

3 GOOD HEALTH AND WELL-BEING



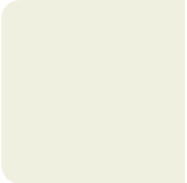
Antwerp,
February 28, 2020

8 DECENT WORK AND ECONOMIC GROWTH



PRESS RELEASE

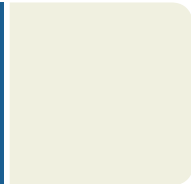
Annual results 2019



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



ACKERMANS & VAN HAAREN
Partners for sustainable growth

Ackermans & van Haaren in 2019

- Ackermans & van Haaren realized a record profit of 394.9 million euros over the full year 2019 (2018: 289.6 million euros), partly thanks to a substantial capital gain on the sale of Residalya.
- AvH achieves an 11.3% return on equity.
- An increase of the dividend per share by 7.8% to 2.5 euros is proposed to the general meeting of shareholders.

"It was already clear at the announcement of our half-year figures that Ackermans & van Haaren was set to close 2019 with a record result, thanks to the capital gain of 105.7 million euros which we had already realized on the sale of our stake in Residalya. Our investment in Residalya, which we - in partnership with the management - developed into a medium-sized player on the French senior care market, perfectly illustrates how we want to build up value in our portfolio in a sustainable manner.

The group also reported a strong second half of the year, partly thanks to a higher profit contribution from our Growth Capital portfolio. We are pleased that, after winding up a few difficult files, we are able to return to clearly positive results in this activity.

We continued to invest throughout 2019, not only in growth capital, with new participations in a number of small but promising new companies such as Bioelectric Group, Biotalys (formerly AgroSavfe) and Medikabazaar (India), but also in the strengthening of our interests in CFE, DEME, Rent-A-Port, Green Offshore, SIPEF and Sagar Cements. With a net cash position of 267 million euros at year-end 2019, we have both the ambition and the financial means to remain entrepreneurial in 2020."

Jan Suykens, CEO - Chairman of the executive committee

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

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

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

- Capital gains increased to 112.9 million euros (including the 105.7 million euros on the sale of Residalya).
- Favourable financial markets had a positive impact on the results of 'AvH & subholdings'.

General comments on the figures

- The shareholders' equity of AvH (group share) increased to 3,456.1 million euros as at December 31, 2019, which, after correction for the treasury shares in portfolio, corresponds to 104.32 euros per share. On December 31, 2018, the shareholders' equity amounted to 3,176.5 million euros, or 95.81 euros per share. A dividend of 2.32 euros per share was paid in 2019. Including dividend, the equity per AvH share therefore increased by 11.3% over 2019.
- At the end of 2019, AvH had a net cash position of 267.4 million euros, compared to 102.9 million euros at the end of 2018. Besides cash and short-term deposits, this cash position consists, among others, of short-term debts in the form of commercial paper amounting to 12.0 million euros, short-term investments amounting to 55.7 million euros and treasury shares.
- AvH invested 63.2 million euros in its portfolio. Besides new participations in Bioelectric Group (60%), Biotalys (formerly AgroSavfe) and Medikabazaar, AvH acquired additional shares in SIPEF, Sagar Cements and CFE (thereby mechanically increasing its shareholding percentages in DEME, Green Offshore and Rent-A-Port). AvH and CFE jointly increased their stake in Rent-A-Port to 50% each, and increased the capital with a view to realizing the next development phases in Vietnam.
- AvH sold its interests in a.o. Residalya and Henschel Engineering (owner of real estate in Wilrijk that was previously used for industrial purposes by the Telemond group) in the course of 2019. An additional gain was realized on the sale of the participation in Ogeda (transaction of 2017). Divestments in 2019 generated a total of 196.1 million euros in cash.
- In 2019, AvH purchased 65,500 treasury shares to hedge stock options in favour of its staff. 36,500 treasury shares were sold as a result of exercising options. As part of the liquidity agreement with Kepler Cheuvreux, 89,238 treasury shares were purchased and 93,125 were sold over the full year 2019. On balance, this resulted in a sale of 3,887 treasury shares.

Key figures - consolidated balance sheet

(€ million)	31.12.2019	31.12.2018
Net equity (part of the group - before allocation of profit)	3,456.1	3,176.5
Net cash position of AvH	267.4	102.9

Dividend

The board of directors proposes to the ordinary general meeting of May 25, 2020 to increase the dividend per share to 2.50 euros, an 7.8% increase compared to the dividend of 2.32 euros that was paid in 2019. This proposal amounts to a total dividend payment of 83.7 million euros.

Outlook 2020

Ackermans & van Haaren aims to further develop its portfolio in 2020 by acquiring new participations as well as by strengthening existing participations.

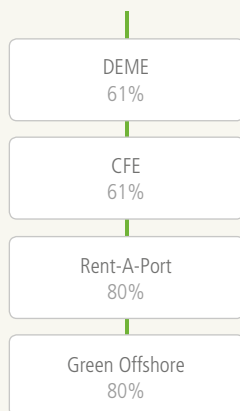
The good positioning of the group's core participations and the regained profitability in Growth Capital allow the board of directors to look forward to 2020 with confidence.

Key figures per share

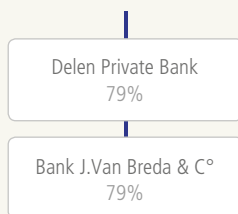
	2019	2018
Number of shares		
Number of shares	33,496,904	33,496,904
Net result per share (€)		
Net result per share		
Basic	11.92	8.74
Diluted	11.89	8.71
Dividend per share		
Gross dividend	2.50	2.32
Net dividend	1.75	1.62
Net equity per share (€)		
Net equity per share	104.32	95.81
Evolution of the stock price (€)		
Highest (April 17)	144.9	160.5
Lowest (August 15)	125.2	127.7
Closing price (December 31)	139.7	131.8

Ackermans & van Haaren

Marine Engineering & Contracting



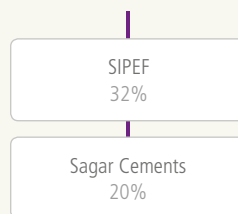
Private Banking



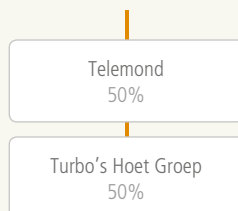
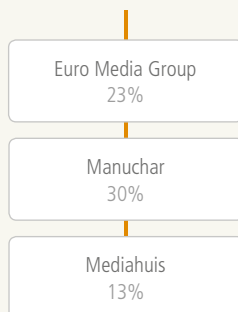
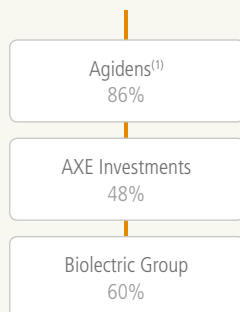
Real Estate & Senior Care



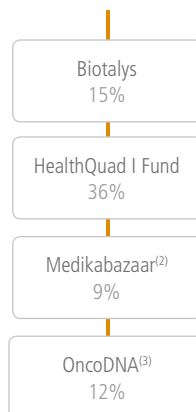
Energy & Resources



AvH & Growth Capital



Non-consolidated



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

Marine Engineering & Contracting

Contribution to the AvH consolidated net result

(€ million)	2019	2018
DEME	73.9	92.8
CFE	13.5	17.3
Rent-A-Port	0.5	5.3
Green Offshore	4.0	2.7
Total	91.9	118.1

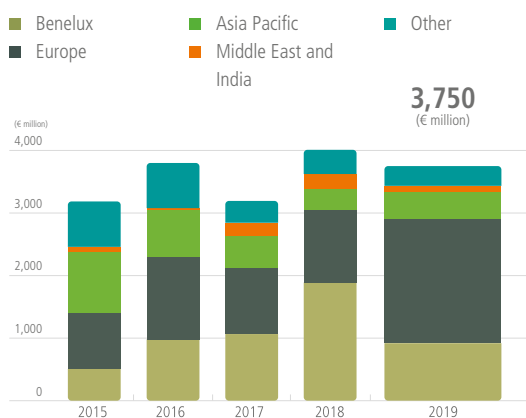
DEME

DEME (AvH 60.91%) realized a turnover of 2,622 million euros in 2019, virtually equalling the high level of 2018 (2,645.8 million euros).

In its traditional dredging activity, DEME reported a turnover increase of approx. 10% to 1,084.5 million euros. DEME carried out maintenance dredging works on the river Scheldt and on the Belgian coast, started deepening works on the Elbe in Germany, and took part in several large-scale infrastructure projects in the Netherlands together with its infrastructure subsidiary DIMCO. Outside Europe, the large-scale TTP1 project in Singapore is steadily entering its final stage. Other major projects were carried out in Russia, Qatar and several locations in Africa.

The turnover of DEME Offshore decreased in 2019 to 1,141.1 million euros, which includes a substantial volume of procurement. With 43%

DEME: Order backlog



of DEME's total turnover, DEME Offshore is still the main segment. In Belgium, the installation of the MOG project (Modular Offshore Grid or 'plug at sea') was successfully finished, while the installation of the foundations for the Belgian offshore wind farm SeaMade was completed. In the United Kingdom, 101 of the 103 foundations for the Moray East wind farm were already installed, while the Hornsea One project was fully completed.

The three major infrastructure projects (Terneuzen lock, RijnlandRoute and Blankenburg connection) that DIMCO, DEME's infra subsidiary, is carrying out in the Netherlands produced a substantial turnover increase, while the environmental and other activities remained on about the same level.

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

The following major dredging contracts were won during 2019:

- Ok Tedi river (Papua New Guinea): extension (for five years) of the long-term dredging contract,
- Elbe (Germany): deepening of the river (around 200 million euros), and
- Scheldt and the Belgian coast: extension of the maintenance dredging contract (2020-2021).

