Aquila	Leuven, Belgium	0534 804 946	57.85%	5.79%	IFRS 10
Artichem	Olen, Belgium	0506 792 732	52.37%	-1.76%	IFRS 10
Brakel Investments BV	Uden, The Netherlands	64709612	75.00%	0.00%	IFRS 10
B&G Participants 2004 BV	The Hague, The Netherlands	27331774	100.00%	0.00%	
B&G Participants 2007 BV	The Hague, The Netherlands	27331772	100.00%	0.00%	
CFL Holding BV (Itho Daalderop)	Tiel, The Netherlands	64664457	71.32%	0.00%	IFRS 10
Datacontact	Warszawa, Poland		100.00%	0.00%	IFRS 10
Eagle Venture Partners BV	Vlaardingen, The Netherlands		68.50%	0.00%	IFRS 10
Eagle Venture Partners Limited	Guernsey, UK		73.30%	0.00%	IFRS 10
Erunam	The Hague, The Netherlands	54141141	100.00%	0.00%	IFRS 10
Gimv Arkiv Tech Fund II	Antwerp, Belgium	0839 659 912	52.00%	0.00%	
Gimv Arkiv Technology Fund (I)	Antwerp, Belgium	0878 764 174	50.17%	0.00%	
Gimv B&G 2004 BV	The Hague, The Netherlands	27274508	89.00%	0.00%	
Gimv B&G 2007 BV	The Hague, The Netherlands	27306207	90.00%	0.00%	
Gimv B&G Netherlands 2010 BV	The Hague, The Netherlands	27378792	100.00%	0.00%	
Gimv B&G France FCPR	Paris, France		100.00%	0.00%	
Gimv France FCPR 2010	Paris, France		100.00%	0.00%	
Gimv France FPCI 2013	Paris, France		100.00%	0.00%	
Gimv France FPCI 2016	Paris, France		100.00%	100.00%	
Gimv France SAS	Paris, France		100.00%	0.00%	
Gimv Investments H&C Netherlands 2013 BV	The Hague, The Netherlands	57093156	100.00%	0.00%	
Gimv Investments SC Netherlands 2013 BV	The Hague, The Netherlands	59482583	100.00%	0.00%	
Gimv Investments CO Netherlands 2013 BV	The Hague, The Netherlands	62731521	100.00%	0.00%	
Gimv Investments SI Netherlands 2013 BV	The Hague, The Netherlands	65423445	100.00%	0.00%	
Gimv Investments H&C Netherlands 2016 BV	The Hague, The Netherlands	68071167	100.00%	100.00%	
Gimv Investments CC Netherlands 2016 BV	The Hague, The Netherlands	65881702	100.00%	100.00%	
Gimv Investments SI Netherlands 2016 BV	The Hague, The Netherlands	68071272	100.00%	100.00%	
Gimv Nederland BV	The Hague, The Netherlands	27162749	100.00%	0.00%	
Gimv Nederland holding BV	The Hague, The Netherlands	27258597	100.00%	0.00%	
Gimv-Agri+ Investment Fund	Antwerp, Belgium	0878 764 174	0.00%	-50.00%	
Gimv-XL NV	Antwerp, Belgium	0820 802 914	100.00%	0.00%	

Grandeco	Tielt, Belgium	0889 387 654	98.10%	0.00%	IFRS 10
Groupe Acceo	Gémenos, France		62.80%	62.80%	IFRS 10
Halder Investments IV BV	The Hague, The Netherlands	27127858	100.00%	0.00%	
Halder-Gimv Germany Management BV	The Hague, The Netherlands	27114196	100.00%	0.00%	
I-mmopad NV	Antwerp, Belgium	0422 112 920	100.00%	0.00%	
Impression International	Antwerp, Belgium	0895 599 119	85.00%	0.00%	IFRS 10
Kopria BV	The Hague, The Netherlands	54162300	100.00%	0.00%	IFRS 10
Mackevision Medien Design	Stuttgart, Germany		54.11%	0.00%	IFRS 10
Nelumbo	Oudenaarde, Belgium	0564 887 616	75.50%	0.00%	IFRS 10
Onyx Investments BV	Delft, The Netherlands		69.26%	0.00%	IFRS 10
Onedirect	France		0.00%	-55.30%	IFRS 10
OTN Systems	Herentals, Belgium	0898 723 509	53.32%	-38.35%	IFRS 10
SK Talents Investments BV	Utrecht, The Netherlands		65.00%	0.00%	IFRS 10
Topsumma NV	Gistel, Belgium	0661 638 879	66.53%	66.53%	IFRS 10
United Investments BV	Breda, The Netherlands	62747444	83.86%	0.00%	IFRS 10
TDP	Brussel, Belgium	0891 786 920	50.00%	0.00%	IFRS 10
Wolf	Paris, France		52.00%	0.00%	IFRS 10
MVZ Holding AG	Zug, Switzerland		100.00%	100.00%	IFRS 10

1. Gimv group retains control although this subsidiary is in an extinction scenario

In a number of subsidiaries which are consolidated, the evolution of voting rights is due to the partial exercise of options by employees or an eventual call by Gimv on the shares held by employees.

## 7 Segment information

Since FY 2013-2014, Gimv has reported its investment activities with a focus on four platforms. The management reporting also follows this new structure in line with the requirements of IFRS 8.

The four segments are: **Connected Consumer**, companies with a clear vision of the needs and preferences of the customer of the future; **Health & Care**, solutions for the health and care sector that cater to a growing, ageing and health-conscious society; **Smart Industries**, suppliers of smart systems and services that offer added value through intelligent and differentiating technologies; and **Sustainable Cities**, services, utilities and infrastructure with a sustainable impact on society. The segment 'Other' consists mainly of investments in third-party funds and infrastructure.

The additional information, in line with the so-called IFRS 8 Entity-wide disclosures, is provided on a geographic basis.

I. Segmentation according to the activities							Total
Year 2016-2017	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Funding & services	Total
1. Revenue	15 838	9 164	55 304	7 623	53 931	-	141 860
1.1. Dividend income	1 203	1 802	-	-	39 804	-	42 810
1.2. Interest income	2 850	962	3 385	438	574	-	8 209
1.3. Management fees	-	-	-	-	2 284	-	2 284
1.4. Turnover	39	87	20	137	191	-	474
1.5. Realised gains on disposal of investments	11 745	6 313	51 900	7 048	11 079	-	88 085
2. Realised losses on disposal of investments	-386	-	-659	-1 632	-1 156	-	-3 832
3. Unrealised gains (losses) on financial assets at fair value through P&L	25 158	7 383	19 902	22 890	-10 203	-	65 131
4. Segment result	32 143	11 575	66 232	25 647	36 885	-	172 482
5. Unallocated expenses & profits	-	-	-	-	-	-21 057	-21 057
6. Operating result	32 143	11 575	66 232	25 647	36 885	-21 057	151 424
7. Net Finance costs (+/-)	-	-	-	-	-	-	1 727
8. Result before tax	-	-	-	-	-	-	153 151
9. Tax expenses	-	-	-	-	-	-	-3 515
10 Net result	-	-	-	-	-	-	149 636
12. Assets & Liabilities							
11.1. Segment assets	223 977	130 277	184 280	186 354	238 735	351 636	1 315 260
11.2. Segment liabilities	-	-	-	-	-	1 315 260	1 315 260
12. Other segment information							
12.1. Capital expenditure	25 984	34 342	66 220	33 795	19 286	-	179 628
12.1.1 Financial assets at fair value through P&L	25 984	32 857	55 609	30 295	18 799	-	163 545
12.1.2. Loans to investee companies	-	1 485	10 611	3 500	487	-	16 083
12.2. Impairment losses	-3 381	-	-5 754	-	-321	-	-9 456

II. Geographical information									
Year 2016-2017	Belgium	The Netherlands	Germany	France	Rest of Europe	USA	Other countries	Funding & services	Total
1. Revenue	112 399	9 550	1 183	6 504	11 634	150	442	-	141 861
1.1. Dividend income	40 401	607	-	-	1 802	-	-	-	42 810
1.2. Interest income	5 793	439	17	1 643	317	-	-	-	8 209
1.3. Management fees	2 284	-	-	-	-	-	-	-	2 284
1.4 Turnover	130	104	144	85	12	-	-	-	474
1.5. Realised gains on disposal of investments	63 792	8 401	1 022	4 776	9 503	150	442	-	88 085
2. Segment assets	303 185	237 556	118 353	193 317	78 343	7 867	25 004	351 636	1 315 260
3. Capital expenditure	41 078	55 326	6 644	42 010	29 631	2 798	2 141	-	179 628
3.1. Financial assets at fair value through P&L	29 825	55 326	6 644	37 179	29 631	2 798	2 141	-	163 545
3.2. Loans to investee companies	11 253	-	-	4 831	-	-	-	-	16 083

I. Segmentation according to the activities							
Year 2015-2016	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Funding & services	Total
1. Revenue	12 144	36 980	33 741	7 091	15 244	-	105 199
1.1. Dividend income	5	109	7 067	6 790	1 611	-	15 582
1.2. Interest income	6 916	1 237	1 732	286	454	-	10 623
1.3. Management fees	-	-	-	-	3 200	-	3 200
1.4. Turnover	63	922	247	15	42	-	1 288
1.5. Realised gains on disposal of investments	5 161	34 713	24 696	0	9 937	-	74 506
2. Realised losses on disposal of investments	-1 018	-1 591	-	-509	-854	-	-3 973
3. Unrealised gains (losses) on financial assets at fair value through P&L	13 655	-1 269	57 326	23	31 957	-	101 693
4. Segment result	28 156	47 385	33 610	19 231	34 391	-	162 773
5. Unallocated expenses & profits	-	-	-	-	-	-12 020	-12 020
6. Operating result	28 156	47 385	33 610	19 231	34 391	-12 020	150 752
7. Net Finance costs (+/-)	-	-	-	-	-	-	1 792
8. Result before tax	-	-	-	-	-	-	152 544
9. Tax expenses	-	-	-	-	-	-	-3 639
10 Net result	-	-	-	-	-	-	148 705
12. Assets & Liabilities							
11.1. Segment assets	281 512	93 761	208 348	150 070	286 175	210 463	1 230 329
11.2. Segment liabilities	-	-	-	-	-	1 230 329	1 230 329
12. Other segment information							
12.1. Capital expenditure	13 333	18 562	7 368	82 442	8 515	-	130 220
12.1.1 Financial assets at fair value through P&L	12 533	18 163	5 750	77 442	7 735	-	121 623
12.1.2. Loans to investee companies	800	399	1 618	5 000	780	-	8 597
12.2. Impairment losses	-1 706	-2 132	-9 145	-	-	-	-12 983

II. Geographical information									
Year 2015-2016	Belgium	The Netherlands	Germany	France	Rest of Europe	USA	Other countries	Funding & services	Total
1. Revenue	64 426	225	848	13 281	21 567	821	4 030	-	105 199
1.1. Dividend income	15 076	-	-	-	506	-	-	-	15 582
1.2. Interest income	7 671	125	82	2 231	514	-	-	-	10 623
1.3. Management fees	3 200	-	-	-	-	-	-	-	3 200
1.4 Turnover	1 208	58	-1	21	3	-	-	-	1 288
1.5. Realised gains on disposal of investments	37 272	42	768	11 029	20 544	821	4 030	-	74 506
2. Segment assets	398 822	193 969	106 910	198 337	84 262	8 212	29 355	210 463	1 230 329
3. Capital expenditure	26 535	68 517	11 039	19 140	2 995	513	1 482	-	130 220
3.1. Financial assets at fair value through P&L	25 216	62 717	9 561	19 140	2 995	513	1 482	-	121 623
3.2. Loans to investee companies	1 319	5 800	1 478	-	-	-	-	-	8 597

I. Segmentation according to the activities							Total
Year 2014-2015	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Funding & services	Total
1. Revenue	13 776	57 081	26 492	18 564	29 390		145 303
1.1. Dividend income	704	2 260	1 875	1 533	2 368		8 740
1.2. Interest income	9 276	549	2 534	1 188	21		13 567
1.3. Management fees	-	-	-	-	7 426		7 426
1.4. Turnover	88	34	257	900	194		1 473
1.5. Realised gains on disposal of investments	3 708	54 239	21 827	14 943	19 381		114 097
2. Realised losses on disposal of investments	-200	-1 909	-8 014	-801	-602		-11 525
3. Unrealised gains (losses) on financial assets at fair value through P&L	27 646	-2 317	21 541	2 090	11 349		60 309
4. Segment result	28 156	47 385	33 610	19 231	34 391		162 773
5. Unallocated expenses & profits	-	-	-	-		-18 890	-18 890
6. Operating result	28 156	47 385	33 610	19 231	34 391	-18 890	143 882
7. Net Finance costs (+/-)	-	-	-	-	-		2 662
8. Result before tax	-	-	-	-	-		146 544
9. Tax expenses	-	-	-	-	-		-3 825
10 Net result	-	-	-	-	-		142 719
11. Assets & Liabilities							
11.1. Segment assets	285 349	84 923	196 832	124 011	243 872	201 060	1 136 048
11.2. Segment liabilities	-	-	-	-	-	1 136 048	1 136 048
12. Other segment information							
12.1. Capital expenditure	50 147	9 722	31 400	23 243	39 771	-	154 283
12.1.1 Financial assets at fair value through P&L	48 493	6 251	23 041	22 756	39 646	-	140 186
12.1.2. Loans to investee companies	1 654	3 471	8 359	487	125	-	14 096
12.2. Impairment losses	-9 121	-2 093	-3 194	-	-	-	-14 408



II. Geographical information									
Year 2014-2015	Belgium	The Netherlands	Germany	France	Rest of Europe	USA	Other countries	Funding & services	Total
1. Revenue	58 216	19 154	371	18 810	40 777	6 007	1 967	-	145 303
1.1. Dividend income	4 651	2 301	-	1 450	337	-	-	-	8 740
1.2. Interest income	8 555	171	-	4 256	586	-	-	-	13 567
1.3. Management fees	7 426	-	-	-	-	-	-	-	7 426
1.4 Turnover	1 224	83	128	34	3	-	-	-	1 473
1.5. Realised gains on disposal of investments	36 360	16 599	243	13 070	39 851	6 007	1 967	-	114 097
2. Segment assets	376 978	125 833	98 986	183 461	100 416	10 155	24 359	215 859	1 136 048
3. Capital expenditure	32 389	47 793	42 241	16 818	12 660	606	1 775	-	154 283
3.1. Financial assets at fair value through P&L	21 818	47 793	42 241	13 294	12 660	606	1 775	-	140 186
3.2. Loans to investee companies	10 572	-	-	3 524	-	-	-	-	14 096

## 8 Operating result

Dividends, interest, management fees and turnover	2016-2017	2015-2016	2014-2015
Dividends	42 810	15 582	8 740
Interest	8 209	10 623	13 567
Management fees	2 284	3 200	7 426
Turnover	474	1 288	1 473
<b>Total</b>	<b>53 776</b>	<b>30 693</b>	<b>31 206</b>

This item has risen by EUR 23 083. Dividends are up by EUR 27 228, being received mainly from the Gimv-XL fund (through a number of successful exits) and Vandemoortele. Net interest income reduced by EUR 2 415 as a result of conversions of loans into shares, among others at Thinkstep and Nomadesk, and of the loan repayments from Vandemoortele, Impression International and Elicio. Management fees are down EUR 916 owing to the lower Gimv-XL fund fee, which is no longer calculated on the commitments but on the amount invested. Income received by the Gimv group from investee companies also fell by EUR 815.

The reduction in 2015-2106 is explained as follows. Dividends increased by EUR 6 842, being received primarily from Xeikon and Hansea. Interest reduced by EUR 2 944 as a result of conversions of loans into shares, among others by Easyvoyage and Greenyard Foods, and of the loan repayments from Essar Ports, Acertys and XL Video. Management fees fell by EUR 4 226. This is mainly due to the recalculation of the Gimv-XL fund fee, which is no longer calculated on the commitments but on the amount invested.

The EUR 5 207 increase in 2014-2015 is explained as follows: Dividends increased by EUR 5 712, the main dividends received come Onyx Investments BV (Oldelft) (EUR 2 260), Sofinnova Capital V (EUR 1 450) and Biodiesel Holding (EUR 1 009). Interest income increased by EUR 2 091 mainly from the granting of a number of loans to new companies in the portfolio. Management fees fell by EUR 1 208, with the renegotiation of the fee from the Gimv-Agri+ fund to EUR 300 per year and the recalculation of the fee from the Gimv-XL fund to the invested amounts. Additionally, revenue received by the Gimv group from investee companies declined by EUR 1 388, mainly because the previous year's figure had included a significant remuneration from Biotech Fonds Vlaanderen.

Realised gains and losses	2016-2017	2015-2016	2014-2015
Capital gains on disposal of investments	88 085	74 506	114 097
Losses on disposal of investments	-3 832	-3 973	-11 525
<b>Total</b>	<b>84 253</b>	<b>70 533</b>	<b>102 572</b>

Realised gains and losses in 2016-2017 by activity	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Total
Capital gains on disposal of investments	11 745	6 313	51 900	7 048	11 079	88 085
Losses on disposal of investments	-386	-	-659	-1 632	-1 156	-3 832
<b>Total</b>	<b>11 359</b>	<b>6 313</b>	<b>51 241</b>	<b>5 417</b>	<b>9 923</b>	<b>84 253</b>
Listed companies	748	-	-	-	4 320	5 068
Funds	-	-	-	-	5 595	5 595
Shareholdings	10 611	6 313	51 241	5 417	7	73 589
<b>Total</b>	<b>11 359</b>	<b>6 313</b>	<b>51 241</b>	<b>5 417</b>	<b>9 923</b>	<b>84 253</b>

Gimv recorded in 2016-2017 a realised result of EUR 84 253. This result is the difference between the selling price of the divested investments and the IFRS carrying value at the beginning of the financial year. The main capital gains were achieved on the following divestments: Vandemoortele, Altair/ Brunel, Onedirect and Hecht (Connected Consumer), Multiplicom (Health & Care), Punch Powertrain, GreenPeak and Leyton (Smart Industries) and Lampiris, Biodiesel Holding and BMC Investments (Sustainable Cities).

Unrealised gains and losses	2016-2017	2015-2016	2014-2015
Unrealised gains from financial assets at fair value	124 539	158 920	128 108
Unrealised losses on financial assets at fair value	-59 409	-57 227	-67 799
Impairment losses	-9 456	-12 983	-14 408
<b>Total</b>	<b>55 675</b>	<b>88 710</b>	<b>45 901</b>

Unrealised gains and losses in 2016-2017 by activity	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Total
Unrealised gains from financial assets at fair value	41 858	11 625	22 197	30 964	17 895	124 539
Unrealised losses on financial assets at fair value	-16 700	-4 241	-2 295	-8 074	-28 098	-59 409
Impairment losses	-3 381	-	-5 754	-	-321	-9 456
<b>Total</b>	<b>21 777</b>	<b>7 383</b>	<b>14 148</b>	<b>22 890</b>	<b>-10 524</b>	<b>55 675</b>
Listed companies	3 033	-	10 851	-	2 686	16 570
Funds	-	-	-	-	-17 255	-17 255
Shareholdings	18 744	7 383	3 298	22 890	4 046	56 360
<b>Total</b>	<b>21 777</b>	<b>7 383</b>	<b>14 148</b>	<b>22 890</b>	<b>-10 524</b>	<b>55 675</b>

The unrealised gains and losses item reflects the periodic revaluations of shareholdings and of loans to investee companies.

These shareholdings are classed as financial assets and measured at fair value through P&L. These investments are initially recorded at cost. Subsequently the unrealized gains and losses resulting from the periodical revaluations are recognized in the income statement.

Loans to investee companies are financial assets with fixed or determinable payments that are not listed in an active market. After initial recognition, these financial assets are measured at cost less any impairment losses when there are doubts about the recoverability of the loan.

These revaluations take place on a quarterly basis based on decisions of the valuation committee. This committee determines the fair value in accordance with IAS 13. Listed investments are measured based on the bid price at the balance sheet closing date, taking into account any trading limitations.

Where no stock market price is available, the fair value is determined using the valuation methods most appropriate to the particular type of investment. Gimv follows here the International Private Equity and Venture Capital Valuation Guidelines. [cfr. supra 16.5.9](#)

Unrealised value fluctuations amounted to a net EUR 55 675 gain in 2016-2017. These value fluctuations are primarily driven by the improved performance of investee companies. Further information can be found in [note 14 Financial assets \(16.1.14\)](#).

Purchase of goods and other services, personnel expenses and depreciation	2016-2017	2015-2016	2014-2015
Goods and services	-15 323	-14 176	-13 479
Personnel expenses	-20 756	-18 977	-17 784
Depreciation	-1 169	-1 164	-1 060
<b>Total</b>	<b>-37 248</b>	<b>-34 317</b>	<b>-32 323</b>

This item is up by EUR 2 932. Spending on other goods and services was up by EUR 1 147, owing to higher due diligence costs in the context of possible investments in an increasingly competitive market. Remuneration increased by EUR 1 780 with the setting up of a provision for severance pay.

This item increased by EUR 1 994 in 2015-2016. Spending on other goods and services was up by EUR 697, owing to higher due diligence costs in the context of possible investments. Remuneration increased by EUR 1 193, reflecting the recruitment of a number of senior investment managers, mainly in France and Germany, and a number of termination benefits paid.

In 2014-2015, this item decreased by EUR 140. Spending on other goods and services decreased by EUR 1 056, while remuneration rose by EUR 853, mainly due to the 4.6 FTE increase in staff count.

Other operating result	2016-2017	2015-2016	2014-2015
Foreign exchange income	13	241	403
Take back provisions for liabilities and charges	-	-	2 126
Take back unrealised loss on current assets	-	-	1 249
Result from derivatives	-	875	-
Other operating income	5 400	1 663	1 574
<b>Total operating income</b>	<b>5 413</b>	<b>2 779</b>	<b>5 352</b>
Other financial expenses	-1 104	-719	-
Provisions for liabilities and charges	-6 222	-4 923	-
Provisions for pensions	-	-	-
Taxes and operating costs	-	-	-
Foreign exchange expenses	-9	-126	-
Result from derivatives	-1 086	-	-6 967
Other operating expenses	-2 024	-1 878	-1 859
<b>Total operating expenses</b>	<b>-10 445</b>	<b>-7 646</b>	<b>-8 826</b>
<b>Other operating result</b>	<b>-5 032</b>	<b>-4 867</b>	<b>-3 474</b>

In 2016-2017, other operating result fell by a net EUR 165. The result of the USD hedging is EUR -1 086 compared with a positive result of EUR 875 EUR in FY 2015-2016. The purpose of this hedging is to offset value fluctuations in the USD portfolio by opposing value movements on these contracts so as to neutralize the impact of the US dollar evolution on net income. These derivatives are valued quarterly using a fair value approach.

Other operating income increased by EUR 3 737, mainly due to the compensation for Gimv on the exit from Multiplicom in the framework of Biotech Fund Flanders. Provisions for risks and expenses increased by EUR 1 299 mainly due to the provision taken on the outstanding escrow at Lampiris.

In 2015-2016, other operating result fell by a net EUR 1 393. The result on the USD hedging is EUR 875 positive compared to a loss of EUR 6 967 the year before, giving a positive variation of EUR 7 842. At Gimv group level, the USD is hedged by forward contracts. The purpose of this hedging is to offset value fluctuations in the USD portfolio by opposing value movements on these contracts so as to

neutralize the impact of the US dollar evolution on net income. These derivatives are valued quarterly using a fair value approach.

In the previous financial year, provisions were reversed in an amount of EUR 2 126 EUR; this financial year an additional EUR 4 923 of provisions for liabilities and charges were set up, mainly for the co-investment structures (see also note 20 Provisions). Last year, EUR 1 249 of write-downs on current assets were reversed. This year, selling costs were also incurred in an amount of EUR 719.

In 2014-2015, other operating result fell by EUR 11 275. In the previous financial year, a positive result of EUR 3 120 was achieved on the USD hedge. In 2014-2015, however, the evolution of the USD resulted in a negative result of EUR 6 967 on the USD hedging

In FY 2014-2015, Gimv NV also ended the dispute with Gealan with a settlement of EUR 962 (Gealan had accused Gimv NV of a breach of representations and warranties (in particular concerning tax) in the context of the sale in 2004 of its stake in Gealan). The provision of EUR 1 800 set aside for this dispute was reversed with a net positive result of EUR 838.

## 9 Financial result

	2016-2017	2015-2016	2014-2015
Financial income	2 301	2 403	3 387
Financial costs	-573	-611	-725
<b>Total</b>	<b>1 727</b>	<b>1 792</b>	<b>2 662</b>

In 2016-2017, the financial result fell by EUR 65. In line with lower interest rates and despite a higher cash position, financial income declined by EUR 102 EUR and financial expenses by EUR 37.

In 2015-2016, the financial result fell by EUR 1 870. Financial income decreased by EUR 984 as a result of falling interest rates. Financial expenses decreased slightly.

In 2014-2015, the financial result fell by EUR 1 779. Financial income decreased by EUR 1 977 as a result of falling interest rates, despite the higher cash position.

## 10 Income taxes

	2016-2017	2015-2016	2014-2015
<b>Consolidated income statement</b>			
Current income tax	3 790	3 548	3 221
Current income tax charge	3 790	3 548	3 221
Adjustment in respect of current income tax of previous periods	-	-	-
Deferred tax liability	-274	291	604
Income tax expense reported in consolidated income statement	3 515	3 839	3 825
<b>Consolidated statement of changes in equity</b>			
Current income tax	-	-	-
Income tax expense/benefit reported in equity	-	-	-
<b>Reconciliation of income tax expense applicable to result before tax at the statutory income tax rate to income tax expense at the group's effective income tax rate</b>			
Result before tax	153 151	152 544	146 544
At Local statutory income tax rate	52 056	51 850	49 810
Higher (lower) income tax rates of other countries	-	-	-
Adjustments in respect of current income tax of previous periods	-	-	-
Expenses non-deductible for tax purposes	6 546	4 489	4 515
Tax exempt profits	-56 103	-54 510	-52 305
Non-deductible amortization of goodwill	-	-	-
Non-recorded deferred income tax assets	-	-	-
Other	1 291	1 719	1 201
Taxes at effective income tax rate	3 790	3 548	3 221
Effective income tax rate	2.5%	2.5%	2.2%

Gimv group's core business consists of investing in shareholdings that are then sold after a certain period with a capital gain. In the countries where we have branches, capital gains on the sale of shares are fully or almost fully tax-exempt.