DEME

(€ million)	2019	2018
Turnover	2,622.0	2,645.8
EBITDA	437.0 ⁽¹⁾	458.9
Net result	125.0	155.6
Equity	1,435.5	1,401.4
Net financial position	-708.5 ⁽²⁾	-555.8

⁽¹⁾ Incl. IFRS16 effect of € 17.0 million

⁽²⁾ Incl. IFRS16 effect of € 86.1 million



1. DEME - Scheldt River - Elbe
2. DEME - Innovation
3. DEME - Apollo - Moray East

DEME also signed a large number of contracts for offshore wind farms across the world:

- Hornsea Two (UK): transport and installation of 165 foundations and turbines (more than 200 million euros),
- Saint-Nazaire (France, 480 MW): EPCI contract for the design, fabrication and installation of 80 foundations (in joint venture, total value of the contract: more than 500 million euros),
- Hai Long 2 and 3 (Taiwan): Preferred Bidder Agreement (PBA) for the first large-scale 'Balance of Plant (BOP)' project in Taiwan with EPCI for the foundations, inter-array cables, export cables and the transport and installation of the turbines,
- Zhong Neng (Taiwan, 300 MW): transport and installation of foundations, along with a Preferred Bidder Agreement (PBA) for the transport and installation of turbines, and
- Neart na Gaoithe (Scotland, 450 MW): EPCI contract for the inter-array cables and interconnectors.

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

DEME continued to invest unabated in its fleet, investing 434.7 million euros in 2019 (2018: 441.3 million euros). In 2019, the new trailing suction hopper dredger Bonny River (15,000 m³) was put into operation. The vessel is equipped with a dual fuel engine that can run on both LNG and diesel. In addition to the major repair costs, in particular those for the jack-up vessel Innovation, the investments were primarily related to the four large vessels under construction, notably the Spartacus, the world's most powerful cutter suction dredger, the offshore installation vessel Orion, and the trailing suction hopper

dredgers Meuse River and River Thames. Due to delays incurred at the shipyards, a number of payments were postponed to 2020. The delays are relatively minor in the case of the Orion, Meuse River and River Thames, as delivery is still expected in the course of the first six months. Delivery of the mega cutter Spartacus was delayed for several more months (until the end of the third quarter of 2020) by the Dutch shipyard IHC, whose situation is closely monitored. As a result of the delays in 2019, the expected investment amount for 2020 will be roughly the same as in 2019.

In 2019, DEME also announced a new investment in an SOV (Service Operation Vessel). This catamaran is specially designed for the maintenance of offshore wind farms, and can carry and accommodate a crew of up to 24 people. Delivery of this vessel is expected in 2021. It will be chartered by Siemens Gamesa Renewable Energy as part of a long-term maintenance contract for the Rentel and SeaMade wind farms.

DEME's net financial debt amounted to 708.5 million euros at year-end 2019 (including an impact of 86.1 million euros from the first-time application of the new IFRS 16 accounting standard), compared to 555.8 million euros at year-end 2018. Compared with June 30, 2019, DEME's net financial position improved by approximately 100 million euros, partly thanks to substantial repayments of loans that had been granted to the companies developing the Merkur and Rentel offshore wind farms.

For DEME, permanent focus on innovation and sustainability is crucial. Various new initiatives were started up in 2019, such as the partnership with SABCA on the deployment of drones for the inspection of offshore wind turbines, the agreement with Equinor for a study of floating concrete substructures for the Hywind Tampen offshore wind farm, the expert consortium led by Tractebel on solar technology at sea, responsible deep-sea research through GSR, the project for the autonomous plastic collector on the river Scheldt, the Hyport green



CFE Contracting - Gare Maritime - Brussels



CFE - BPI - Livingstone (artist impression)

hydrogen plant in Ostend, and the project for the transport of hydrogen in Antwerp.

In an uncertain geopolitical and economic context, DEME projects a modest increase in its turnover for 2020. Given the pressure on margins in offshore wind projects as mentioned earlier, an EBITDA is expected of the same order of magnitude as in 2019. DEME expects to be able to realize a capital gain of at least 50 million euros on the sale of its 12.5% stake in the German offshore wind project Merkur, which means that, barring unforeseen circumstances, a higher net result may be projected for 2020. Furthermore, DEME is seeing increased tendering activity, which opens up the prospect of a growth in business over the coming years.

CFE

CFE (AvH 60.91%) topped the one billion euros mark in 2019 with a turnover of 1,002.8 million euros (2018: 994.9 million euros).

CFE Contracting reported a 7% turnover increase to 998.7 million euros (2018: 934.6 million euros). This is primarily attributable to construction activity in Flanders and Poland, multitechnics at VMA, and rail & infrastructure at MOBIX. The main projects in progress are the Gare Maritime on the Tour & Taxis site, the residential complex Riva in Brussels, the ZNA hospital in Antwerp, and the underground depot for the Brussels metro. In Brussels, Wallonia and Luxembourg, difficult market conditions, characterized by a pressure on prices and higher subcontracting costs, had a negative impact on the turnover and operating result. Apart from a small project that is due for delivery in 2021, all projects in Tunisia are now finished. CFE Contracting achieved a net result of 9.5 million euros compared to 15.2 million euros in 2018. Its order book increased by 5% to 1,386 million euros. In December 2019, CFE Contracting won the contract worth more than 100 million euros for the design, construction and maintenance of the residential units for Shape (Wallonia).

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

In the fourth quarter of 2019, CFE Contracting and BPI set up Woodshapers for the realization of Design & Build projects and real estate developments (< 5,000 m²) in wood and sustainable prefab materials. This new entity has been set up as part of the group's sustainable development strategy.

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

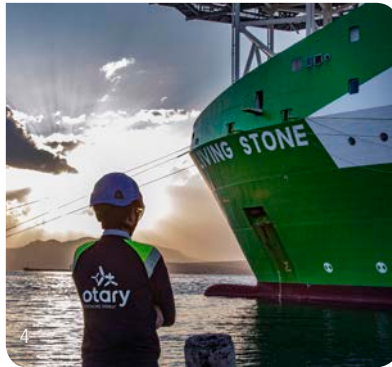
In accordance with IFRS 9, all outstanding receivables from the Chadian government have been written off. This accounting treatment does not alter CFE's decision to obtain the settlement of those receivables. Negotiations with the Afreximbank and the Chadian government on this matter are still ongoing.

The revenue of CFE Contracting should remain stable in 2020 while the operating income should grow. In 2020, the Real Estate division should repeat its good performance of 2019 in terms of net result.

CFE: Breakdown by division (excl. DEME)

(€ million)	Turnover		Net result ⁽¹⁾	
	2019	2018	2019	2018
Construction	733.5	692.5		
Multitechnics	179.6	170.6		
Rail Infra	85.6	71.5		
Contracting	998.7	934.6	9.5	15.2
Real Estate Development	59.1	94.7	11.6	9.3
Holding, non-transferred items and eliminations	-55.0	-34.4	-9.1	-6.6
Total	1,002.8	994.9	12.0	17.9

⁽¹⁾ Including contribution from Rent-A-Port and Green Offshore



1. Rent-A-Port - Dinh Vu
2. Green Offshore - SeaMade
3. Green Offshore
4. DEME - Green Offshore

Rent-A-Port

Rent-A-Port (AvH 80.46%) in 2019 refocused on its developments in Vietnam, more particularly the DEEP C Industrial Zones in Haiphong. The land in the first industrial zone, the Dinh Vu Industrial Zone, has already been largely developed and sold. The industrial zones could be further developed partly thanks to the financial support of its shareholders. At the same time, strong partners were sought for the two industrial zones in Quang Ninh to help support and speed up the development process. As a result of this, along with certain geopolitical developments, a significant increase in land sales is expected for next year.

In February 2019, a new shareholder agreement was concluded with regard to Infra Asia Investments Ltd (IAI), the company which is developing the industrial zones in the port of Haiphong in Vietnam and in which Rent-A-Port holds a 60% stake. Consequently, IAI and its main subsidiaries are fully consolidated as from 2019.

In August 2019, Rent-A-Port transferred its subsidiaries managing its developments in Oman to DEME Concessions.

AvH and CFE both increased their stakes in Rent-A-Port from 45% to 50% at the beginning of 2019. As a result, including the indirect participation through CFE, AvH's beneficial interest in Rent-A-Port amounted to 80.46% on December 31, 2019.

Green Offshore

Green Offshore (AvH 80,46%) holds stakes in the Belgian offshore wind farms Rentel (12.5%) and SeaMade (8.75%), as well as a participating interest in the umbrella company Otary (12.5%). AvH has a beneficial interest (direct and indirect participation through CFE) of 80.46% in Green Offshore.

The Rentel offshore wind farm, with a capacity of 309 MW, generated almost one TWh green energy in 2019.

Construction work on the SeaMade offshore wind farm is in full progress. In 2019, all 60 monopile foundations were installed and the export cables laid. In 2020, two offshore substations, which will be connected to the Elia Modular Offshore Grid, will be installed on those foundations, along with 58 wind turbines of 8.4 MW. SeaMade is expected to be fully operational by the end of 2020. With a total capacity of 487 MW, it will be the largest offshore wind farm in Belgium.

Together, Rentel and SeaMade will supply renewable energy to more than 700,000 households, resulting in an annual reduction of 1,200,000 tonnes of CO₂ emissions.

In addition to Green Offshore, DEME Concessions also owns participations of respectively 18.89% in Rentel and 13.22% in SeaMade, as mentioned above. These participations are included in the consolidated financial statements of DEME. When SeaMade will be operational (before the end of 2020), the total direct and indirect participation of AvH in Rentel and SeaMade will provide, from an economic perspective, a production capacity of 140 MW of renewable energy.