As from tax year 2013, capital gains on shares are tax-exempt only if the shares have been kept in full ownership for an uninterrupted period of at least 1 year. In the case of non-fulfilment of this holding period, these capital gains are taxed at a special rate of 25.75% (incl. crisis contribution). The tax base may be reduced by the loss from the tax period, by the definitively taxed income deduction, by the notional interest deduction and/or previous losses.

In addition, capital gains on shares that qualify for complete exemption are nonetheless taxable, starting in the 2014 tax year, at a rate of 0.412% (incl. crisis contribution). These are no deductions from this tax base. For FY 2016-2017, this tax amounted for Gimv to EUR 698. In addition, a provision of EUR 620 was set up, in line with IFRS, for the resulting latent tax (EUR 274 less than in FY 2014-2015) on the basis of the unrealized capital gains on equity investments.

Gimv NV has definitively taxed income and extensive carryforwardable tax losses from the past.

The tax expense for Gimv group is EUR 3 515. As an investment company, Gimv NV is mixed VAT liable, and therefore has non-tax deductible VAT in an amount of EUR 1 291. There are also certain companies in the group which pay corporation tax.

# 11 Earnings per share

		2016-2017	2015-2016	2014-2015
<b>(in EUR 000)</b>				
Net profit attributable to ordinary equity holders of the parent	A	131 853	137 175	135 991
Interest on convertible non-cumulative redeemable preference shares				
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of convertible preference shares	B	131 853	137 175	135 991
<b>(in 000)</b>				
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	A	25 427	25 427	25 192
Effect of dilution				
Share options		-	-	-
Redeemable preference shares		-	-	-
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	B	25 427	25 427	25 192
<b>(in EUR)</b>				
Earnings per share	A	5.19	5.39	5.40
Earnings per share with effect of dilution	B	5.19	5.39	5.40

Earnings per share is obtained by dividing the net profit attributable to the holders of ordinary shares of the parent company by the weighted average number of shares outstanding during the financial year.

The diluted earnings per share is calculated by dividing the net profit attributable to the holders of ordinary shares of the parent company (after deducting interest on convertible, redeemable, non-cumulative preference shares) by the sum of the weighted average number of outstanding shares throughout the financial year and the weighted average number of ordinary shares that would be issued upon the conversion into ordinary shares of all rights to ordinary shares having a potentially dilutive effect.

The table above gives information on the profit and shares figures used in calculating normal and diluted earnings per share

## 12 Paid and proposed dividends

	2016-2017	2015-2016	2014-2015
<b>Paid dividends</b>			
Closing dividend (total value) (in EUR 000)	62 295	62 295	60 576
Closing dividend (value per share) (in EUR)	2.45	2.45	2.45
Interim dividend (total value) (in EUR 000)	-	-	-
Interim dividend (value per share) (in EUR)	-	-	-
Total dividends paid	62 295	62 295	60 576
<b>Proposed dividends</b>			
Closing dividend (total value) (in EUR 000)	63 567	62 295	62 295
Closing dividend (value per share) (in EUR)	2.50	2.45	2.45

The board of directors will be proposing to the ordinary general meeting of shareholders that the company declare a gross dividend of EUR 2.50 per share in respect of FY 2016-2017. After 30% investment withholding tax, the net dividend amounts to EUR 1.75 per share.



## 13 Property, plant and equipment

2016-2017	Land and buildings	Machinery and equipment	Furniture and vehicles	Other property, plant and equipment	Total
1. Opening balance, net carrying amount	7 743	229	1 051	-	9 024
1.1. Gross carrying amount	15 458	738	4 556	-	20 752
1.2. Accumulated depreciation and impairment (-)	-7 715	-509	-3 505	-	-11 728
2. Additions	54	372	151	-	577
3. Acquisition through business combinations	-	-	-	-	-
4. Sales and disposals (-)	-	-	-	-	-
5. Disposal of subsidiaries (-)	-	-	-	-	-
6. Depreciations (-)	-515	-62	-403	-	-980
7. Impairment losses recognised in profit & loss (-) during the period or reversed (+)	-	-	-	-	-
8. Increase (decrease) translation differences	-	-	-	-	-
9. Transfer from (to)	-	-	-	-	-
10. Other increase (decrease)	-	-	-	-	-
11. Closing balance, net carrying amount	7 282	539	799	-	8 620
11.1. Gross carrying amount	15 512	1 110	4 707	-	21 329
11.2. Accumulated depreciation and impairment (-)	-8 230	-571	-3 908	-	-12 708

2015-2016	Land and buildings	Machinery and equipment	Furniture and vehicles	Other property, plant and equipment	Total
1. Opening balance, net carrying amount	8 092	252	1 167	-	9 511
1.1. Gross carrying amount	15 242	733	4 268	-	20 243
1.2. Accumulated depreciation and impairment (-)	-7 150	-481	-3 101	-	-10 732
2. Additions	216	5	305	-	526
3. Acquisition through business combinations	-	-	-	-	-
4. Sales and disposals (-)	-	-	-17	-	-17
5. Disposal of subsidiaries (-)	-	-	-	-	-
6. Depreciations (-)	-565	-28	-403	-	-996
7. Impairment losses recognised in profit & loss (-) during the period or reversed (+)	-	-	-	-	-
8. Increase (decrease) translation differences	-	-	-	-	-
9. Transfer from (to)	-	-	-	-	-
10. Other increase (decrease)	-	-	-	-	-
11. Closing balance, net carrying amount	7 743	229	1 051	-	9 024
11.1. Gross carrying amount	15 458	738	4 556	-	20 752
11.2. Accumulated depreciation and impairment (-)	-7 715	-509	-3 505	-	-11 728

2014-2015	Land and buildings	Machinery and equipment	Furniture and vehicles	Other	Total
1. Opening balance, net carrying amount	8 393	237	971	-	9 601
1.1. Gross carrying amount	14 953	690	3 732	-	19 375
1.2. Accumulated depreciation and impairment (-)	-6 560	-453	-2 761	-	-9 774
2. Additions	289	43	539	-	871
3. Acquisition through business combinations	-	-	-	-	-
4. Sales and disposals (-)	-	-	-3	-	-3
5. Disposal of subsidiaries (-)	-	-	-	-	-
6. Depreciations (-)	-590	-28	-340	-	-958
7. Impairment losses recognised in profit & loss (-) during the period or reversed (+)	-	-	-	-	-
8. Increase (decrease) translation differences	-	-	-	-	-
9. Transfer from (to)	-	-	-	-	-
10. Other increase (decrease)	-	-	-	-	-
11. Closing balance, net carrying amount	8 092	252	1 167	-	9 511
11.1. Gross carrying amount	15 242	733	4 268	-	20 243
11.2. Accumulated depreciation and impairment (-)	-7 150	-481	-3 101	-	-10 732

## 14 Financial assets

	31-03-2017	31-03-2016	31-03-2015
Financial assets at fair value through the income statement	844 600	888 536	788 284
of which listed shareholdings	53 865	39 366	42 266
Loans to investee companies	118 985	125 358	131 904
<b>Total</b>	<b>963 585</b>	<b>1 013 894</b>	<b>920 189</b>

The financial assets include equity shareholdings at fair value through profit or loss and loans to investee companies. This total investment portfolio has reduced by EUR 50 309.

	2016-2017	2015-2016	2014-2015
1. Opening balance	888 536	788 284	794 774
1.1. Investments	163 545	121 623	140 186
1.2. Acquisition through business combination	-	-	-
1.3. Divestments (-)	-268 680	-143 378	-203 481
1.4. Disposal of subsidiaries	-	-	-
1.5. Unrealised change (increase (+), decrease(-) in fair value)	59 343	97 094	49 347
1.6. Increase (decrease) translation differences	-	-	-
1.7. Other (increase (+), decrease(-))	1 856	24 913	7 458
2. Closing balance	844 600	888 536	788 284
Of which			
Shares - listed	53 865	39 366	42 266
Shares - unlisted	790 736	849 170	746 018
Change in fair value recognised in profit & loss during the period	59 343	97 094	49 347
Unlisted Portfolio	16 570	-7 066	112
Listed Portfolio	42 773	104 160	49 235

The financial assets consisting of the shareholdings of Gimv and its subsidiaries fell by EUR 43 935.

In 2016-2017, Gimv invested EUR 163 545 in shareholdings. 11 new companies were invested in: Joolz and Real Impact Analytics (Connected Consumer), Breath Therapeutics, EndoStim, G-Therapeutics and Spineart (Health & Care), ALT Technologies, Arplas, MEGA International and Summa (Smart Industries) and Acceo (Sustainable Cities). Added to these were follow-on investments in, among others, Biom'Up, Brakel, Ecochem, Europlasma, Itineris, Jenavalve, OTN, TINC and Topas Therapeutics. There were 12 portfolio divestments amounting to EUR 268 680 (at opening carrying value on an IFRS basis). The main divestments were Vandemoortele, Altair/Brunel, Onedirect and Hecht (Connected Consumer), Multiplicom (Health & Care), Punch Powertrain, GreenPeak and Leyton (Smart Industries) and Lampiris, Biodiesel Holding and BMC Investments (Sustainable Cities).

Unrealised valuation fluctuations amount to EUR 59 343. These reflect the periodic measurement exercises on the overall portfolio and are explained mainly by the improved operating results of the portfolio companies. The Gimv group measures listed shareholdings at their bid price (other than the exceptions mentioned in the valuation rules) and unlisted shareholdings based on the measurement methods most appropriate for the particular type of investment, following the International Private Equity and Venture Capital Valuation Guidelines.

The remaining changes reflect transfers due to reclassifications, conversions of loans into shares and the capitalisation of interest.

In 2015-2016, Gimv invested EUR 121 623 in shareholdings. 8 new companies were invested in: Legallais (Connected Consumer), Equipe Zorgbedrijven, Biom'Up, Benedenti and Topas Therapeutics (Health & Care) and Brakel, Itho Daalderop / Klimaatgarant and Contraload (Sustainable Cities). There were a number of follow-on investments in existing shareholdings including Mackevision and Artichem.

A total of 13 portfolio companies were divested in 2015-2016 for an amount of EUR 143 378 (at IFRS opening carrying value). The main divestments were Easy Voyage, Greenyard Foods and XL Video (Connected Consumer), Prosonix and Acertys (Health & Care); VCST, Xeikon en ProxiAD (Smart Industries) and Essar Ports (Sustainable Cities).

Unrealised valuation movements amounted to EUR 97 094.

In 2014-2015, Gimv group's shareholdings fell by EUR 6 490. Gimv invested EUR 140 186 in shareholdings. The principal investments, including 6 new companies were: Connected Consumer invested in two new portfolio companies, United Investments BV (UDB) and Melijoe. A follow-on investment was also made in Private Outlet (BrandAlley) Health & Care made significant follow-on investments in Almaviva Santé and Jena Valve. Smart Industries invested in 2 new shareholdings, Mackevision and Europlasma, and stepped up its investments in Thinkstep and OTN Systems. Sustainable Cities invested in two new portfolio companies, Well Services BV and Ecochem and additionally in Itineris.

Substantial divestments were undertaken in 2014-2015, totalling EUR 203 481 (at IFRS opening carrying value). The main divestments were Funico International (Connected Consumer), Covagen, Prosenza and Endosense (Health & Care), Barco, Greenleaf, Movea and Dcinex (Smart Industries) and EBT, Viabuild Group and McPhy (Sustainable Cities).

Unrealised valuation increases amounted to EUR 49 347.

## Overview of listed shareholdings

Company	Bloomberg symbol	Holding in %	Holding in n° of outstanding shares
Electrawinds	EWI GR	3.34%	1 632 416
Inside Secure	INSD FP	12.24%	5 275 167
Greenyard	GRYFO BB	1.49%	661 612
TINC	TINC BB	10.67%	2 183 399

### Limitations

Gimv receives income in the form of dividends and interest from its portfolio companies. There are no significant restrictions on transfers of funds from these portfolio companies to Gimv.

### Support

As of 31 March 2017, Gimv has contractual obligations to provide financial support to 13 investees in an amount of EUR 30 487 of binding financial commitments. In addition, Gimv had at that date provided a short-term financing of EUR 18 million to a shareholding. This financing has already been repaid.

### Hierarchy of fair values

At 31 March 2017 the group held the following financial instruments recorded at fair value.

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

- Level 1: listed (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other methods in which all variables have a significant effect on the calculated fair value and are observable, either directly or indirectly;
- Level 3: techniques using inputs which have a significant effect on the recorded fair value, but are not based on observable market data.

### Transfers in real value hierarchy

During the financial year ended on 31 March 2017, one shareholding was moved from Level 1 to Level 2 owing to the volatile nature of the stock market. This transfer in the fair value hierarchy is consistent with the application of the measurement rules, in a case where, after balance sheet date, the stock price fell sharply from a peak valuation at the end of March 2017.