Private Banking

Contribution to the AvH consolidated net result

(€ million)	2019	2018
FinAx	-0.2	-0.4
Delen Private Bank	93.4	88.5
Bank J.Van Breda & C°	34.1	33.2
Total	127.3	121.3

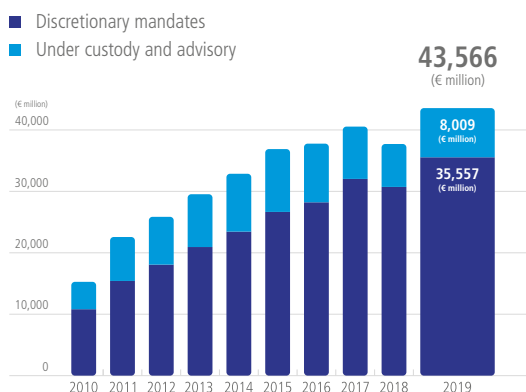
Thanks to strong commercial volumes, the combined assets entrusted by the clients of Delen Private Bank and Bank J.Van Breda & C° increased to 51.9 billion euros at December 31, 2019 compared with 45.4 billion euros at December 31, 2018 (+14%).

Delen Private Bank

The assets under management of Delen Private Bank (AvH 78.75%) at the consolidated level (Delen Private Bank, JM Finn, Oyens & Van Eeghen) attained a record level of 43,566 million euros at year-end 2019 (year-end 2018: 37,713 million euros).

The increase in assets under management in 2019 is primarily explained by the value increase of the underlying assets. The volatility of the financial markets at the end of 2018 and the beginning of 2019 contributed to a wait-and-see attitude on the part of investors. The gross inflow of assets under management was still considerable, albeit

Delen Private Bank: Consolidated assets under management



less than the record level of the last two years. The currency evolution of the pound sterling against the euro (+5.1%) and the acquisition of Nobel Vermogensbeheer also contributed to this increase.

Delen Private Bank: Assets under management

(€ million)	2019	2018
Delen Private Bank	31,489	27,673
JM Finn	11,448	9,563
Oyens & Van Eeghen	629	476
Total	43,566	37,713

The inflow of assets at Delen Private Bank - from both existing and new clients - consisted almost exclusively of discretionary asset management. The bank applies its criteria of responsible investment, i.e. investing in companies that attach importance to climate, people and good governance as well as to financial return, to 100% of the assets under discretionary management. This policy earned Delen Private Bank the highest A+ rating from UN PRI in 2019.

In September 2019, Delen Private Bank acquired in an asset deal certain assets from Nobel Vermogensbeheer, an independent asset manager in the Netherlands. On August 31, 2019, the assets under management at Nobel Vermogensbeheer amounted to more than 260 million euros. On December 31, 2019, about half the assets of clients of Nobel Vermogensbeheer had already been transferred to Oyens & Van Eeghen according to plan.

The average assets under management at Delen Private Bank over 2019 lay slightly above the average of 2018. Consequently, the consolidated gross revenues slightly increased to 388.6 million euros

Delen Private Bank

(€ million)	2019	2018
Gross revenues	388.6	384.3
Net result	118.6	112.4
Equity	809.6	742.9
Assets under management	43,566	37,713
Core Tier1 capital ratio (%)	32.0	30.9
Cost-income ratio (%)	55.3	55.3



Delen Private Bank - Ghent



Bank J.Van Breda & C° - Antwerp

(384.3 million euros in 2018). The operating expenses increased only slightly by 0.3%, thanks to a focus on the curtailment of costs at Delen Private Bank in Belgium. The cost-income ratio decreased to 55.3% (43.5% at Delen Private Bank, 85.5% at JM Finn), which is a good figure compared to the competition. The net profit increased in 2019 to 118.6 million euros (compared to 112.4 million euros in 2018), which includes the contribution from JM Finn of 7.8 million euros and a negative contribution from Oyens & Van Eeghen.

The consolidated equity of Delen Private Bank amounted to 809.6 million euros on December 31, 2019 (compared to 742.9 million euros at year-end 2018). The Core Tier 1 capital ratio of 32.0% is well above the industry average.

Bank J.Van Breda & C°

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

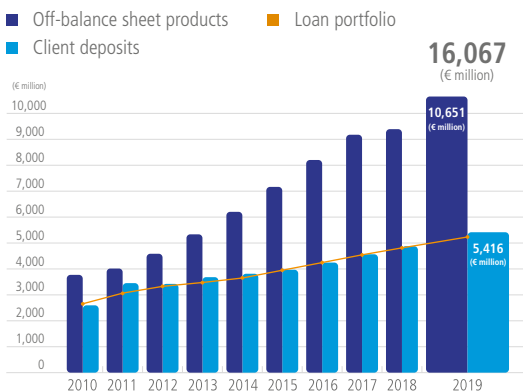
Buoyed by the favourable stock market climate, assets invested by clients increased by 1.8 billion euros (13%) to 16.1 billion euros, of which 10.7 billion euros consisted of off-balance sheet products (+13%) and 5.4 billion euros of client deposits (+11%). For the first time, the off-balance sheet products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

euros. Delen Private Bank had 6.5 billion euros under management of the assets brought in by the network of Bank J.Van Breda & C°. The total loan portfolio increased by 9% to 5.2 billion euros. Impairment losses on loans amounted to just 0.03% of the average loan portfolio, or 1.4 million euros.

The consolidated bank product increased by 4% to 150 million euros, of which 51% interest income and 46% fee income. This result is almost entirely commercially driven. The costs increased by 4% to 91.7 million euros. The investment path of recent years has been pursued unabated in terms of digitalization, commercial strength and the refurbishment and upgrading of branches. The cost-income ratio, however, remained stable at 61%. This makes Bank J.Van Breda & C° still one of the better performing Belgian banks.

The equity (group share) increased from 550 million euros at year-end 2018 to 573 million euros at year-end 2019. The Core Tier 1 capital ratio of 13.1% should be seen in light of the high solvency ratio expressed as equity to assets (leverage ratio) of 8.5%. This is a multiple of the required 3% that will become binding upon publication of the Capital Requirements Regulation 2 (CRR2).

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



Bank J.Van Breda & C°

(€ million)	2019	2018
Bank product	149.6	143.8
Net result	43.4	42.2
Equity	573.3	549.8
Off-balance sheet products	10,651	9,392
Client deposits	5,416	4,877
Loan portfolio	5,233	4,797
Core Tier1 capital ratio (%)	13.1	13.6
Cost-income ratio (%)	61.3	61.0

Real Estate & Senior Care

Contribution to the AvH consolidated net result

(€ million)	2019	2018
Leasinvest Real Estate	15.7	11.9
Extensa Group	29.5	27.2
Anima Care	5.0	4.7
HPA	-	21.5
Total	50.2	65.3

Leasinvest Real Estate

The results of Leasinvest Real Estate (LRE, AvH 30.0%) showed a marked increase compared to 2018, partly because the 84 million euros that was raised during the capital increase of October 2018 had already been fully invested shortly afterwards. The net result for 2019 amounted to 49.9 million euros compared to 38.2 million euros in 2018.

At year-end 2019, the fair value of the consolidated real estate portfolio, including project developments, amounted to 1.1 billion euros (compared to 1.0 billion euros at year-end 2018). In 2019, the following properties were added to the portfolio:

- Two important retail properties (Retailpark SCS and Retailpark Pittarello) near Shopping City Süd in Vösendorf, near Vienna (an investment of 71.8 million euros).
- Buildings B and E in the EBBC Business Park in Luxembourg (purchase price: 47.3 million euros), making LRE the current owner of five of the six buildings on the site.

Including the participation in REIT Retail Estates NV, the fair value of the portfolio reached 1.2 billion euros at the end of 2019.

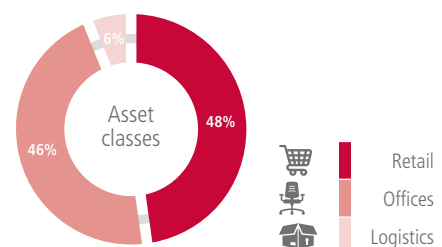
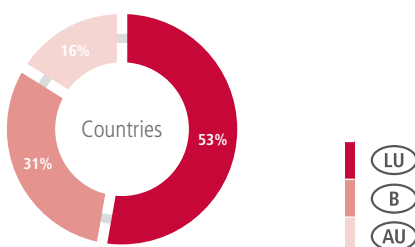
The rental yield amounted to 5.84% at the end of 2019, compared to 6.45% at the end of 2018. The rental income increased sharply to 65.3 million euros (2018: 56.2 million euros), driven by Montoyer 63 and Treesquare which were brought into use during 2018 and contributed for a full year in 2019, the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

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

LRE: Real estate portfolio

	2019	2018
Real estate portfolio fair value (€ mio)	1,110.2	1,037.1
Rental yield (%)	5.84	6.45
Occupancy rate (%)	90.46	94.26

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





Extensa - Tour & Taxis - Gare Maritime - Brussels



Anima Care - Alegria - Anderlecht

Extensa

Extensa Group (AvH 100%) reported a net result of 29.5 million euros over the 2019 financial year, compared to 27.2 million euros in 2018.

On the Tour & Taxis site in Brussels, 50,000 m² office and retail space is being built in the former Gare Maritime freight station, divided over ten wooden modules that harmonize with the historical structure. Not only does the property comply with the latest environmental standards, the project is also an example of circular construction. In October 2019 the first of these modules was brought into use by the tenant Accenture. The other tenants will move in during the course of 2020.

The new underground car park (908 parking places) will open in the second quarter of 2020. Anima Care acquired the right to build a residential care centre (197 beds) above this car park. Extensa also started off-plan sales and construction of the next phase of the residential project Park Lane (319 apartments). The available apartments in the Riva project (139 units) are all sold and will be delivered in the first half of 2020.

On the Cloche d'Or site (Luxembourg), the first residential phase 'lot A' (72,500 m², 909 apartments) is almost completely sold. Delivery of the last apartments is scheduled for 2020. In the new residential development 'lot D' (26,800 m²), off-plan sales have started of 'lot D Sud' (151 apartments), and construction has already begun. The new office building for Deloitte Luxembourg was delivered in the first quarter of 2019 and sold to institutional investors. Several other office projects, such as 'Bijou', 'Spaces' and 'Banca Intesa Sanpaolo', are under development (totalling approximately 30,000 m²).