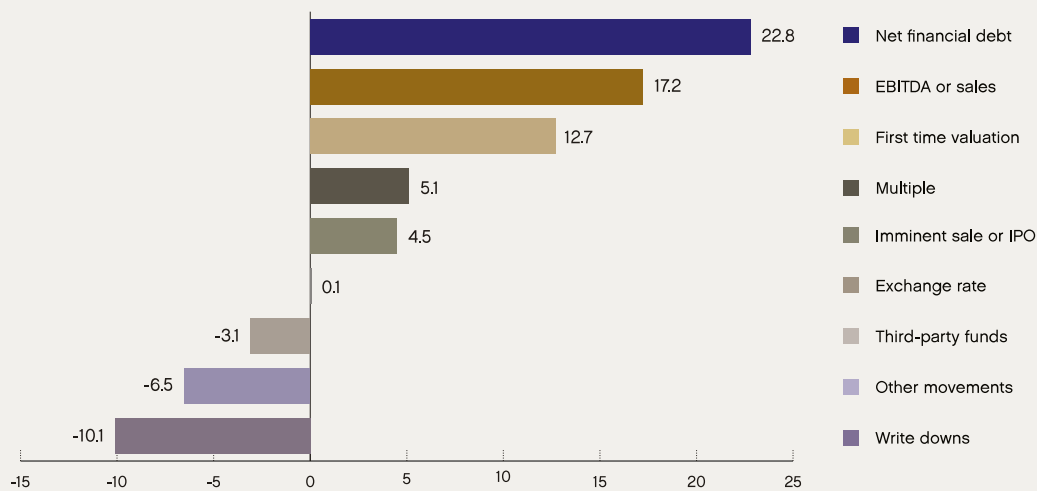
Assets measured at fair value		Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	2016-2017	844 600	39 263	14 602	790 736
	2015-2016	888 536	39 366	-	849 170
	2014-2015	788 284	42 266	-	746 018

### Evolution of valuation 2016-2017

The graph below shows the sources of changes in the valuation of the unlisted portfolio companies (level 3). This clearly shows that this positive evolution is largely explained by the improved performance of the portfolio companies. This is clearly reflected in the positive evolution of the net financial debt position, the evolution of Ebitda/revenue and the effect of the first valuation in a number of companies. In total, the unrealised gains on the unlisted portfolio companies amount to EUR 42 773. The average Ebitda multiple used for these valuations was 7.0x at the end of March 2017 (slightly higher than the 6.7x of end-March 2016). The sensitivity to the valuation to variations in the multiple can be found under [16.1.25.2 Market risk](#). For a further description of our valuation method underlying this graph, we refer to the valuation rules explained in [section 16.1.5.9 Financial Assets](#).

**Evolution of valuation, 2016-2017:**

unrealised capital gains and losses together amount to EUR 42.8 million

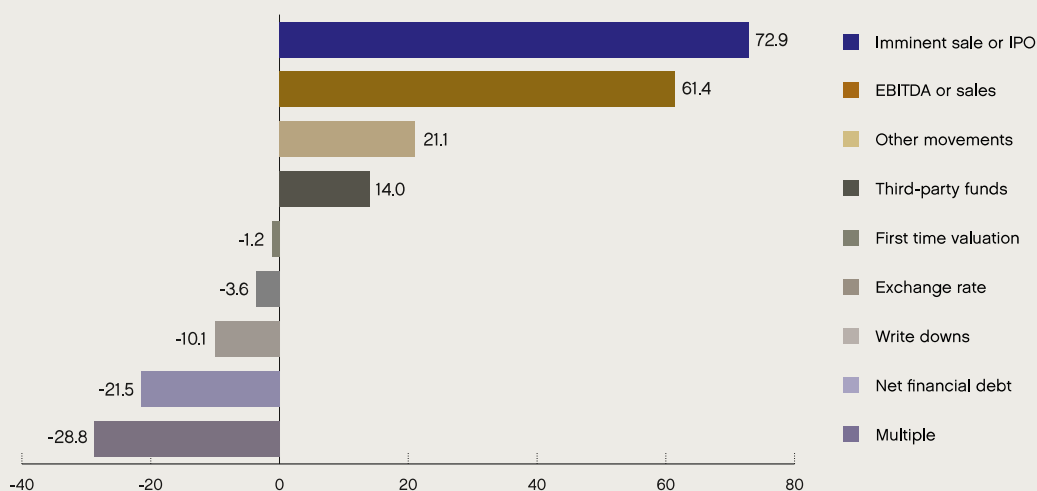


**Evolution of valuation 2015-2016**

The graph below shows the evolution of the valuation of the unlisted portfolio companies (level 3). This clearly shows that this positive evolution is largely explained by the improved performance of the portfolio companies, expressed in the evolution of EBITDA/sales. To this is added the value appreciation as a result of the upward revaluation of two portfolio companies at an advanced stage of sales negotiation. In total, the unrealised gains on the unlisted portfolio companies amount to a net EUR 104 160. For a further description the valuation methods underlying this graph, we refer to the valuation rules explained in section 16.1.5.9. [Financial Assets](#).

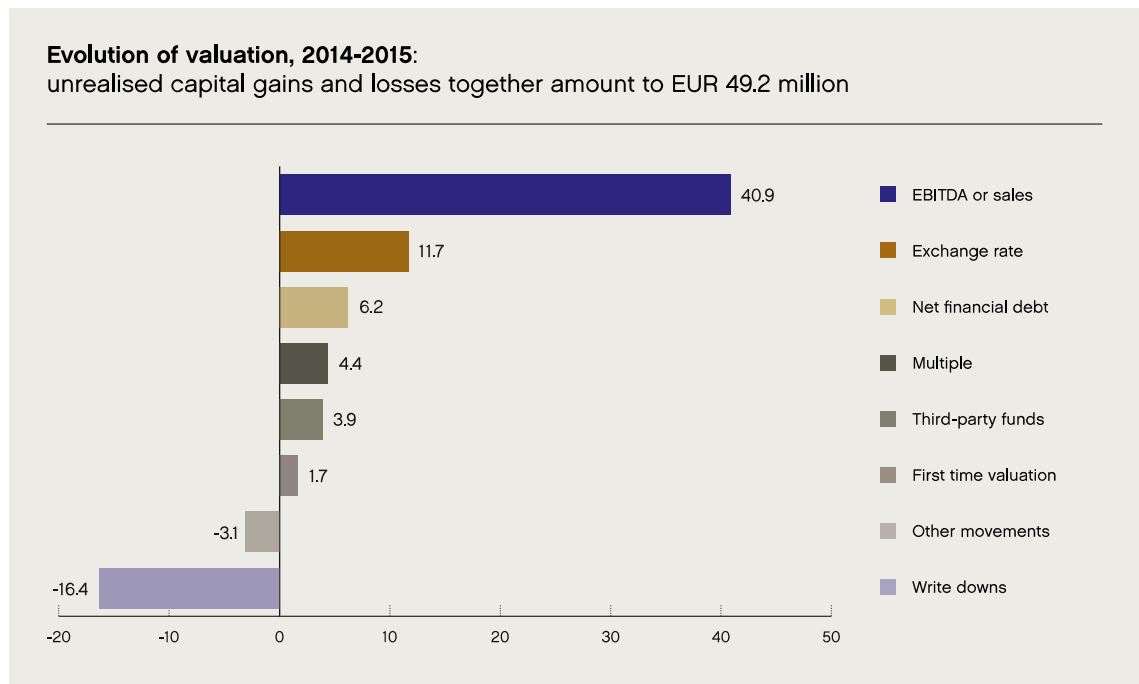
**Evolution of valuation, 2015-2016:**

unrealised capital gains and losses together amount to EUR 104.2 million



### Evolution of valuation 2014-2015

The graph below shows the evolution of the valuation of the unlisted portfolio companies (level 3). This clearly shows that this positive evolution is largely explained by the improved performance of the portfolio companies, expressed in the evolution of EBITDA/sales. The portfolio also shows a significant positive currency effect due to the evolution of the US dollar and the Swiss Franc. This is offset by the negative impact of write-downs on a number of shareholdings. In total, the unrealised gains on the unlisted portfolio companies amount to a net EUR 49 235. For a further description the valuation methods underlying this graph, we refer to the valuation rules explained in [section 16.1.5.9 Financial Assets](#).





## 15 Loans to portfolio companies

In 2016-2017, loans to portfolio companies declined by EUR 6 373 to EUR 118 985. New loans totalling EUR 16 083 were made, the largest being to: Summa, Acceo Group, OTN Systems, Europlasma and Biom'Up. Loans of EUR 43 436 were repaid (at carrying value on an IFRS basis). The main repayments were: Vandemoortele, Altair/Brunel, Leyton and Hecht. The net impact of value fluctuations (due to the valuation process) and transfers amounts to EUR 20 979, including the effect of a vendor loan following the Pragma exit.

In 2015-2016, loans to portfolio companies declined by EUR 6 546 to EUR 125 358. New loans totalling EUR 8 597 were made, the largest being to Itho Daalderop/Klimaatgarant, Benedenti, Thinkstep and United Dutch Breweries. Loan repayments of EUR 22 153 were received (at book value on an IFRS basis). The main divestments were Acertys, Xeikon, Proxiad and Essar Ports. The net impact of the valuation fluctuations and transfers amounts to EUR 7 009 positive.

In 2014-2015, loans to portfolio companies declined by EUR 4 281 to EUR 131 904. New loans totalling EUR 14 096 were made, the largest being to: Europlasma, Luciad, Almaviva Santé, XL Video and OTN Systems. Loan repayments of EUR 27 467 were received (at book value on an IFRS basis). The main divestments were Walkro, Dcinex, Viabuild Group and Greenleaf. The net impact of the valuation fluctuations and transfers amounts to EUR 9 090 positive.

	2016-2017	2015-2016	2014-2015
1. Opening balance	125 358	131 904	136 185
1.1. Gross carrying amount	171 575	169 737	170 572
1.2. Accumulated impairment (-)	-46 217	-37 833	-34 387
2. Additions	16 083	8 597	14 096
3. Repayment (-)	-43 436	-22 153	-27 467
4. Impairment losses	-3 668	-8 384	-3 446
5. Reversal of impairment losses (+)	-	-	-
6. Increase (decrease) translation differences	-	-	-
7. Transfer to (from)	24 647	15 394	12 536
8. Other (increase (+), decrease(-) )	-	-	-
9. Closing balance	118 985	125 358	131 904
9.1. Gross carrying amount	168 870	171 575	169 737
9.2. Accumulated impairment (-)	-49 885	-46 217	-37 833

Additional information regarding loans to portfolio companies 2016-2017				
Duration		Max 1 year	1 tot 5 year	Total
		11 161	107 824	118 985
Currency	EUR	USD	GBP	Total
	116 662	2 323	-	118 985
Applied interest rate		Fixed interest rate	Variable interest rate	Total
		89 090	29 895	118 985
Average interest rate		7.68%	6.52%	

Additional information regarding loans to portfolio companies 2015-2016				
Duration		Max 1 year	1 tot 5 year	Total
		33 148	92 210	125 358
Currency	EUR	USD	GBP	Total
	125 358	-	-	125 358
Applied interest rate		Fixed interest rate	Variable interest rate	Total
		119 730	5 628	125 358
Average interest rate		9.05%	1.09%	

Additional information regarding loans to portfolio companies 2014-2015				
Duration		Max 1 year	1 tot 5 year	Total
		24 802	107 102	131 904
Currency	EUR	USD	GBP	Total
	129 595	1 117	1 192	131 904
Applied interest rate		Fixed interest rate	Variable interest rate	Total
		127 953	3 951	131 904
Average interest rate		8.60%	2.08%	

## 16 Trade and other receivables

In 2016-2017, trade and other receivables rose by EUR 11 133. Trade receivables reduced by EUR 1 225. Other receivables increased by EUR 12 505 due to short-term financing to a portfolio company, which has already been repaid.

In 2015-2016, trade and other receivables fell by EUR 5 124. Trade receivables increased by EUR 3 819. Other receivables fell by EUR 9 289. The outstanding claim on TINC (in an amount of EUR 4 300) was fully repaid following the TINC IPO. The claim on TDP in an amount of EUR 10 187 was reimbursed significantly down to EUR 2 888. Following the capital reduction of Vectis Participaties II, a receivable of EUR 1 919 was recorded.

In 2014-2015, trade and other receivables fell by EUR 6 250. Recoverable taxes fell by EUR 3 933. An amount of EUR 3 912 was received in respect of withholding tax claims. Trade receivables fell by EUR 1 497 and other receivables by EUR 820.

	2016-2017	2015-2016	2014-2015
More than 1 year			
Trade receivables	-	-	-
Other receivables	-	-	-
Closing balance	-	-	-
Maximum 1 year			
Trade receivables	3 611	4 836	1 017
Intrest receivables	-	-	-
Tax receivable, other than income tax	489	636	344
Derivative financial instruments with positive fair values	-	-	-
Other receivables	19 033	6 528	15 764
Closing balance	23 134	12 000	17 124

## 17 Cash and marketable securities

In 2016-2017, the cash position rose by EUR 121 132. The cash-in from divestments (at sales price) was EUR 382 045. Gimv invested EUR 179 628 and paid a cash dividend of EUR 62 295 in respect of 2015-2016. In addition, a short-term financing of EUR 18 000 was granted in the context of an investment in a portfolio company.

Marketable securities and other liquid instruments contain treasury resources invested in marketable securities or in funds subject to market valuation. These increased by EUR 21 094 and consist mainly of commercial paper.

Cash, bank deposits and liquid assets covers all treasury resources held in cash or on a bank deposit. This amount also includes treasury resources invested in liquid products which are not subject to fluctuations in value.

In 2015-2016, the cash position rose by EUR 8 008. The cash-in from divestments (at sales price) is EUR 199 237. Gimv invested EUR 130 220 and paid a cash dividend of EUR 62 295 in respect of 2015-2015. In connection with the sale of a portfolio company, Gimv has acted as an intermediary between shareholders and still needs to remit a sum of EUR 8 893 to the other shareholders. Consequently, the net cash position is EUR 183 881. All liquid resources are invested in products that are convertible into cash within one week's notice.

As of end March 2016, the share of the marketable securities (bonds only) had declined further to EUR 744 or 0.4% of total cash.

In 2014-2015 the cash position increased by EUR 128 130 with the high level of divestments. The cash-in from divestments (at sales price) was EUR 331 960. Investments amounted to EUR 154 282 and Gimv paid out, as in the previous year, a cash dividend of EUR 37 361 in respect of 2013-2014.

	2016-2017	2015-2016	2014-2015
I. Cash, deposits and cash equivalents			
Short term bank deposits	254 614	151 657	137 924
Cash and other cash equivalents	37 454	40 373	43 095
Gross carrying amount	292 068	192 031	181 019
II. Marketable securities and other instruments			
Marketable securities and other instruments	21 838	744	3 747
Gross carrying amount	21 838	744	3 747

## 18 Outstanding capital and reserves

There was no change in capital in either 2015-2016 or 2016-2017. The outstanding capital amounts as at 31 March 2017 to EUR 241 365, represented by 25 426 672 fully paid-up ordinary shares without nominal value.

In August 2014, the dividend was paid in respect of the 2013-2014 financial year. Owing to the success of the optional dividend, 701 892 new shares were created, and capital was increased by EUR 6 663 to EUR 241 365, bringing the final number of shares to 25 426 672.

Gimv is a publicly traded company. 26.82% of the shares are owned by the Vlaamse Participatiemaatschappij, with the remainder spread across a large number of institutional and retail shareholders.

	2016-2017	2015-2016	2014-2015	2016-2017	2015-2016	2014-2015
	Number (in 000)			Amount (in 000 EUR)		
Shares authorised	25 427	25 427	25 427	241 365	241 365	234 702
Par value per share	-	-	-	-	-	-
Shares issued and fully paid at the beginning of the period	25 427	25 427	24 725	241 365	241 365	234 702
Change	-	-	702	-	-	6 663
Shares issued and fully paid at the end of the period	25 427	25 427	25 427	241 365	241 365	241 365

## 19 Pension liabilities

Some employees have a defined contribution plan. Others have defined benefit plans, entitling them, at pension date, to an amount that is set in relation to their final salary. As a result of the legislative changes, Gimv no longer values defined contribution plans at intrinsic value. In line with the defined benefit plans, the net outstanding pension liability is determined by actuarial calculation in accordance with IAS 19 (using the PUC method). These plans comply with Belgian law and are therefore subject to the statutory minimum return. There are no specific risks in these pension plans. There have been no amendments made to these plans in the financial year and surrenders have occurred. Under IFRS, both types of plans are treated as a defined benefit plan. Gimv group has the actuarial calculation for both plans updated annually by the group insurance administrator. The fair value of the assets in this plan amounts to EUR 29 998. The difference between the fair value of the assets and the future liabilities (less than 1%) does not give rise to the creation of a provision.

	01-04-2016	Service cost	Interest cost	Subtotal included in P&L	Return on plan assets (excl. amounts included in net interest expenses)	Actuarial changes arising from changes in demographic assumptions	Experience adjustments	Benefits paid	Transfer finance paid	Contributions by employer	31-03-2017
Defined benefit obligation	28 142	2 843	426	3 269	-	442	1 413	-3 012	-	-	30 255
Fair value of plan assets	29 828	-	487	487	478	-	-96	-3 012	-367	2 679	29 998
Benefit liability	1 685	-2 843	61	-2 782	478	-442	-1 509	-	-367	2 679	-257

Since the fair value of the assets is sufficient to meet its future obligations (DBO), no future pension liability needs to be recorded in the balance sheet.

The overall change in the present value of the Defined Benefit Obligation for Gimv	
DBO 01-04-2016	28 142
Service cost	2 843
Interest cost	426
Benefits paid	-3 012
Exchange differences	1 855
DBO 31-03-2017	30 255
DBO 01-04-2015 (1)	28 818
Service cost	632
Interest cost	720
Benefits paid	-1 306
Exchange differences	-722
DBO 31-03-2016	28 142

(1) a one-time payment from the financing fund to the individual contracts was done on April 1, 2015. The result of this operation is an increase in the defined benefit obligation.

The major categories of plan assets of the fair value of the total plan assets are as follows	31-03-2017	31-03-2016
Equities	1 024	1 040
Derivates	148	99
Bonds	23 630	24 436
Commercial papers	5	31
Cash	2 276	2 394
Real estate	262	257
Loans	2 653	2 691
Total	29 998	30 949

The principal assumptions used in determining pension and post-employment benefit obligations	31-03-2017	31-03-2016
Discount rate	1.60%	2.50%
Inflation rate	1.50%	1.50%
Salary increase (inflation included)		
< 50 year	3.00%	3.00%
> 50 year	1.50%	1.50%

Mortality tables: given the limited number of insureds, no assumptions have been made here.  
 Employee turnover - new participants: The actuarial calculation is based on the current population.  
 The departure probability used: up to age 55: 5% a year; from age 55: 0% a year.

Sensitivity analysis	31-03-2017	31-03-2016
<b>Discount rate</b>		
0.5% increase	28 234	29 336
0.5% decrease	30 761	32 322
<b>Future salary</b>		
0.5% increase	13 354	13 266
0.5% decrease	13 209	11 716
<b>Expected payments</b>		
2016	-	45
2017-2021	12 021	9 491
2022-2026	19 889	17 612
> 2026	40 338	46 090

The average lifespan of the plans is 18 years.

## 20 Provisions

In 2016-17, provisions rose by EUR 5 803, mainly within the framework of the Long Term Incentive Plan (LTIP).

In line with private equity practice in Gimv's home markets, Gimv has since 2001 had a long-term incentive plan (also 'carried interest' or 'co-investment structure'). Executive Committee members and a significant group of employees share the realised net capital gains and participate in this way in Gimv's long-term results. It is only to the extent that a portfolio of companies can be sold successfully, offsetting all profitable and loss-making shareholdings and only after obtaining a certain minimum return that employees can share in the realised added value. In this way, employees' interests are directly aligned with those of Gimv and its shareholders, that is maximization of realised net gains on the portfolio and, consequently, the creation of shareholder value.

This LTIP is based on successive three-year investment periods ('vintages'), with Gimv's employees investing, through co-investment companies, in the basket of companies in which Gimv also invests during that three-year period. For each three-year investment period, Gimv sets up a co-investment company for each of the four investment platforms, as well as an overarching co-investment company. Belgian LTIP beneficiaries acquire warrants (before 2013: options) on shares of these co-investment companies, while foreign beneficiaries acquire shares of these co-investment companies.

As a general rule, beneficiaries' rights under the LTIP are only finally acquired after eight years (the 'vesting period'). Each warrant entitles the holder, upon exercise, to one share in the co-investment company concerned. The co-investment company shares acquired by exercising the warrants may be sold to Gimv at the earliest eight years after the start of the three-year investment period, based on the cash gains realised on that date on the relevant total investment portfolio and after reaching a minimum return ('hurdle') of around 4%. For this reason, the first settlement date is only after eight years, followed by five-year earn-out period in which further cash realizations from the investment portfolio can lead to additional payments.

Based on this LTIP, since 2010, approximately 12.5% of the net realised cash gains on divestment from the relevant investment portfolios (with offsetting of all profitable and loss-making investments and net of finance and management costs) have been allocated to the beneficiaries. In the period before 2010, that percentage was 10%.

The Company has established a provision for unexercised warrants or options on shares of co-investment companies. The same provision also contains an amount for future payments on the still



outstanding purchase price of shares in co-investment companies (= earn-out). These provisions are calculated on the assumption of the employees concerned remaining with the Company to the end of the vesting period.

This provision may be modified in one of three ways: (i) the valuation of the underlying investment portfolio can change, (ii) the number of outstanding options can change, or (iii) there can be a payment of the outstanding purchase price of shares in co-investment companies.

The total provision set up by the Company in past years in the context of this co-investment structure amounted at 31 March 2017 to EUR 15 555. At the start of FY 2016-2017, this provision amounted to EUR 10 645. This change is explained as follows:

- the evolution in the value of the underlying portfolio of the co-investment companies, causing the provision to increase by EUR 6 368;
- a change in the number of still unexercised options, causing the provision to fall by EUR 1 373.
- the provision also includes EUR 2 093 for the estimated settlement of previously exercised options from the 2004-2006 and 2007-2009 investment periods. This amount is the net result of an increase of EUR 728 due to value changes and a decrease of EUR -812, the latter largely due to the payment of a still outstanding acquisition price.

In 2015-2016, provisions rose by EUR 4 923, mainly within the framework of the LTIP.

At 31 March 2016, the total provision set up by the company in the context of this co-investment structure amounted to EUR 10 645. At the start of FY 2015-2016, this provision was EUR 5 624. This change is explained as follows:

- the evolution in the the value of the underlying portfolio of the co-investment companies, causing the provision to increase by EUR 6 110;
- a change in the number of still unexercised options, causing the provision to fall by EUR 72;
- the provision also includes EUR 2 177 for the estimated settlement of previously exercised options from the 2004-2006 investment period. This amount is the net result of an increase of EUR 512 due to value changes and a decrease of EUR 1 532, the latter largely due to the payment of an outstanding acquisition price.

In 2014-2015, the provisions fell by EUR 2 902. This reflects:

- Gimv's settling of a dispute with Gealan with the payment of a sum of EUR 962. The provision of EUR 1 800 previously set up for this was therefore reversed.
- On acquiring Verhaeren in Gimv entered into a contractual obligation in 2011 to take over, with others, an existing earn-out obligation of the transferor of the shares (= Verhaeren & Co). For this, a provision of EUR 1 750 was set up. At the time of the exit from Viabuild, this earn-out was settled, and this provision therefore reversed.
- The provision for LTIP increased by EUR 1 167.

At 31 March 2015 the total provision set up by the Company in respect of this LTIP amounted to EUR 5 624. At the start of FY 2014-2015, this provision amounted to EUR 4 458. This change is explained as follows:

- the evolution in the the value of the underlying portfolio of the co-investment companies, causing the provision to increase by EUR 2 188;
- a change in the number of still unexercised options, causing the provision to decrease by EUR 1 131; this being the joint effect of a decrease caused by the exercise of options in respect of the 2007-2012 investment period and an increase from the additional granting of new options in respect of the 2013-2015 investment period.
- The provision also includes EUR 3 195 relating to the estimated settlement of previously exercised options from the 2004-2006 and 2007-2010 investment periods. This amount is the net result of an increase of EUR 999 due to value changes and a decrease of EUR -889, the latter largely due to the payment of an outstanding acquisition price.

	Technical warranty	Provisions for litigations	Restructuring provision	Environmental risk	Post-employment benefits	Provisions / others	Total
1. Opening Balance	631	-	-	-	10 784	-	11 415
1.1. Non-current provisions	631	-	-	-	9 972	-	10 603
1.2. Current provisions	-	-	-	-	812	-	812
2. Additional provisions made	-	-	-	-	5 723	1 451	7 174
3. Provisions utilised (-)	-	-	-	-	-952	-	-952
4. Provisions: unused amounts reversed	-	-	-	-	-	-	-
5. Changes in consolidation scope	-	-	-	-	-	-	-
6. Translation differences increase (decrease)	-	-	-	-	-	-	-
7. Effect of changes due to discounting	-	-	-	-	-	-	-
8. Other increase (decrease)	-	-	-	-	-	-	-
9. Closing balance	631	-	-	-	15 555	1 451	17 636
9.1. Non-current provisions	631	-	-	-	14 606	1 451	16 688
9.2. Current provisions	-	-	-	-	949	-	949

## 21 Financial liabilities and trade payables

The Gimv group has no financial debts.

In 2016-2017, trade and other payables fell by EUR 5 481. Trade payables increased by EUR 2 541. The other payables decreased by EUR 8 021 mainly due to Gimv having paid out an outstanding debt to other shareholders.

In 2015-2016, trade and other payables rose by EUR 9 133. In connection with the sale of a portfolio company, Gimv has acted as an intermediary between shareholders and still needs to remit a sum of EUR 8 893 to the other shareholders.

In 2014-15, trade and other payables fell by EUR 2 915, being a EUR 713 reduction in trade payables and a EUR 2 202 decrease in other liabilities (of which EUR 1 086 of remuneration and social security).