Anima Care

Anima Care (AvH 92.5%) realized a turnover of 89.3 million euros in 2019. The increase by 5 million euros (+6%) compared to 2018 is a.o. due to the residential care centres in Aalst and Berlare, which have returned to full capacity utilization following extension and renovation works. Villa 34 and Le Rossignol (both in Braine-l'Alleud, together 125 nursing home beds), which were acquired in October 2019, only contributed to the consolidated results in the last quarter. The improved results of the existing operations were partly offset by the start-up costs of the new-build projects. The EBITDA and net profit in 2019 amounted to 19.5 million euros including an IFRS16 effect of 2.0 million euros (2018: 16.2 million euros) and 5.4 million euros (2018: 5.1 million euros) respectively.

Three high-quality new-build projects were completed in 2019. Efforts were made during the realization of those projects to minimize the environmental impact of the development and operation of those care centres, for instance by installing photovoltaic cells, a sun protection system and a building management system.

- In September, 57 residents moved into Kristalllijn (Bilzen). In the first quarter of 2020, 49 additional residential units will be brought into use.
- Ravelijn (Zoutleeuw) was also brought into use in September. The centre can accommodate 43 nursing home and short-stay residents, and also has 30 convalescence beds and 20 service flats.
- Alegria (Anderlecht), with a capacity of 159 nursing home beds and 34 service flats, opened on the Erasmus Gardens site at the end of October.

Nuance (Vorst), with a capacity of 121 nursing home beds, was completed at the beginning of 2020. The first residents moved mid-January 2020 to this new-build residence.

In 2019, agreements were signed for the construction of new care centres in Oudenaarde and Putte with a capacity of 64 and 98 nursing home beds respectively, along with some twenty service flats at each site. A planning application was also filed for a new care centre on the Parc de l'Alliance site in Braine-l'Alleud with a capacity of 129 nursing home beds and 32 service flats. In February 2020, construction work began on a residential care centre with a capacity of 197 beds on the Tour & Taxis site in Brussels.

At December 31, 2019, Anima Care had 2,353 beds in operation, of which 1,957 nursing home beds, 137 convalescence beds and 259 service flats, spread over 22 care centres (9 in Flanders, 7 in Brussels, 6 in Wallonia).

HPA

At the end of June, AvH finalized the sale of its participation (71.72%) in HPA, the parent company of Residalya, to DomusVi. This transaction provided AvH with cash proceeds of 165 million euros and a capital gain of 105.7 million euros.

Energy & Resources

Contribution to the AvH consolidated net result





(€ million)	2019	2018
SIPEF	-2.3	7.8
Sagar Cements	0.8	-0.1
Total	-1.5	7.7

SIPEF

SIPEF (AvH 32.33%) produces sustainable and traceable palm oil that is certified according to the RSPO regulations. The other products of SIPEF (rubber, bananas and tea) are certified by The Rainforest Alliance. By purchasing shares on the stock exchange, AvH increased its participation from 31.59% at the beginning of the year to 32.33% at the end of the year.

SIPEF's total palm oil production decreased in 2019 by 11.2% to 312,514 tonnes (2018: 351,757 tonnes). The decrease of the production volumes in Papua New Guinea with 26.9% is primarily the result of a wet rainy season, followed later in the year by three volcanic eruptions of Mount Ulawun. Almost half of the planted hectares were damaged. The oil palm plantations gradually recover, but it will take at least two years for them to return to their optimal production conditions. Besides this, the Indonesian plantations also saw a general production decrease (-0.7%).

SIPEF: Production

(Tonne) ⁽¹⁾	2019	2018
	312,514	351,757
	6,326	7,982
	2,331	2,422
	32,849	27,788

⁽¹⁾ Own + outgrowers

Despite a sharp increase in the palm oil price in the fourth quarter, the average world market price for crude palm oil in 2019 was 566 USD per tonne CIF Rotterdam, which is 32 USD per tonne or 5% lower than in 2018. Due to a combination of these lower production volumes and the lower palm oil price, the turnover of palm oil decreased by 12.4%. There was also a decrease in turnover for rubber and tea, while higher production volumes led to an increase in turnover for bananas. The total turnover decreased to 248 million USD (-9.8% compared with 2018). After tax and a negative contribution from the participation in Verdant Bioscience (research activities), the net result amounted to -8.0 million USD, compared to a profit of 30.1 million USD in 2018 (including the capital gain of 7.4 million USD on the sale of BDM-Asco).

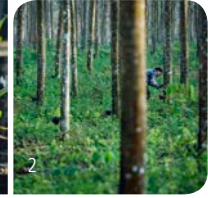
The total investments remained virtually unchanged (66.7 million USD), while the expansion of the activities in South Sumatra continued steadily. As a result, the planted hectares at the end of 2019 increased by 2,427 hectares to 82,967 hectares (of which 76,302 hectares share of the group).

Thanks to a more favorable price environment for palm oil since the end of 2019, with prices reaching 750 USD to 800 USD per tonne, there is a prospect of markedly better results in 2020.

SIPEF

(USD million)	2019	2018
Turnover	248.3	275.3
EBIT	4.9	50.1
Net result	-8.0	30.1
Equity	628.7	644.5
Net cash position	-164.6	-121.4

1. SIPEF - Immature palms
2. SIPEF - Rubber plantation
3. SIPEF - Immature palms
4. SIPEF - Mature palms
5. Sagar Cements
6. SIPEF - Immature palms



Sagar Cements

Sagar Cements (AvH 19.86%) increased its turnover over 2019 by 8% (in INR), from 11.5 billion INR (142 million euros) in 2018 to 12.4 billion INR (157 million euros) in 2019. This turnover increase is primarily the result of the capacity expansion of the grinding facility in Vizag (from 0.3 million tonnes to 1.5 million tonnes). Sagar also succeeded in slightly reducing its costs/tonne by taking measures to improve energy efficiency and reduce average transportation distances. Sagar's net result amounted to 5.6 million euros (2018: -0.1 million euros).

In January 2019, Sagar announced its plans to further expand its cement production capacity to 8.25 million tonnes per year through the construction of a 1.5 million tonnes grinding station in East India (Orissa) and a 1 million tonnes cement factory in Central India (Madhya Pradesh). This is in line with Sagar Cements' strategy of increasing its capacity to 10 million tonnes by 2025, and of further expanding its market reach into regions with a strong potential for growth.

This expansion will be financed by a mix of debts and the preferential allocation of convertible warrants for an amount of 2.26 billion INR (28 million euros). AvH is participating in the preferential allocation on a 50/50 basis, together with the Reddy family, and has exercised half of its warrants in 2019. As a result, its interest increased to 19.86%. After the second tranche is exercised (scheduled in May 2020), AvH's interest will increase to 21.85%. The entire operation represents an investment of 14 million euros for AvH.

AvH & Growth Capital

Contribution to the AvH consolidated net result

(€ million)	2019	2018
Contribution of participations	17.6	-6.9
AvH & subholdings	-3.5	-13.7
Capital gains(losses)/ impairments	112.9	-2.2
AvH & Growth Capital	127.0	-22.8

Agidens (AvH 86.2%, incl. indirect participation through AXE Investments) reported a strong year in all its divisions. The group closed 2019 with a turnover of 92.9 million euros and a net profit of 1.3 million euros (2018: -6.2 million euros). The order book remains well-filled, amounting to approximately 50 million euros. With its '20/20 Vision', Agidens maintains a strong focus on product innovation, recurring operations and the opening up of new markets and customers.

At **AXE Investments** (AvH 48.3%), the results of the participation in Xylos and the rental income from the Ahlers building together determined the annual result (-0.1 million euros) of this investment company.

In February 2019, AvH acquired a 60% participation in **Bioelectric Group**, alongside the founder and CEO, Philippe Jans. Bioelectric is the market leader in the production and sale of compact biogas installations (11 to 74 kW) intended for cattle and pig farms and water purification stations. Thanks to the anaerobic digestion technique, methane gas from manure and sludge is converted into sustainable electricity and heat, avoiding the emission of harmful greenhouse gases. Bioelectric sold 56 installations in 2019 (more than 50% increase compared to 2018) and realized a turnover of 5.8 million euros. Besides selling installations to farmers, Bioelectric has started offering maintenance contracts and setting up installations at farms while retaining ownership of the installations. 2019 was a transition year for Bioelectric. Bioelectric incurred a limited loss (-0.1 million euros) due to the acquisition process and the costs associated with the significant strengthening of its production and sales team.

Euro Media Group (EMG, AvH 22.5%) was able, in an uneven year without major sporting events, to realize a higher turnover (337.5 million euros compared to 306.6 million euros in 2018) thanks to its acquisitions. In 2019, EMG acquired Telegenic in the United Kingdom and Global Production in Italy. The net result decreased to -9.6 million euros (2018: 0.8 million euros), of which 5.6 million euros attributable to non-recurring expenses and 8.3 million euros non-cash interest on convertible obligations.

At **Manuchar** (AvH 30.0%), the operational results were good despite political and economic instability in the emerging markets that had an impact on the turnover. Virtually all group companies made a positive contribution to the net result. The favourable outcome of a dispute in Brazil also had a beneficial impact on the result. Consequently, Manuchar closed the year with a record result of 28.5 million USD (2018: -10.6 million USD). In 2019, the remaining production activities in Mexico (sodium sulphate production) and France (wood activities) were deconsolidated or sold, allowing Manuchar to focus more on its core activities of chemical distribution and international trade in emerging markets.

Mediahuis (AvH 13.5%) reported a consolidated turnover of 857.9 million euros in 2019 and, despite significant non-recurring costs as a result of reorganisations and acquisitions, a net result of 14.7 million euros (2018: 28.3 million euros). 2019 was a year of further international development for Mediahuis. With the acquisition of the Irish Independent News & Media (a.o. The Irish Independent, The Sunday Independent and the Belfast Telegraph), Mediahuis took its first steps in the English-speaking market. Mediahuis continued in 2019 to focus on the digital transformation of its news brands, resulting for the first time in many years to an increase in the number of paying readers. This digitalization also meant that an accelerated restructuring of the print business was necessary in order to restore profitability.

Telemond Group (AvH 50.0%) realized a turnover increase of 7% to 98.6 million euros in 2019. This increase was driven by a larger market share and the further diversification of the customer base. Telemond was able to increase its margins thanks to its persistent focus on innovation and process optimization and the powerful effects of expansion. All segments made a positive contribution to the doubling of the net result to 8.2 million euros (2018: 4.1 million euros).

Turbo's Hoet Groep (THG, AvH 50.0%) achieved a significant increase in its turnover to 602.0 million euros in 2019 (2018: 532.6 million euros), primarily thanks to the acquisition of 50% of EVW Holding, which with more than 400 employees is the only DAF dealer in Romania (11 sites) and Moldavia (1 site). For THG this transaction was the largest acquisition since its inception in 2006. In Minsk, Belarus, a state-of-the-art new-build service point opened in November. The net result remained virtually stable at 10.0 million euros, compared to 10.1 million euros in 2018.



1



2



3



4

1. Biotalys
2. Turbo's Hoet Groep - Minsk
3. Manuchar
4. Telemond

Non-consolidated participations

In July 2019, AvH announced the investment of 10 million euros in **Biotalys** as part of a capital-raising round totalling 35 million euros. As a result, AvH acquired a 14.6% stake in the capital. Biotalys, founded in 2013 under the name AgroSafve as a spin-off of the Flemish Institute for Biotechnology, is a fast-growing food and crop protection firm that has developed a unique and versatile technological platform designed for the development of biocontrols. Biocontrols are new protein-based agents that provide a safe, sustainable and efficient protection for food and crops. Biotalys is expected to launch its first fungicide on the American market in 2022. AvH strongly believes in making the food and agricultural sector more sustainable.

In November 2019, AvH subscribed to the capital increase of **Medikabazaar**, thereby acquiring a direct participation of 5.4% and a beneficial interest of 8.6%, taking into account its participation in the HealthQuad I fund (AvH 36.3%). Medikabazaar is the market leader in the supply of medical equipment and consumables to hospitals in India via an online model, and has achieved strong and consistent growth. Medikabazaar realizes run-rate revenues of 50 million USD per annum.

OncoDNA (AvH 12.26%) reached several milestones in 2019, such as an international partnership agreement with an American pharmaceutical company for one of their phase 3 clinical trials and the large-scale rollout of OncoKDM, the SaaS platform for cancer data interpretation. In February 2020, OncoDNA implemented a capital increase, as a result of which AvH's shareholding percentage comes to 11.96% (fully diluted).

Net capital gains/losses and impairments

At the end of June, AvH finalized the sale of its participation (71.72%) in **HPA**, the parent company of Residalya, to DomusVi. This transaction provided AvH with cash proceeds of 165 million euros and a capital gain of 105.7 million euros.

AvH also sold its participation in Henschel Engineering (owner of real estate in Wilrijk that was previously used for industrial purposes by the Telemond group) in the course of 2019. An additional gain was realized on the sale of the participation in Ogeda (transaction of 2017).

Post balance sheet events

In February 2020, Ackermans & van Haaren participated in a capital increase of **MRM Health**. With its contribution of 4 million euros, AvH acquires a stake in excess of 15%. MRM Health, established in the Ghent biotech cluster, develops innovative human microbiome-based medicines. The first product is designed to treat inflammatory bowel disease (colitis ulcerosa and Crohn's disease) and will enter the clinical phase at the end of 2020. The treatment of spondyloarthritis (rheumatic diseases), diabetes and the development of certain probiotics are also being investigated.

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

ESG policy

Ackermans & van Haaren developed a new ESG policy and made its ESG approach more structured in 2019. This should give a better picture of its constant attention to sustainable growth.

Partners for sustainable growth

As an investment company, AvH concentrates on a limited number of strategic participations with significant potential for growth. AvH acts as a partner of its participations in the pursuit of sustainable growth, adopting a decentralized view of responsibility. In addition, AvH pursues an active (dis)investment policy where ESG aspects always form part of the evaluation and decision-making process. The group sees to it that the composition of the portfolio evolves in line with a number of sustainable social or economic trends.

AvH's corporate values and its baseline 'Partners for sustainable growth' reflect the group's attention to the broad spectrum of ESG and do not focus only on environmental issues. Constant attention goes to the main stakeholders, which include shareholders, participations, strategic partners, employees, government and local communities. Relevant socio-economic challenges such as climate change, energy transition, scarcity of raw materials, safeguarding of international free trade and population ageing are also monitored.

Materiality analysis

In 2019, AvH performed an analysis to determine its material ESG risks and opportunities. The materiality matrix revealed four themes that have a great impact on the group's business and at the same time are rated highly by the stakeholders.

- Responsible shareholding: interaction with the participations to increase the ESG impact
- Business ethics: compliance with the applicable laws and regulations (including the legal framework in the matter of anti-corruption), internal guidelines, group values such as human rights, integrity, partnership, teamwork, independence, entrepreneurship, sustainability and long-term vision
- Solvency and long-term profitability: focus on financially sustainable business models with appropriate balance sheet structures
- Corporate governance: organized control and monitoring of the strategy being pursued

Internationally recognized reference model

As of 2019, AvH uses the internationally recognized reference model 'Sustainable Development Goals' (SDG) of the United Nations for its sustainability reporting. On the basis of the aspects that were identified in the materiality analysis as being material to AvH as an investment company, the following specific SDGs were selected for AvH:

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

This will be discussed in more detail in the sustainability report that forms part of the annual report that will be available at the end of March.

AvH is a socially responsible investment company (good citizen)



AvH invests in sustainable activities through its participations

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

Declaration by the auditor

The auditor has confirmed that his review of the consolidated annual accounts has been substantially completed and that no meaningful corrections have come to its attention that would require an adjustment to the financial information included in this press release.

Antwerp, February 27, 2020

EY Bedrijfsrevisoren BV, statutory auditor
represented by
Patrick Rottiers⁽¹⁾ & Wim Van Gasse⁽¹⁾
Partners

⁽¹⁾ Acting on behalf of a BV

Ackermans & van Haaren is a diversified group operating in 4 core sectors: Marine Engineering & Contracting (DEME, one of the largest dredging companies in the world - CFE, a construction group with headquarters in Belgium), Private Banking (Delen Private Bank, one of the largest independent private asset managers in Belgium, and asset manager JM Finn in the UK - Bank J. Van Breda & C°, niche bank for entrepreneurs and the liberal professions in Belgium), Real Estate & Senior Care (Leasinvest Real Estate, a listed real estate company - Extensa, a major land and real estate developer with a focus on Belgium and Luxembourg) and Energy & Resources (SIPEF, an agroindustrial group in tropical agriculture).

At an economic level, the AvH group represented in 2019 a turnover of 5.6 billion euros and employed 21,522 people through its share in the participations. The group focuses on a limited number of strategic participations with a significant potential for growth. AvH is listed on Euronext Brussels and is included in the BEL20 index, the Private Equity NXT index and the European DJ Stoxx 600 index.

Website

Alle persberichten van AvH en haar belangrijkste groepsvenootschappen evenals de 'Investor Presentation' kunnen geraadpleegd worden op de AvH website: www.avh.be. Geïnteresseerden die de persberichten via e-mail wensen te ontvangen, kunnen zich inschrijven via deze website.

Calendrier financier

May 20, 2020	Interim statement Q1 2020
May 25, 2020	Ordinary general meeting
August 28, 2020	Half-year results 2020
November 23, 2020	Interim statement Q3 2020

Contact

For further information
please contact:

Jan Suykens
CEO - Chairman executive committee
Tel. +32.3.897.92.36

Tom Bamelis
CFO - Member executive committee
Tel. +32.3.897.92.42

e-mail: dirsec@avh.be



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1. Consolidated income statement

(€ 1,000)	2019	2018
Revenue	4,270,398	4,458,181
Rendering of services	89,270	207,745
Lease revenue	10,866	10,239
Real estate revenue	217,181	316,576
Interest income - banking activities	92,243	95,126
Fees and commissions - banking activities	69,131	61,224
Revenue from construction contracts	3,695,290	3,626,080
Other operating revenue	96,416	141,192
Other operating income	6,609	14,290
Interest on financial fixed assets - receivables	0	7,858
Dividends	6,547	5,677
Government grants	0	0
Other operating income	62	754
Operating expenses (-)	-3,974,839	-4,127,873
Raw materials and consumables used (-)	-2,263,227	-2,272,906
Changes in inventories of finished goods, raw materials & consumables (-)	59,431	-16,488
Interest expenses Bank J.Van Breda & C° (-)	-24,597	-24,841
Employee expenses (-)	-809,938	-842,070
Depreciation (-)	-342,950	-297,044
Impairment losses (-)	-27,225	-40,533
Other operating expenses (-)	-600,850	-658,139
Provisions	34,516	24,149
Profit (loss) on assets/liabilities designated at fair value through profit and loss	23,531	3,704
Financial assets - Fair value through P/L (FVPL)	18,182	2,974
Investment property	5,348	730
Profit (loss) on disposal of assets	121,899	50,421
Realised gain (loss) on intangible and tangible assets	6,379	7,510
Realised gain (loss) on investment property	-308	0
Realised gain (loss) on financial fixed assets	113,216	42,168
Realised gain (loss) on other assets	2,613	743
Profit (loss) from operating activities	447,598	398,723
Finance income	45,586	59,867
Interest income	20,708	10,414
Other finance income	24,878	49,454
Finance costs (-)	-71,582	-99,305
Interest expenses (-)	-35,333	-36,295
Other finance costs (-)	-36,248	-63,010
Derivative financial instruments designated at fair value through profit and loss	-5,370	114
Share of profit (loss) from equity accounted investments	154,952	153,853
Other non-operating income	4,442	716
Other non-operating expenses (-)	0	0
Profit (loss) before tax	575,627	513,968
Income taxes	-61,756	-72,195
Deferred taxes	12,537	6,452
Current taxes	-74,292	-78,647
Profit (loss) after tax from continuing operations	513,871	441,773
Profit (loss) after tax from discontinued operations	0	0
Profit (loss) of the period	513,871	441,773
Minority interests	118,971	152,134
Share of the group	394,900	289,639
Earnings per share (€)		
1. Basic earnings per share		
1.1. from continued and discontinued operations	11.92	8.74
1.2. from continued operations	11.92	8.74
2. Diluted earnings per share		
2.1. from continued and discontinued operations	11.89	8.71
2.2. from continued operations	11.89	8.71

For the first time adoption of IFRS 16 Leases, we refer to Disclosure 7.1 New IFRS standards.