Year 2016-2017	Maximum 1 year	1 to 5 years	More than 5 years	Total
I. Interest bearing loans and borrowings				
1. Loans	-	-	-	-
2. Bond loans	-	-	-	-
3. Convertible loans	-	-	-	-
4. Obligations under finance leases	-	-	-	-
5. Bank overdrafts	-	-	-	-
6. Other loans	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
II. Trade and other payables				
1. Trade payables	3 698	-	-	3 698
2. Received advances	-	-	-	-
3. Other payables	9 057	-	-	9 057
of which due to employees	8 829	-	-	8 829
<b>Total</b>	<b>12 754</b>	<b>-</b>	<b>-</b>	<b>12 754</b>

Year 2015-2016	Maximum 1 year	1 to 5 years	More than 5 years	Total
I. Interest bearing loans and borrowings				
1. Loans	-	-	-	-
2. Bond loans	-	-	-	-
3. Convertible loans	-	-	-	-
4. Obligations under finance leases	-	-	-	-
5. Bank overdrafts	-	-	-	-
6. Other loans	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
II. Trade and other payables				
1. Trade payables	1 157	-	-	1 157
2. Received advances	-	-	-	-
3. Other payables	17 078	-	-	17 078
of which due to employees	8 026	-	-	8 026
<b>Total</b>	<b>18 235</b>	<b>-</b>	<b>-</b>	<b>18 235</b>

Year 2014-2015	Maximum 1 year	1 to 5 years	More than 5 years	Total
I. Interest bearing loans and borrowings				
1. Loans	-	-	-	-
2. Bond loans	-	-	-	-
3. Convertible loans	-	-	-	-
4. Obligations under finance leases	-	-	-	-
5. Bank overdrafts	-	-	-	-
6. Other loans	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
II. Trade and other payables				
	9 102	-	-	9 102
1. Trade payables	1 006	-	-	1 006
2. Received advances	-	-	-	-
3. Other payables	8 096	-	-	8 096
of which due to employees	8 096	-	-	8 096
<b>Total</b>	<b>9 102</b>	<b>-</b>	<b>-</b>	<b>9 102</b>

## 22 Related parties

2016-2017	Subsidiaries	Unconsolidated subsidiaries	Associates	Key management	Other related parties	Total
I. Amounts owed by related parties	428 984	18 267	1 213	-	-	448 464
1. Loans to investee comp. and other financial assets	428 984	18 267	1 213	-	-	448 464
1.1. Loans	-	18 267	1 213	-	-	19 480
1.2. Other financial assets	428 984	-	-	-	-	428 984
2. Receivables	-	-	-	-	-	-
2.1. Trade receivables	-	-	-	-	-	-
2.2. Other receivables	-	-	-	-	-	-
3. Other assets	-	-	-	-	-	-
II. Amounts owed to related parties	428 984	-	-	-	-	428 984
1. Financial liabilities	-	-	-	-	-	-
2. Trade and other payables	428 984	-	-	-	-	428 984
2.1. Trade payables	-	-	-	-	-	-
2.2. Other payables	428 984	-	-	-	-	428 984
3. Other liabilities	-	-	-	-	-	-
III. Transactions with related parties	-	3	65	4 326	-	4 394
1. Sales of goods	1 636	3	65	-	-	1 704
2. Purchase of goods (-)	-	-	-	-	-	-
3. Management fees	-	-	-	-	-	-
4. Purchase of services (-)	-1 636	-	-	-	-	-1 636
5. Financing arrangements	-	-	-	-	-	-
6. Compensation of key management of the Group	-	-	-	4 326	-	4 326
6.1. Short-term employee benefits	-	-	-	3 327	-	3 327
6.2. Pension payments	-	-	-	999	-	999
6.3. Resignation fees	-	-	-	-	-	-
6.4. Share-based payments	-	-	-	-	-	-

The consolidated financial statements are expressed in thousands of euros unless otherwise mentioned.

2015-2016	Subsidiaries	Unconsolidated subsidiaries	Associates	Key management	Other related parties	Total
I. Amounts owed by related parties	299 454	8 634	1 125	-	-	309 213
1. Loans to investee comp. and other financial assets	299 454	8 634	1 125	-	-	309 213
1.1. Loans	-	8 634	1 125	-	-	9 759
1.2. Other financial assets	299 454	-	-	-	-	299 454
2. Receivables	-	-	-	-	-	-
2.1. Trade receivables	-	-	-	-	-	-
2.2. Other receivables	-	-	-	-	-	-
3. Other assets	-	-	-	-	-	-
II. Amounts owed to related parties	299 454	-	-	-	-	-
1. Financial liabilities	-	-	-	-	-	-
2. Trade and other payables	299 454	-	-	-	-	-
2.1. Trade payables	-	-	-	-	-	-
2.2. Other payables	299 454	-	-	-	-	-
3. Other liabilities	-	-	-	-	-	-
III. Transactions with related parties	-	3	-	3 595	-	3 598
1. Sales of goods	877	3	-	-	-	880
2. Purchase of goods (-)	-	-	-	-	-	-
3. Management fees	-	-	-	-	-	-
4. Purchase of services (-)	-877	-	-	-	-	-877
5. Financing arrangements	-	-	-	-	-	-
6. Compensation of key management of the Group	-	-	-	3 595	-	3 595
6.1. Short-term employee benefits	-	-	-	3 185	-	3 185
6.2. Pension payments	-	-	-	410	-	410
6.3. Resignation fees	-	-	-	-	-	-
6.4. Share-based payments	-	-	-	-	-	-

2014-2015	Subsidiaries	Unconsolidated subsidiaries	Associates	Key management	Other related parties	Total
I. Amounts owed by related parties	242 144	8 155	25 771	-	-	276 070
1. Loans to investee comp. and other financial assets	242 144	8 155	25 771	-	-	276 070
1.1. Loans	-	8 155	25 771	-	-	33 926
1.2. Other financial assets	242 144	-	-	-	-	242 144
2. Receivables	-	-	-	-	-	-
2.1. Trade receivables	-	-	-	-	-	-
2.2. Other receivables	-	-	-	-	-	-
3. Other assets	-	-	-	-	-	-
II. Amounts owed to related parties	242 144	-	-	-	-	-
1. Financial liabilities	-	-	-	-	-	-
2. Trade and other payables	242 144	-	-	-	-	-
2.1. Trade payables	-	-	-	-	-	-
2.2. Other payables	242 144	-	-	-	-	-
3. Other liabilities	-	-	-	-	-	-
III. Transactions with related parties	-	3	38	3 979	-	4 020
1. Sales of goods	1 088	3	38	-	-	1 129
2. Purchase of goods (-)	-	-	-	-	-	-
3. Management fees	-	-	-	-	-	-
4. Purchase of services (-)	- 1 088	-	-	-	-	- 1 088
5. Financing arrangements	-	-	-	-	-	-
6. Compensation of key management of the Group	-	-	-	3 979	-	3 979
6.1. Short-term employee benefits	-	-	-	3 443	-	3 443
6.2. Pension payments	-	-	-	536	-	536
6.3. Resignation fees	-	-	-	-	-	-
6.4. Share-based payments	-	-	-	-	-	-

The consolidated financial statements are expressed in thousands of euros unless otherwise mentioned.

Explanation of the remuneration of the executive committee and board of directors		2016-2017	2015-2016	2014-2015
1. Remuneration				
Fixed	Executive committee	1 979	1 710	1 993
	Board of directors	702	756	753
Variable	Executive committee	758	551	632
	Board of directors	120	110	65
Subtotal	Executive committee	2 737	2 261	2 625
	Board of directors	822	866	818
2. Group insurance				
Fixed	Executive committee	301	260	364
	Board of directors	73	141	140
Variable	Executive committee	1 085	9	73
	Board of directors	-	-	-
Subtotal	Executive committee	1 386	269	396
	Board of directors	73	141	140
Total	Executive committee	4 123	2 530	3 062
	Board of directors	895	1 008	958

## 23 Outstanding Fund commitments

The table below provides an insight into Gimv's outstanding fund commitments. Right from its early years, Gimv invested in 'third-party funds'. These are funds set up and managed by external fund managers, and in which Gimv has no advisory role. In the past Gimv invested in funds managed by external managers in order to explore certain markets and sectors. Given their long duration, these funds still represent a substantial part of our on-balance sheet portfolio. Right now, in principle, no new commitments are made to third-party funds. The still outstanding commitments to these third-party funds amounted at the end of March 2017 to EUR 22 144.

For a number of segments, Gimv has taken the initiative to set up joint co-investment partnerships and cooperation arrangements with experienced partners, which also allows external institutional investors to participate in specific sectors. The co-investment partnerships, which are complementary to Gimv's core business, can take advantage of the experience of the various platform teams that advise on investment decisions. In all, a little over EUR 900 million of funds have been committed to these co-investment partnerships. Gimv is itself the largest investor, with over a third of committed funds. 24 reputable Belgian external parties account for the other 65%. All of these funds, both 'third party funds' and 'own funds', are measured at fair value, in accordance with the IPEV valuation rules as explained in item 16.1.5.9 [Financial assets](#).



Name fund	Year	Currency	Total commitment	Total commitment	Outstanding commitment on 31/03/2016	Value on 31/03/2016
<b>Active third-party funds</b>						
Alta Biopharma Partners III	2004	USD	10 000	9 375		
CapMan IX Buyout	2009	EUR	13 000	13 000		
CapMan Public Market Fund	2009	EUR	1 905	1 905		
CapMan Russia Fund	2009	EUR	7 922	7 922		
CapMan Russia Fund II	2013	EUR	11 000	11 000		
CapMan Technology Fund	2009	EUR	5 232	5 232		
CapMan VIII Buyout	2006	EUR	20 000	20 000		
CapMan X Buyout	2012	EUR	14 000	14 000		
Emerald Technology Ventures II	2006	EUR	30 000	30 000		
EPF III	2006	EUR	5 000	5 000		
Fintech Gimv Fund	2007	USD	15 000	14 062		
Genesis III	2000	USD	10 000	9 375		
Genesis IV	2009	USD	10 000	9 375		
Genesis Private Equity II	2009	EUR	10 000	10 000		
Halder-Gimv Germany II	2008	EUR	81 250	81 250		
I-source	2006	EUR	5 000	5 000		
Lyceum Capital II	2008	GBP	21 000	24 741		
Seedcamp II	2011	EUR	250	250		
Sofinnova Capital V	2005	EUR	7 500	7 500		
Sofinnova Capital VI	2008	EUR	5 000	5 000		
Vectis	2004	EUR	3 000	3 000		
Vectis II	2011	EUR	5 000	5 000		
V-Bio Ventures	2016	EUR	5 000	5 000		
<b>Total active third-party funds</b>				<b>296 986</b>	<b>21 975</b>	<b>158 299</b>
<b>Total tail-end third-party funds</b>				<b>72 470</b>	<b>168</b>	<b>-</b>
<b>Total third-party funds</b>				<b>369 456</b>	<b>22 144</b>	<b>158 299</b>
<b>Co-investment partnership</b>						
Gimv Arkiv Technology Fund	2006	EUR	15 100	15 100		
Gimv Arkiv Tech Fund II	2011	EUR	13 000	13 000		
Gimv-XL (1) (2)	2008	EUR	202 313	202 313		
DG Infra+ Bis (3)	2007	EUR	15 973	15 973		
DG Infra Yield (3)	2010	EUR	7 350	7 350		
Gimv H&C Partners (1) (2)	2013	EUR	72 000	72 000		
<b>Total co-investment partnership</b>				<b>325 736</b>	<b>78 266</b>	<b>99 628</b>

1. These partnerships are managed by a management company which is majority owned by Gimv.

2. Gimv's investments in the shareholdings of the Gimv-XL fund and Gimv H&C CIP are recorded directly in the Gimv balance sheet.

3. These partnerships are managed by a TDP, a company which is 50% owned by Gimv.

## 24 OFF-balance sheet obligations and major pending litigation

The text below gives an overview of off-balance sheet obligations in relation to shareholdings which represent a material portion of the Gimv group's non-current financial assets:

Apart from commitments to invest in funds (cfr. supra):

- there are 13 files with binding financial commitments totalling EUR 30 487;
- in addition, Gimv is committed to investing EUR 50 525 for financing investments in primary infrastructure projects via TDP;
- in just over two-thirds of investments Gimv's interest can be diluted, albeit generally to a relatively limited extent, by stock option plans or securities entitling their holders to shares upon exercise or conversion;
- in just under three-quarters of the files, agreements have been made which, in the event of an exit, could result in an uneven distribution of the proceeds, to the benefit or detriment of Gimv depending on the investment and/or the circumstances;
- slightly over a third of the files include an anti-dilution clause which comes into effect whenever additional capital is obtained at a lower price per share, and which in most cases, but not always, operates to Gimv's advantage;
- half of its investments commit Gimv to co-selling its holdings, in most cases together with the other members of the financial consortium;
- in 2 files Gimv has granted a call option on all or part of its shares in a particular shareholding, and in 2 files one or more third parties have put options on Gimv;
- there are 13 files in which Gimv has agreed, in the event of an exit, to cede part of its capital gain above a certain return to one or more other shareholders;
- given the 13 complete divestments during the past year, there are currently only 20 files in which representations and warranties have been given that are still effective (including still outstanding terms of limitation). At the year-end closing date there was no indication whatsoever to suggest that any claim might in future be made against these representations and warranties.

In the pending litigation in which Gimv group is involved at 31 March 2017, the appropriate provisions have been set up where necessary, taking into account the assessment of the risks on the basis of the information available at the close of the financial year.

## 25 Risk Factors

Gimv is - just like any other company - exposed to a number of risks. The increasing complexity of society and of the investment projects in which Gimv is involved, along with the changing laws and regulations, call for a high degree of risk awareness.

Risk management is the process of identification, assessment, management and communication of risk from an integrated and organization-wide perspective. This is a continuous process, if only because the current situation and the fact of taking measures in changing circumstances require this of us.

This section describes the risks with which Gimv is confronted as an investment company, along with the operational and financial risks associated with Gimv's investment activities.

The Company is convinced that risk management is an essential part of good governance and the development of a sustainable business. By maintaining an appropriate balance between risks and returns the Company seeks to maximize business success and shareholder value. Optimal risk management needs also to contribute to the realization of the (strategic) objectives:

- optimizing operational business processes in terms of effectiveness and efficiency;
- increasing the reliability of financial reporting;
- monitoring its activities in accordance with regulations, laws and codes of conduct.