2. Consolidated statement of comprehensive income

(€ 1,000)	2019	2018
Profit (loss) of the period	513,871	441,773
Minority interests	118,971	152,134
Share of the group	394,900	289,639
Other comprehensive income	-51,862	1,904
Elements to be reclassified to profit or loss in subsequent periods		
Net changes in revaluation reserve: bonds - Fair value through OCI (FVOCI)	2,426	31
Net changes in revaluation reserve: hedging reserves	-48,434	-6,793
Net changes in revaluation reserve: translation differences	7,088	8,816
Elements not to be reclassified to profit or loss in subsequent periods		
Net changes in revaluation reserve: shares - Fair value through OCI (FVOCI)	-205	-156
Net changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	-12,737	6
Total comprehensive income	462,009	443,677
Minority interests	97,392	149,061
Share of the group	364,618	294,615

For a breakdown of the item 'Share of the group and Minority interests' in the results, we refer to the segment reporting starting on page 26 of this report.

As a result of the application as of 2018 of the new accounting standard "IFRS 9 Financial Instruments", financial assets are broken down into three categories on the balance sheet. Another consequence of the application of this new standard is that, as of 2018, fluctuations in the fair value of financial assets are reported in the consolidated income statement. The only exception to this rule are the fair value fluctuations in the investment portfolio of Bank J.Van Breda & C° and Delen Private Bank, which in the table above is divided into shares and bonds.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by group companies to hedge against risks. Several group companies have hedged against a possible rise in interest rates. Across the group, the total unrealized loss on hedging

instruments, mainly on interest rates and exchange rates, has increased by 48.4 million euros (including minority interests) in 2019. Mainly DEME, Leasinvest Real Estate and Rentel/SeaMade have protected themselves against a change in interest rates. As a result of the evolution of the market interest rates, the market value of these hedges has evolved negatively.

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. In 2019, the euro decreased in value against most relevant currencies, which on balance is reflected in positive translation differences of 7.1 million euros (including minority interests).

With the introduction of the amended IAS 19 accounting standard in 2013, the actuarial gains and losses on certain pension plans are recognized directly in the other comprehensive income. The decrease in the discount rate explains the actuarial losses.

3. Consolidated balance sheet - Assets

(€ 1,000)	2019	2018
I. Non-current assets	10,478,704	9,768,821
Intangible assets	126,902	176,802
Goodwill	331,550	339,738
Tangible assets	2,909,167	2,711,097
Land and buildings	403,032	348,592
Plant, machinery and equipment	1,899,461	1,865,980
Furniture and vehicles	53,457	29,372
Other tangible assets	5,245	4,518
Assets under construction and advance payments	547,971	462,635
Investment property	1,336,093	1,137,531
Participations accounted for using the equity method	1,202,477	1,184,765
Financial fixed assets	254,824	296,467
Financial assets : shares - Fair value through P/L (FVPL)	154,418	113,526
Receivables and warranties	100,406	182,941
Non-current hedging instruments	1,213	2,000
Amounts receivable after one year	194,739	185,495
Trade receivables	0	0
Finance lease receivables	183,386	178,971
Other receivables	11,353	6,524
Deferred tax assets	111,004	108,297
Banks - receivables from credit institutions and clients after one year	4,010,736	3,626,628
II. Current assets	4,782,119	4,371,576
Inventories	458,096	332,385
Amounts due from customers under construction contracts	99,893	85,755
Investments	476,513	494,420
Financial assets : shares - Fair value through P/L (FVPL)	55,717	37,291
Financial assets : bonds - Fair value through OCI (FVOCI)	420,628	456,813
Financial assets : shares - Fair value through OCI (FVOCI)	168	316
Financial assets - at amortised cost	0	0
Current hedging instruments	911	451
Amounts receivable within one year	1,201,722	1,449,334
Trade debtors	938,560	1,138,482
Finance lease receivables	70,706	64,367
Other receivables	192,456	246,485
Current tax receivables	25,927	29,516
Banks - receivables from credit institutions and clients within one year	1,595,849	1,424,040
Banks - loans and advances to banks	141,306	127,693
Banks - loans and receivables (excluding leases)	999,823	936,664
Banks - cash balances with central banks	454,720	359,683
Cash and cash equivalents	887,985	513,588
Time deposits for less than three months	217,717	56,661
Cash	670,268	456,927
Deferred charges and accrued income	35,221	42,088
III. Assets held for sale	40,724	25,067
Total assets	15,301,547	14,165,464

For more details regarding the impact of the first time application of IFRS 16 Leases, we refer to Disclosure 7.1 New IFRS standards.

The breakdown of the consolidated balance sheet per segment is shown on pages 30-31 of this report. This reveals that the full consolidation of Bank J.Van Breda & C° (Private Banking segment) has a significant impact on both the balance sheet total and the balance sheet structure of AvH. Bank J.Van Breda & C° contributes 6,380.9 million euros to the balance sheet total of 15,301.5 million euros, and although this bank is solidly capitalized with a Core Tier1 ratio of 13.1%, its balance sheet ratios, as explained by the nature of its activity, are different from those of the other companies in the consolidation scope. To improve the readability of the consolidated balance sheet, certain items from the balance sheet of Bank J.Van Breda & C° have been summarized in the consolidated balance sheet.

Consolidated balance sheet - Equity and liabilities

(€ 1,000)	2019	2018
I. Total equity	4,681,834	4,357,996
Equity - group share	3,456,109	3,176,447
Issued capital	113,907	113,907
Share capital	2,295	2,295
Share premium	111,612	111,612
Consolidated reserves	3,439,322	3,124,841
Revaluation reserves	-64,472	-34,190
Financial assets : bonds - Fair value through OCI (FVOCI)	3,469	1,569
Financial assets : shares - Fair value through OCI (FVOCI)	41	228
Hedging reserves	-43,889	-13,529
Actuarial gains (losses) defined benefit pension plans	-23,019	-14,996
Translation differences	-1,074	-7,462
Treasury shares (-)	-32,648	-28,111
Minority interests	1,225,725	1,181,549
II. Non-current liabilities	3,100,095	2,435,214
Provisions	45,541	80,048
Pension liabilities	75,990	62,904
Deferred tax liabilities	164,694	191,983
Financial debts	1,906,344	1,340,204
Bank loans	1,466,076	1,120,304
Bonds	204,152	143,356
Subordinated loans	37,422	18,916
Finance and operational leases (incl. IFRS 16)	151,984	53,927
Other financial debts	46,710	3,700
Non-current hedging instruments	96,874	59,203
Other amounts payable after one year	31,429	32,543
Banks - non-current debts to credit institutions. clients & securities	779,224	668,329
Banks - deposits from credit institutions	0	0
Banks - deposits from clients	729,872	594,294
Banks - debt certificates including bonds	0	0
Banks - subordinated liabilities	49,352	74,035
III. Current liabilities	7,519,619	7,372,201
Provisions	37,701	50,760
Pension liabilities	331	358
Financial debts	625,560	672,919
Bank loans	279,208	214,864
Bonds	49,969	275,826
Subordinated loans	13,216	4,580
Finance and operational leases (incl. IFRS 16)	42,707	9,924
Other financial debts	240,460	167,724
Current hedging instruments	10,563	12,569
Amounts due to customers under construction contracts	169,751	224,540
Other amounts payable within one year	1,569,197	1,734,272
Trade payables	1,305,836	1,487,232
Advances received on construction contracts	861	1,270
Amounts payable regarding remuneration and social security	197,967	189,210
Other amounts payable	64,533	56,559
Current tax payables	59,441	56,212
Banks - current debts to credit institutions. clients & securities	4,946,466	4,551,832
Banks - deposits from credit institutions	27,825	27,634
Banks - deposits from clients	4,650,623	4,232,779
Banks - debt certificates including bonds	241,367	275,208
Banks - subordinated liabilities	26,651	16,211
Accrued charges and deferred income	100,608	68,739
IV. Liabilities held for sale	0	54
Total equity and liabilities	15,301,547	14,165,464

4. Consolidated cash flow statement (indirect method)

(€ 1,000)	2019	2018
I. Cash and cash equivalents, opening balance	513,588	637,027
Profit (loss) from operating activities	447,598	398,723
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-121,899	-50,421
Dividends from participations accounted for using the equity method	62,192	67,565
Other non-operating income (expenses)	4,442	716
Income taxes (paid)	-69,274	-84,563
Non-cash adjustments		
Depreciation	342,950	297,044
Impairment losses	28,628	40,661
Share based payment	-144	-362
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-23,531	-3,704
(Decrease) increase of provisions	-35,823	-21,268
Other non-cash expenses (income)	-2,425	-2,091
Cash flow	632,713	642,299
Decrease (increase) of working capital	-41,361	-213,822
Decrease (increase) of inventories and construction contracts	-123,584	-58,347
Decrease (increase) of amounts receivable	211,038	-308,384
Decrease (increase) of receivables from credit institutions and clients (banks)	-530,741	-336,488
Increase (decrease) of liabilities (other than financial debts)	-95,940	96,120
Increase (decrease) of debts to credit institutions, clients & securities (banks)	507,257	379,047
Decrease (increase) other	-9,392	14,230
Cash flow from operating activities	591,352	428,478
Investments	-1,040,894	-1,103,222
Acquisition of intangible and tangible assets	-503,154	-505,916
Acquisition of investment property	-212,713	-182,707
Acquisition of financial fixed assets (business combinations included)	-76,049	-52,612
Cash acquired through business combinations	38,212	72,454
New amounts receivable	-22,315	-54,112
Acquisition of investments	-264,875	-380,329
Divestments	625,524	538,011
Disposal of intangible and tangible assets	14,456	16,027
Disposal of investment property	42,350	3,500
Disposal of financial fixed assets (business disposals included)	202,698	159,945
Cash disposed of through business disposals	-26,483	0
Reimbursements of amounts receivable	96,889	9,241
Disposal of investments	295,615	349,297
Cash flow from investing activities	-415,370	-565,211
Financial operations		
Interest received	18,708	10,412
Interest paid	-43,749	-40,343
Other financial income (costs)	-11,157	-12,852
Decrease (increase) of treasury shares	-6,108	768
(Decrease) increase of financial debts	389,404	158,592
Investments and divestments in controlling interests	-7,478	48,641
Distribution of profits	-76,741	-73,019
Dividends paid to minority interests	-65,960	-76,820
Cash flow from financial activities	196,919	15,379
II. Net increase (decrease) in cash and cash equivalents	372,901	-121,355
Change in consolidation scope or method	0	-2,794
Impact of exchange rate changes on cash and cash equivalents	1,496	709
III. Cash and cash equivalents - ending balance	887,985	513,588

The first time adoption of IFRS 16 Leases has no impact on the cash flow statement.