We describe below what we believe to be the most important risks to which the Company is exposed. The order of the risks listed below is arbitrary.

## 25.1 Economic risk

The evolution of the general economic situation can potentially impact the results of the shareholdings and by extension the valuation of these shareholdings on Gimv's balance sheet. Given Gimv's highly differentiated portfolio, spread over 51 different shareholdings operating in different sectors and countries, fluctuations in the economic situation can have very varied impacts.

The concentration in the portfolio is limited. No individual holding represents more than 10% of the total value of the investment portfolio, and the largest five holdings together represented a quarter of the total portfolio, just as at the end of March 2016 (see table below).

Investment portfolio (in descending order of value)	31-03-2017	31-03-2016
1. Itho Daalderop / Klimaatgarant		1. Punch Powertrain
2. Grandeco		2. Vandemoortele
3. Almaviva Santé		3. Itho Daalderop / Klimaatgarant
4. United Dutch Breweries (UDB)		4. Almaviva Santé
5. Mackevision		5. United Dutch Breweries (UDB)
Share of total portfolio	20.5%	25.4%
6. Brakel		6. GreenPeak
7. Teads		7. Grandeco
8. Walkro		8. Mackevision
9. Joolz		9. Teads
10. Acceo		10. Wolf
Share of total portfolio	34.6%	37.7%

Difficult economic conditions can negatively affect not only on the valuation of the existing Gimv portfolio, but also the quantity and quality of new investment opportunities, the exit opportunities for existing shareholdings (and therefore cash generation) as well as on the ability to raise funds for the co-investment partnerships. By consequence Gimv's turnover, earnings and cash flow are subject to many different elements and can therefore fluctuate significantly. Gimv is therefore unable to maintain its current dividend policy at all times.

## 25.2 Market risk

The value of the listed portion of the portfolio depends directly on the stock market prices of the companies concerned and on the fluctuations thereof.

Under IFRS, the valuation of unlisted investments depends also on a number of market-related elements (*inter alia* through comparison with a 'peer group' of listed companies. However, the volatility of such market data does not necessarily reflect the performance of the shareholding in question. This means that the unrealized capital gains and losses on the unlisted part of Gimv's portfolio (and therefore Gimv's earnings) are also determined to a large extent by market developments.

A 10% change in the share prices of the listed part of the portfolio and in the value of the unlisted part of the portfolio measured using multiples has an impact of EUR 5 386 and EUR 44 297 respectively (at end-March 2016 this impact was EUR 3 937 and EUR 41 614 respectively). Further information on the value over time of these shareholdings and on the parameters determining this value is given in [note 14 of the annual financial statements \(16.1.14\)](#).

## 25.3 Risk in relation to corporate trust legislation

In principle, Gimv invests on a non-recourse basis. This implies that the financial risk is limited to the amount of the investment in the shareholding concerned. Recently, however, private equity companies themselves have been fined for violation of anti-trust legislation by their shareholdings. These violations were committed by shareholdings in which private equity firms held controlling stakes. The anti-trust authorities are of the opinion that maintaining a controlling interest constitutes sufficient grounds for direct liability for the fines imposed, even if the private equity firm itself was in no way involved in the anti-trust offence.

## 25.4 Competition risk

Gimv operates in a competitive market of both local and international private equity players and a rapidly changing competitive landscape. Gimv's success is largely determined by its ability to maintain a strong competitive and differentiated position. This led among others to the strategic reorientation implemented in 2012.

## 25.5 Tax risk

Currently, Gimv has offices in Belgium, the Netherlands, France and Germany. As such, Gimv falls under the jurisdiction of various tax authorities. Its results may therefore be affected by changes in the tax laws of the countries in question.

Capital gains on shares are the most important component of Gimv's result. Currently these are subject only to a Belgian corporation tax levy of 0.412% (except for capital gains realised within one year to which a 25.75% tax rate is applied). A change in the corporation tax treatment of capital gains could have a material impact on the results of Gimv.

## 25.6 Regulatory risk

Gimv's key activity consists of private equity investments, a sector that has, in recent years, been increasingly subject to European and national regulations (eg AIFMD).

The ever-changing regulatory environment is closely monitored at Gimv, the impact on the organization, administration or reporting is evaluated on a regular basis, and any necessary adjustments are made. With the rules differing from one type of private equity firm to another and from country to country, Gimv risks suffering competitive disadvantage from a changing regulatory framework.

## 25.7 Liquidity risk

Gimv's portfolio consists of investments that are generally high risk, unsecured and unlisted and therefore illiquid. The realisation of capital gains on its investments is uncertain, can be slow in coming and is often legally or contractually restricted during certain periods (lock-up, stand still, closed period, etc.). These capital gains depend, among other things, on the earnings evolution of the specific shareholding, on the general economic situation, on the availability of buyers and financing, and on the possibility of IPOs. As a result, the illiquid nature of its assets presents a risk for Gimv's results and cash flow generation. In addition, Gimv does not always control the timing or the course of the sales process, which can possibly lead to a suboptimal return.

With a net cash position and unused credit lines, Gimv is not exposed to the risks associated with debt financing. Gimv does keep watch, however, to ensure that the buyout companies build in sufficient margins and do not incur any debts which could exceed their repayment capacities in normal circumstances. The average debt ratio for Gimv's portfolio companies is 1.9 times operating cash flow (or EBITDA). For this reason the Board considers the liquidity risk a limited one.

## 25.8 Treasury risk

Gimv incurs credit risk (or counterparty risk) both in respect of its cash position and as a result of the loans in the investment portfolio.

At treasury level this risk is managed through distributing this cash sensibly across a sufficiently large number of banks and other financial institutions with good ratings. This cautious approach to its treasury policy does not, however, give any cast iron guarantee against adverse changes in the financial institutions in question and may potentially have a significant impact on Gimv's cash position.

The credit risk from the loans in the investment portfolio is diversified over a large number of holdings. Total loans as end-March 2016 are EUR 125 358 (12.4% of the total investment portfolio), with the largest loan equal to 3.0% of the total investment portfolio. At end-March 2016, 1.7% of the total loan portfolio was in arrears (3.8% at end-March 2015). A more detailed description of the loans is provided in [note 15 to the financial statements \(16.1.15\)](#).

The loans that Gimv makes available to its shareholdings are often subordinated to the investments of other parties. This subordination applies generally vis-à-vis funds made available by financial institutions, with the risk of there being insufficient proceeds from the sale or liquidation of the company in question to repay the loans from Gimv. Where a shareholding gets into financial difficulties, Gimv's influence can also decrease to the benefit of the secured creditors. The directors view the change in fair value of investments due to changes in credit risk as insignificant and therefore present no sensitivity figures with respect to credit risk.

## 25.9 Interest, refinancing and subordination risk

Since Gimv is currently financial debt-free, it is right now not directly exposed to any interest or refinancing risk. Gimv's investee companies obviously make frequent use of debt financing. For some of them this means that an interest and/or refinancing risk exists when existing loans mature and need to be refinanced.

Leveraged buyouts bear the inherent risk of the company getting into serious trouble in the event that a drastic fall in earnings erodes its repayment capacity. Moreover, a particular outcome in one shareholding (e.g. bankruptcy) can have a (direct or indirect) impact on the attitude of interested third parties towards one or more other shareholdings.

## 25.10 Human resources risk

For achieving its objectives, Gimv is largely dependent on the experience, commitment, reputation, deal-making skills and networks of its senior employees. Human capital is a key corporate asset at Gimv. The departure of senior staff can therefore adversely impact Gimv's activities and results.

## 25.11 Currency hedging

As of 31 March 2017, Gimv group has foreign currency assets with a countervalue of k EUR 36 863. The breakdown by currency is shown in the table below:

Portfolio in foreign currency on 31 March 2017	in foreign currency	in k EUR
USD	32 292	30 273
GBP	5 594	6 590
<b>Totaal</b>		<b>36 863</b>

Portfolio in foreign currency on 31 March 2016	in foreign currency	in k EUR
USD	36 931	32 438
GBP	16 618	20 994
<b>Risk in relation to fund commitments</b>		<b>53 433</b>

This shows that Gimv's direct exchange rate risk is rather limited (up to 3.0% of the Group's equity). A 10% change in the USD and GBP exchange rate against the euro has an impact of about EUR 3 686 or 0.3% of Gimv's equity (EUR 5 343 at end-March 2016). Gimv aims for a 60% hedging of the currency risk of USD denominated assets, through forward sales of USD. These hedges produced in 2016-2017 a negative result of EUR 1 086. The result of this hedging is included in the other operating result (see 16.1.8).

Besides the direct foreign exchange risk through the holding of foreign-currency denominated participating interests, Gimv also has an indirect exchange rate risk from the activities and, potentially, the financing of the portfolio companies. Any hedging against this latter currency risk takes place at the level of the respective portfolio companies.

## 25.12 Risk in relation to fund commitments

The company has in the past invested in private equity funds managed by third parties. These investment commitments must be paid in proportion to the investments that are decided and implemented. Gimv has no further control or power of decision over these investments.

The amount of outstanding commitments fund has fallen sharply in recent years since Gimv has chosen in principle not to make any new commitments to external funds.

At end-March 2017 Gimv had a total EUR 22 144 of such outstanding commitments to funds managed by third parties (= 7.1% of its cash resources). For more details, the reader is referred to the table of outstanding fund commitments in [note 23 to the financial statements \(16.1.23\)](#). The greatly reduced amount of these fund commitments sharply reduces the risk of investment calls limiting the capacity to make direct investments.

## 25.13 Risk in relation to the off-balance sheet commitments and significant pending litigation

As part of its investment activities, Gimv has a whole series of commitments that are not expressed on its balance sheet. In a number of cases, for example, Gimv is committed to follow-up investments. These commitments total EUR 30 487 (EUR 16 293 at end-March 2016). There are also a whole series of agreements or commitments that can directly impact the shareholdings and/or their value. The Company's shareholding may be diluted by exercise of share options and the effect of anti-dilution clauses; there can be agreements concerning division of the proceeds of any sale or obligations to co-sell with other investors.

When selling shareholdings, the company has in certain cases to provide warranties with respect to these. At the end of March 2017, there were 20 files (17 at end-March 2016) for which representations and warranties were still outstanding. In addition, the Company is involved in a limited number of judicial proceedings, both as defendant and as plaintiff. Where deemed necessary, the requisite provisions are set aside, based on an assessment of these risks using the available information. A more detailed description can be found [note 24 to the financial statements \(16.1.24\)](#).

## 16.2 Auditor's report

### Statutory auditor's report to the general meeting of shareholders of Gimv NV as of and for the year ended 31 March 2017

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated statement of the financial position as at 31 March 2017, the consolidated statement of the realised and non-realised results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 March 2017 and the notes (all elements together the 'Consolidated Financial Statements'), and includes as well our report on other legal and regulatory requirements.

#### **Report on the Consolidated Financial Statements - unqualified opinion**

We have audited the Consolidated Financial Statements of Gimv NV (the 'Company') and its subsidiaries (together the 'Group') as of and for the year ended 31 March 2017, prepared in accordance with the *International Financial Reporting Standards* as adopted by the European Union, which show a consolidated balance sheet total of € 1.315.260 in thousands and of which the consolidated income statement shows a profit for the year of € 149.636 in thousands.

#### **Responsibility of the board of directors for the preparation of the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the *International Financial Reporting Standards* as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

#### **Responsibility of the statutory auditor**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ('ISAs') as they were adopted in Belgium. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Unqualified opinion**

In our opinion, the Consolidated Financial Statements of the Group as at 31 March 2017 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

**Report on other legal and regulatory requirements**

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code. The Board of Director's report on the Consolidated Financial Statements is included in the chapters 9, 10, 12 and 15.

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements.

- The Board of Director's report to the Consolidated Financial Statements includes, both in form and in substance, the information required by law, is consistent with the Consolidated Financial Statements and does not contain any material inconsistencies with the information that we became aware of during the performance of our mandate.

Antwerp, 16 May 2017

Ernst & Young Bedrijfsrevisoren BCVBA  
Statutory auditor  
represented by



Ömer Turna  
Partner\*

\* Acting on behalf of a BVBA

## 16.3 Unconsolidated Financial statements

In the following two notes we give abridged versions of the balance sheet and income statement of Gimv nv.

The full financial statements, audited by EY and for which they have issued an unqualified opinion, will be filed electronically with the National Bank of Belgium.

This filing will be made within thirty days of the Annual General Meeting of 28 June 2017.

### 1 Balance sheet

<b>Assets</b>	<b>31-03-2017</b>	<b>31-03-2016</b>	<b>31-03-2015</b>	<b>31-03-2014</b>	<b>31-03-2013</b>
<b>Fixed assets</b>	<b>993 308</b>	<b>918 959</b>	<b>897 500</b>	<b>915 030</b>	<b>829 499</b>
I. Intangible fixed assets	495	630	356	351	97
II. Tangible fixed assets	6 370	6 961	7 553	7 782	8 792
A. Land and buildings	5 701	6 066	6 495	6 891	7 845
B. Plant, machinery and equipment	-	-	-	-	-
C. Furniture and vehicles	669	895	1 058	891	946
F. Assets under construction and advance payments	-	-	-	-	-
IV. Financial fixed assets	986 442	911 367	889 591	906 896	820 610
A. Affiliated enterprises	624 485	517 866	466 050	406 391	355 394
1. Shares	339 276	332 393	337 298	317 456	263 736
2. Amounts receivable	285 209	185 472	128 752	88 935	91 658
B. Enterprises linked by participating interests	256 003	225 803	258 108	313 426	269 292
1. Shares	240 000	210 647	222 210	276 472	235 394
2. Amounts receivable	16 003	15 157	35 897	36 953	33 897
C. Other financial fixed assets	105 954	167 698	165 433	187 079	195 924
1. Shares	77 029	112 167	121 522	136 587	133 325
2. Amounts receivable and cash guarantees	28 924	55 531	43 911	50 492	62 599
<b>Current assets</b>	<b>284 760</b>	<b>194 339</b>	<b>188 733</b>	<b>73 635</b>	<b>189 475</b>
V. Amounts receivable after one year	-	-	-	-	-
B. Other amounts receivable	-	-	-	-	-
VII. Amounts receivable within one year	3 944	10 003	15 527	21 001	21 507
A. Trade debtors	3 271	3 965	138	831	4 936
B. Other amounts receivable	673	6 038	15 389	20 170	16 571
VIII. Cash investments	170 006	110 087	94 394	46 605	161 124
B. Other investments	170 006	110 087	94 394	46 605	161 124
IX. Cash at bank and in hand	109 399	73 988	78 468	5 729	6 570
X. Deferred charges and accrued income	1 410	262	344	300	273
<b>Total assets</b>	<b>1 278 068</b>	<b>1 113 298</b>	<b>1 086 233</b>	<b>988 665</b>	<b>1 018 973</b>

Liabilities	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Equity	1 034 454	904 389	882 498	795 908	829 801
I. Capital	241 365	241 365	241 365	234 702	227 478
II. Share premium account	51 629	51 629	51 629	35 077	17 131
IV. Reserves	322 601	322 601	322 601	321 288	321 212
V. Profit carried forward	418 859	288 795	266 903	204 842	263 980
VII. Provisions for liabilities and charges	3 886	2 807	3 931	7 739	8 177
1. Pensions and similar obligations	-	-	-	-	-
2. Taxes	-	-	-	-	-
4. Other liabilities and charges	3 886	2 807	3 931	7 739	8 177
<b>Liabilities</b>	<b>239 727</b>	<b>206 102</b>	<b>199 804</b>	<b>185 018</b>	<b>182 946</b>
VIII. Amounts payable after one year	-	-	-	-	-
A. Long-term financial debts	-	-	-	-	-
4. Credit institutions	-	-	-	-	-
5. Other loans	-	-	-	-	-
D. Other amounts payable	-	-	-	-	-
IX. Amounts payable within one year	235 029	203 348	192 479	181 451	180 996
A. Current portion of amounts payable after one year	-	-	-	-	-
B. Financial debts	-	-	-	-	-
1. Credit institutions	-	-	-	-	-
2. Other loans	-	-	-	-	-
C. Trade debts	1 404	957	946	794	1 587
1. Suppliers	1 404	957	946	794	1 587
E. Taxes, payroll and related obligations	7 445	6 830	6 865	6 795	6 862
1. Taxes	-	-	101	157	1
2. Payroll and social security	7 445	6 830	6 764	6 638	6 861
F. Other amounts payable	226 180	195 560	184 669	173 862	170 597
X. Accrued charges and deferred income	4 698	2 754	7 324	3 567	1 950
<b>Total liabilities</b>	<b>1 278 068</b>	<b>1 113 298</b>	<b>1 086 233</b>	<b>988 665</b>	<b>1 018 973</b>

## 2 Income statement

Charges	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
A. Interest and other debt charges	539	508	706	1 032	927
B. Other financial charges	1 133	785	727	183	983
C. Services and other goods	11 327	11 245	10 310	10 690	10 315
D. Payroll, social security charges and pensions	15 792	14 259	14 074	13 541	14 232
E. Other operating charges	2 473	1 624	7 515	1 703	3 793
F. Depreciation and write-downs on formation expenses, tangible and intangible fixed assets	938	968	887	901	842
G. Write-downs on					
1. financial fixed assets	50 049	44 342	48 950	60 729	91 008
2. current assets	50 049	44 342	48 950	60 729	89 524
H. Provisions for liabilities and charges	1 079	-1 124	-3 807	-438	-6 131
I. Losses on the disposal of					
1. financial fixed assets	620	257	3 118	12 049	1 822
2. tangible fixed assets	620	257	3 118	12 048	1 822
3. current assets	-	-	-	1	-
J. Extraordinary charges	-	-	-	-	-
K. Taxes	706	397	581	157	1
L. Profit / loss for the financial year	193 631	84 187	125 670	1 513	24 090

Income	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
A. Income from financial fixed assets	29 492	21 825	13 698	11 735	15 129
1. Dividends	19 532	13 730	5 319	2 702	2 329
2. Interest	9 960	8 095	8 379	9 033	12 800
B. Income from current assets	2 277	2 336	3 276	5 074	5 564
C. Other financial income	19	218	370	173	0
D. Income from services provided	5 622	5 329	9 756	12 741	14 414
E. Other operating income	4 528	2 424	1 027	1 519	818
G. Write-back of write-downs on	29 348	23 522	25 732	33 518	16 716
1. financial fixed assets	29 348	23 522	24 660	31 527	15 588
2. current assets	-	-	1 072	1 991	1 128
H. Write-back of provisions for liabilities and charges	-	-	-	-	-
I. Capital gains on the disposal of	206 800	101 788	154 382	37 295	88 943
1. financial fixed assets	206 800	101 788	154 382	37 295	88 943
2. current assets	-	-	-	-	-
J. Extraordinary income	203	3	187	3	1
K. Adjustment of income taxes	1	4	303	-	297

## 3 Share capital

	31-03-2017	31-03-2016	31-03-2015
Capital	241 365	241 365	241 365

In August 2013, the dividend was paid in respect of the 2012-2013 financial year, with a stock dividend option. A large portion of shareholders subscribed to the optional stock dividend. In this way, 760 994 additional shares were created, increasing capital by EUR 7 224 to EUR 234 702 and bringing the total number of shares to 24 724 780.

In August 2014, the dividend was paid in respect of the 2013-2014 financial year, again with a stock dividend option. Due to the success of the optional stock dividend, 701 892 new shares were created and capital was increased by EUR 6 663 to EUR 241 365. bringing the total number of shares to 25 426 672.

In FY 2016-2017 and FY 2015-2016, there were no changes in the capital.

Gimv NV is a publicly traded company. 26.82% of the shares are owned by the Vlaamse Participatiemaatschappij (VPM); the rest are spread across a large number of institutional and retail shareholders.

## 4 Valuation rules (BGAAP)

### 4.1 Formation expenses

Formation expenses are recorded at cost and are charged in full to the income statement in the financial year in which they are incurred.

### 4.2 Intangible assets

Intangible fixed assets are carried at acquisition or production cost, less amortization. The recorded production price of intangible fixed assets other than those acquired from third parties is not higher than a conservative estimate of their value in use or their future return for the companies in question.

The amortization rates applied are:

- licences: 20% straight line;
- internally developed software: 20% straight line.

Additional or extraordinary amortization is recorded whenever, as the result of technical obsolescence or changes in economic or technological conditions, the carrying value of certain intangible fixed assets is higher than their value in use for the enterprise.

Note:

The acquisition cost of tangible fixed assets may include interest on borrowings used to finance them, but only in respect to the period prior to these fixed assets becoming ready for use.

### 4.3 Property, plant and equipment

Tangible fixed assets of unlimited useful life are carried at cost. Reductions in value are recorded in the event of a permanent loss or impairment of value. Tangible fixed assets of limited useful life are carried at cost less depreciation, calculated in principle on a straight-line basis.

The depreciation percentages used for calculating linear or declining balance depreciation are based on the estimated economic life of the assets in question. The following percentages are applied systematically without regard to the result:

- land: zero;
- administrative buildings: 3% declining balance;
- lifts, electricity: 6% declining balance;
- telephony installations: 10% declining balance
- finishing of buildings, landscaping: 15% straight line;
- office equipment: 20% straight line;
- furniture: 15% straight line;
- vehicles: 25% straight line;
- interior decoration and fittings: 33% straight line;
- computer hardware: 20% straight line;

In the year of acquisition, new investments are depreciated pro rata temporis from the day they enter the enterprise.

Additional or extraordinary depreciation is also recorded on tangible fixed assets whenever, as the result of technical obsolescence or changes in economic or technological conditions, the carrying value of certain tangible fixed assets is higher than their value in use for the enterprise. Additional or extraordinary depreciation is also recorded on tangible fixed assets that have been decommissioned or no longer contribute to activity in a lasting way where the probable realization value is lower than the book value.

## 4.4 Financial fixed assets

Listed shares are valued at the lower of cost or most recent stock market quotation. Unlisted securities are valued at cost. Reductions in value are recorded in the event of permanent reduction or loss of value, caused by the condition, profitability or prospects of the companies in which the shares are held.

Supplementary acquisition costs are charged in full to the income statement of the financial year in which the financial fixed assets in question are acquired. The purchase price of subscription rights and warrants forms an integral part of the acquisition price of subscribed shares.

Amounts receivable are measured at nominal value.

The collectibility of receivables recorded under financial fixed assets is assessed individually at balance sheet date. Reductions in value are recorded when uncertainty exists as to the collectibility of certain receivables.

Fixed-interest securities are valued at cost. Write-downs are applied whenever repayment of all or part of a receivable at due date is uncertain.

## 4.5 Amounts receivable and payable

This paragraph contains the valuation rules for receivables and payables maturing both after and within one year.

All amounts receivable and payable are carried at nominal value.

The collectibility of receivables is assessed individually at balance sheet date. Reductions in value are recorded when uncertainty exists as to the collectibility of certain receivables.

Account will be taken in such cases of any existing or future rules concerning interest rates and/or discounts specified by any legislation.

Fixed-interest securities are valued at cost.

## 4.6 Cash investments and cash at bank and in hand

Listed securities are valued at the lower of cost or listed price (or bid price) on the last day of the financial year.



Unlisted securities are valued at cost.

Supplementary acquisition costs are charged in full to the income statement of the financial year in which the financial fixed assets in question are acquired.

Reductions in value are applied where the realization value on the balance sheet date is lower than the acquisition cost. Additional reductions in value are applied in order to reflect changes in the realization or market value.

Fixed-interest securities are valued at cost. The supplementary costs are charged against the income statement along with interest paid.

Any difference between the cost price and the redemption value is taken into income as part of the interest yield of the securities, pro rata temporis to the remaining term of the securities, and is added to or subtracted from the cost price of the securities. The resulting carrying value is compared annually at the end of the financial year with the most recent stock market price and any negative differences are charged against income. Additional reductions in value are applied in order to reflect changes in the realization or market value.

Own shares are valued at cost.

Liquid assets are carried at nominal value.

## 4.7 Accruals and deferrals

Deferred and accrued income and charges are recorded and valued at cost, with the portion 'carried over' to the following financial year(s) recorded in the balance sheet.

## 4.8 Provisions for liabilities and charges

Provisions are recorded to cover clearly defined losses or charges that are likely or certain at the balance sheet date, but the amount of which is not yet established.

Provisions may be set up to cover tax liabilities ensuing from a change in the taxable basis or in the way tax is calculated. They may also be set up to cover other liabilities and charges arising from collateral, commitments or guarantees granted or from pending litigation.

## 4.9 Foreign currencies

Transactions in foreign currencies during the year are recorded at the exchange rate on the transaction date.

At balance sheet date all foreign currency assets and liabilities are converted, per currency, at the spot exchange rate. Whenever the balance for a particular currency is negative, this foreign exchange loss is recognized in the income statement for the previous financial year. Unrealized currency gains, however, are recorded as deferred income, with the exception of positive translation adjustments on cash at bank and in hand and accounts of a similar nature, where they are taken into income.

## 4.10 Structure of presentation of income statement

The special status of portfolio companies (which previously allowed Gimv to use an adjusted structure for presenting its figures) was discontinued by article 134 of the Act of 2 August 2002 concerning the supervision of the financial sector. Gimv has, however, applied for a waiver, based on article 125 of the Companies Code, to allow the Company, for financial years ending on 31 December 2003 or after, to continue to use an adjusted structure for its statutory (unconsolidated) and consolidated income statements. This has the advantage of preserving consistency of presentation.

## 17. Contact

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### Investor Relations

Shareholders and interested investors wishing to obtain a printed summary of the annual report, the annual accounts of Gimv NV or other information about the Gimv group are invited to contact:

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On the Gimv website [www.gimv.com](http://www.gimv.com) ([investors](#) / [ir-publications](#) / [annual-report](#)) you will find previous annual reports, press releases, the portfolio, the stock price and other information on the Gimv group (in Dutch and English).

### Order summary

As a sustainable company Gimv wants to preserve the environment. For legal reasons only we print a small amount of the full 2016-2017 annual report, as the report is available in a user-friendly website. If you want a printed reference book, then you can [order a printed summary of the report](#). You can also download the pdf from [www.gimv.com](http://www.gimv.com)

- the printed summary is available on [www.gimv.com](http://www.gimv.com), media and news, mediacenter, factsheets
- the full report is available on [www.gimv.com](http://www.gimv.com), investors, ir-publications, annual-report