A number of line items have been added to the presentation of the cash flow statement (to make the link with the note on 'Business combinations & disposals' more transparent, among other reasons); accordingly, the 2018 presentation was adapted as well.

5. Statement of changes in consolidated equity

(€ 1,000)											
	Issued capital & share premium	Consolidated reserves	Bonds - Fair value through OCI (FVOCI)	Shares - Fair value through OCI (FVOCI)	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Opening balance, 1 January 2018	113,907	2,908,037	1,544	351	-10,204	-15,083	-15,774	-29,828	2,952,951	1,211,448	4,164,398
Profit		289,639							289,639	152,134	441,773
Unrealised results			24	-123	-3,325	87	8,312		4,976	-3,072	1,904
Total of realised and unrealised results	0	289,639	24	-123	-3,325	87	8,312	0	294,615	149,061	443,677
Distribution of dividends of the previous financial year		-73,019							-73,019	-76,820	-149,839
Operations with treasury shares								1,716	1,716		1,716
Other (a.o. changes in consol. scope / beneficial interest %)		184							184	-102,141	-101,957
Ending balance, 31 December 2018	113,907	3,124,841	1,569	228	-13,529	-14,996	-7,462	-28,111	3,176,447	1,181,549	4,357,996

(€ 1,000)											
	Issued capital & share premium	Consolidated reserves	Bonds - Fair value through OCI (FVOCI)	Shares - Fair value through OCI (FVOCI)	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Closing balance, 31 December 2018	113,907	3,124,841	1,569	228	-13,529	-14,996	-7,462	-28,111	3,176,447	1,181,549	4,357,996
Impact IFRS 16 - Leases									0		0
Opening balance, 1 January 2019	113,907	3,124,841	1,569	228	-13,529	-14,996	-7,462	-28,111	3,176,447	1,181,549	4,357,996
Profit		394,900							394,900	118,971	513,871
Unrealised results			1,901	-187	-30,360	-8,023	6,388		-30,282	-21,580	-51,862
Total of realised and unrealised results	0	394,900	1,901	-187	-30,360	-8,023	6,388	0	364,618	97,392	462,009
Distribution of dividends of the previous financial year		-76,741							-76,741	-65,960	-142,702
Operations with treasury shares								-4,537	-4,537		-4,537
Other (a.o. changes in consol. scope / beneficial interest %)		-3,678							-3,678	12,745	9,067
Ending balance, 31 December 2019	113,907	3,439,322	3,469	41	-43,889	-23,019	-1,074	-32,648	3,456,109	1,225,725	4,681,834

For comments on the other comprehensive income, see Note 2 on page 21 of this report. The impact of the new accounting standard "IFRS 16 Leases" on equity is nil and this is explained in Disclosure 7.1 New IFRS Standards on page 39 of this report.

On June 5, 2019, AvH paid a dividend of 2.32 euros per share.

In 2019, AvH has purchased 65,500 of its own shares in order to hedge options for the benefit of the staff. Over the same period, the beneficiaries of the share option plan exercised options on 36,500 AvH shares. At the end of 2019, options were outstanding for a total of 343,000 AvH shares. In order to hedge these (and future) obligations, AvH owned 363,000 own shares on the same date.

In addition, 89,238 AvH shares were purchased and 93,125 shares were sold in the course of 2019 in the context of the contract that AvH entered into with Kepler Cheuvreux in order to support the liquidity of the AvH share. These transactions are initiated

entirely autonomously by Kepler Cheuvreux, but, as they take place on behalf of AvH, the net sale of 3,887 AvH shares has an impact on AvH's equity. On December 31, 2019, the number of own shares in the portfolio in the context of this liquidity agreement amounts to 5,528.

The item "Other" in the "Minority interests" column arises, among other aspects, from the changes in the AvH consolidation scope (i.e. the sale of Residalya, an increased stake in CFE and Rent-A-Port, and the acquisition of control/full consolidation of Infra Asia Investments). We refer to Explanatory note 6 Segment reporting on page 26 for more details.

The item "Other" in the column "Consolidated reserves" includes a.o. the eliminations of results on sales of treasury shares, the impact of the acquisition of minority interests and the impact of the measurement of the purchase obligation on certain shares.

6. Segment reporting

Segment 1

Marine Engineering & Contracting:

DEME (global integration 60.91%), CFE (global integration 60.91%), Rent-A-Port (global integration 80.46%) and Green Offshore (global integration 80.46%).

In the first quarter of 2019, AvH and CFE each increased their stake in Rent-A-Port from 45% to 50%. Together they now own 100% of the capital of this company.

The purchase of 118,000 CFE shares (+0.47%) on the stock market in 2019 led mechanically to a higher beneficial interest of AvH in DEME (60.91%), Rent-A-Port (80.46%) and Green Offshore (80.46%).

Segment 2

Private Banking:

Delen Private Bank (equity method 78.75%), Bank J.Van Breda & C° (global integration 78.75%) and FinAx (global integration 100%).

Segment 3

Real Estate & Senior Care:

Extensa (global integration 100%), Leasinvest Real Estate (global integration 30%), Leasinvest Real Estate Management (global integration 100%) and Anima Care (global integration 92.5%).

In March 2019, AvH and Hervé Hardy, founder and CEO, reached an agreement on the sale of 100% of the share capital of HPA, the parent company of Residalya, to DomusVi. The transaction was completed at the end of June 2019. In the consolidated accounts, the participation in Residalya was transferred to "held for sale" in Q1 2019, and was deconsolidated on June 28, 2019.

Segment 4

Energy & Resources:

SIPEF (equity method 32.33%), AvH India Resources (global integration 100%) and Sagar Cements (equity method 19.86%).

AvH's stake in SIPEF increased from 31.59 % to 32.33% in 2019.

Following an extraordinary general meeting of Sagar Cements, 3,100,000 warrants that are convertible into shares were issued in January 2019. AvH India Resources has subscribed to 1,550,000 convertible warrants, and 775,000 of these have already been converted. The beneficial interest of AvH India Resources in Sagar Cements thereby increased to 19.86%.

AvH India Resources holds no other participations than in Sagar Cements.

Segment 5

AvH & Growth Capital:

- AvH, Sofinim & subholdings (global integration 100%)
- Participations fully consolidated: Agidens (86.2%) and Bioelectric Group (60.0%)
- Participations accounted for using the equity method: Axe Investments (48.3%), Amsteldijk Beheer (50%), Mediahuis Partners (26.7%), Mediahuis (13.5%), MediaCore (49.9%), Financière EMG (22.5%), Manuchar (30.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%)
- Non-consolidated participations: Biotalys (14.56%), Health Quad Fund I (36.24%), Medikabazaar (5.37%), OncoDNA (12.26%) and Transpalux (45%).

AvH acquired a 60% stake in Bioelectric Group in February 2019, with Philippe Jans as CEO. This participation is fully consolidated as of January 1, 2019.

In Q1 2019, AvH sold its 50% stake in Henschel Engineering NV, a company that no longer has any industrial activities and that owns land and buildings situated in Wilrijk. As a result of this sale, Henschel Engineering is no longer included in the perimeter of the Telemond Consortium, in which AvH still holds 50%, as was the case before.

During the first half of 2019, AvH's shareholding percentage in Mediahuis Partners increased from 26.21% to 26.72%. This evolution is the result of minor changes in the shareholder structure of the company and not of an additional direct investment by AvH. Mediahuis Partners has a 50.57% stake in Mediahuis. As a result, the transitive interest of AvH in Mediahuis amounts to 13.51%.

In the course of 2019, AvH acquired new participations in Biotalys (formerly Agrosavfe) and Medikabazaar (5.37% directly, along with an indirect interest through Health Quad I Fund).

6. Segment information - consolidated income statement 2019

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2019
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
Revenue	3,731,484	172,944	264,448	33	103,520	-2,032	4,270,398
Rendering of services			89,221		1,931	-1,883	89,270
Lease revenue		9,270	1,596				10,866
Real estate revenue	59,065		158,116				217,181
Interest income - banking activities		92,243					92,243
Fees and commissions - banking activities		69,131					69,131
Revenue from construction contracts	3,596,586				98,705		3,695,290
Other operating revenue	75,834	2,300	15,514	33	2,884	-149	96,416
Other operating income	0	450	5,068	0	1,867	-776	6,609
Interest on financial fixed assets - receivables							0
Dividends		450	5,068		1,029		6,547
Government grants							0
Other operating income					838	-776	62
Operating expenses (-)	-3,577,267	-117,942	-164,630	-166	-117,641	2,808	-3,974,839
Raw materials and consumables used (-)	-2,138,039		-77,428		-47,759		-2,263,227
Changes in inventories of finished goods, raw materials & consumables (-)	35,575		23,701		155		59,431
Interest expenses Bank J.Van Breda & C° (-)		-24,597					-24,597
Employee expenses (-)	-655,795	-45,512	-66,811		-41,820		-809,938
Depreciation (-)	-320,853	-7,708	-9,587		-4,802		-342,950
Impairment losses (-)	-25,629	-1,365	-145		-86		-27,225
Other operating expenses (-)	-507,498	-37,046	-34,940	-166	-24,008	2,808	-600,850
Provisions	34,971	-1,714	580		679		34,516
Profit (loss) on assets/liabilities designated at fair value through profit and loss	0	0	15,491	0	8,040	0	23,531
Financial assets - Fair value through P/L (FVPL)			10,143		8,040		18,182
Investment property			5,348				5,348
Profit (loss) on disposal of assets	7,400	738	49	0	113,711	0	121,899
Realised gain (loss) on intangible and tangible assets	6,135	294	-45		-5		6,379
Realised gain (loss) on investment property			-308				-308
Realised gain (loss) on financial fixed assets	729		403		112,083		113,216
Realised gain (loss) on other assets	536	444			1,633		2,613
Profit (loss) from operating activities	161,618	56,190	120,426	-133	109,497	0	447,598
Finance income	39,600	12	5,527	3	1,806	-1,361	45,586
Interest income	15,495	12	4,896		1,666	-1,361	20,708
Other finance income	24,104		631	3	140		24,878
Finance costs (-)	-50,658	-1	-20,646	-1	-1,636	1,361	-71,582
Interest expenses (-)	-22,098		-13,974		-622	1,361	-35,333
Other finance costs (-)	-28,560	-1	-6,673	-1	-1,014		-36,248
Derivative financial instruments designated at fair value through profit and loss	0	-781	-4,589	0	0		-5,370
Share of profit (loss) from equity accounted investments	36,551	93,406	8,824	-1,272	17,444		154,952
Other non-operating income	2,042	2,400	0	0	0		4,442
Other non-operating expenses (-)	0	0	0	0	0		0
Profit (loss) before tax	189,152	151,226	109,541	-1,404	127,111	0	575,627
Income taxes	-40,109	-15,465	-6,010	0	-171	0	-61,756
Deferred taxes	10,735	65	1,649		88		12,537
Current taxes	-50,844	-15,530	-7,659		-259		-74,292
Profit (loss) after tax from continuing operations	149,043	135,761	103,531	-1,404	126,940	0	513,871
Profit (loss) after tax from discontinued operations	0	0	0	0	0		0
Profit (loss) of the period	149,043	135,761	103,531	-1,404	126,940	0	513,871
Minority interests	57,128	8,422	53,340	110	-29		118,971
Share of the group	91,915	127,339	50,192	-1,514	126,969		394,900

Comments on the consolidated income statement

The consolidated **revenue** decreased by 187.8 million euros (4%) in 2019 compared to the previous year. This decrease is to be found almost entirely (183.7 million euros) in the "Real Estate & Senior Care" segment. It is the result of, on the one hand, the sale in 2019 of the French senior care group Residalya (which in 2018 had still contributed 123.5 million euros in revenue) and, on the other hand, 75.5 million euros less revenue (primarily lower sales of residential real estate by Extensa). The activities of Leasinvest Real Estate and Anima Care, however, did grow in 2019.

In "Marine Engineering & Contracting", DEME realized a slightly lower turnover (1%) and lower other operating revenue. CFE reported increased turnover from its construction activity, whereas sales from real estate development decreased in 2019. At Rent-A-Port, the stake in Infra Asia Investments is fully consolidated as of 2019 (as opposed to the equity method in previous years). Consequently, the turnover of Rent-A-Port from its development activities in Vietnam is included in the turnover figure as of 2019. In the "Private Banking" segment, increased lending by Bank J.Van Breda & C° failed to translate into a commensurate increase in interest income due to the low interest rate environment. There was a strong increase in commission income, however, and in 2019 it already represented 40% of total revenue.

In the "AvH & Growth Capital" segment, Bioelectric Group has also begun in 2019 to make a modest contribution (5.8 million euros) to the revenue. Agidens reported a revenue increase of 12.5%.

The **other operating income** consisted in 2019 primarily of the dividends (5.1 million euros) that Leasinvest Real Estate received on its Retail Estates shares and of 1.0 million euros in dividends on non-consolidated participations and on AvH's investment portfolio.

The **operating expenses** are obviously impacted by the same events and developments as already described above in connection with the revenue. Moreover, DEME's continued investments of recent years in the modernization and expansion of its fleet (a.o. with the vessels Living Stone, Apollo, Omalius and the Medco vessels) and the first time application of IFRS 16 translated into a marked increase (by 39.0 million euros) in depreciation costs. The implementation of the new IFRS 16 accounting standard, as a result of which leases are divided into a financing component and a depreciation component, led to an increase in depreciation cost by 31.2 million euros in AvH's 2019 consolidated financial statements. The impairment losses in 2019 were limited to 27.2 million euros (2018: 40.5 million euros). They consist primarily of impairment losses on receivables at DEME in the amount of 8.6 million euros (amongst others as a result of the Servion insolvency for 10.8 million euros), at CFE in the amount of 16.9 million euros (including a write-down on old receivables on Chad) and on limited provisions for credit losses at Bank J.Van Breda & C° (1.4 million euros).

CFE was able to reverse 35.5 million euros worth of provisions that had been constituted in previous financial years. Of this amount, 12.9 million euros is a reversal of the provision for contingent liabilities that AvH had constituted following the acquisition of control over CFE at the end of 2013 and that were released in 2019 in view of the fact that CFE accounts for the financial implications of the relevant risks in its own financial statements. An amount of 22.5 million euros relates to net reversals of provisions by CFE in connection with general risks and charges, guarantees and restructuring.

In 2019, the **profit on assets/liabilities designated at fair value through profit and loss** was positive at 23.5 million euros (2018: 3.7 million euros). An amount of 10.1 million euros relates to the fair value valuation at year-end 2019 of the Retail Estates shares that Leasinvest Real Estate holds in portfolio, an 8.0 million euro increase in the value of AvH's investment portfolio, and the remeasurement of investment property of Extensa and Leasinvest Real Estate.

In 2019, AvH realized 121.9 million euros **profit on disposal of assets**. This is for the most part explained by the substantial gain of 105.7 million euros realized on the disposal of the stake in the French retirement home group Residalya. In the "AvH & Growth Capital" segment, the balance is explained by a.o. the gain of 1.9 million euros on the disposal of the 50% participation in Henschel Engineering, a Belgian division of the Telemond group which owns a property in Wilrijk that is no longer used for industrial

purposes, and an additional gain of 3.1 million euros on the sale (realized in 2017) of the interest in Ogeda. Gains realized on other assets include a.o. the payment (first part) of 1.6 million euros which AvH received from the Fortis settlement. In the "Marine Engineering & Contracting" segment, DEME realized limited gains on the disposal of a.o. the old vessels Buzzard, Zenne and Atlantico Due.

The balance of **finance income** and **finance costs** turned out 13.4 million euros less negative in 2019. The consolidated net interest expenses were limited to 14.6 million euros (2018: 25.9 million euros). The disappearance of Residalya from the consolidation scope also plays a part in this.

Several group companies use financial instruments to hedge against the impact of interest rate or exchange rate fluctuations. The impact on the results of such **derivative financial instruments designated at fair value through profit and loss** turned out negative at 5.4 million euros in 2019 (2018: 0.1 million euros positive). This is primarily explained by the evolution of the fair value of hedging instruments at Leasinvest Real Estate. Several group companies also have hedging instruments of which the fair value fluctuations are directly recognized in equity, and for which reference is made to the notes on page 21 of this report.

The **share of profit from equity accounted investments** amounted to 155.0 million euros, which is virtually the same as the previous year (153.9 million euros). This item summarizes the whole contribution to the result from the entities that are not fully consolidated (jointly controlled subsidiaries and associated participating interests). In this regard it should be pointed out that in 2019, as a result of the restructuring of the shareholding structure above Bank J.Van Breda & C° and Delen Private Bank, as was explained in the 2018 annual report, the contribution of Delen Private Bank is recognized directly in equity at 78.75% instead of at 100% followed by a 21.25% adjustment for the minority interest, as was still the case in 2018.

The **other non-operating income** in 2019 resulted from the acquisition of IPEM Reclamation shares by Rent-A-Port and ABK by Bank J.Van Breda & C°.

The **income taxes** amounted to 61.8 million euros for the 2019 financial year (2018: 72.2 million euros). As was already the case in previous years, account must be taken of the profit contribution from equity accounted investments. Their contribution is summarized under one item, after tax. Since the taxes borne by those entities are not visible in AvH's consolidated financial statements, the real tax cost is underestimated. Furthermore, in 2019 a substantial part of the result derived from realized capital gains (such as 105.7 million euros on the sale of Residalya) that are exempt from tax.

Segment information - consolidated income statement 2018

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2018
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
Revenue	3,757,557	167,429	448,113	13	87,057	-1,989	4,458,181
Rendering of services	3,180		204,574		1,833	-1,843	207,745
Lease revenue		8,656	1,583				10,239
Real estate revenue	94,696		221,880				316,576
Interest income - banking activities		95,126					95,126
Fees and commissions - banking activities		61,224					61,224
Revenue from construction contracts	3,543,530				82,550		3,626,080
Other operating revenue	116,151	2,423	20,076	13	2,674	-146	141,192
Other operating income	7,670	701	4,402	0	2,712	-1,194	14,290
Interest on financial fixed assets - receivables	7,619		110		1,254	-1,124	7,858
Dividends	50	701	4,293		634		5,677
Government grants							0
Other operating income					824	-70	754
Operating expenses (-)	-3,537,890	-116,061	-358,598	-74	-117,308	2,059	-4,127,873
Raw materials and consumables used (-)	-2,078,801		-150,385		-43,720		-2,272,906
Changes in inventories of finished goods, raw materials & consumables (-)	-27,361		10,836		38		-16,488
Interest expenses Bank J.Van Breda & C° (-)		-24,841					-24,841
Employee expenses (-)	-637,476	-42,857	-124,631		-37,106		-842,070
Depreciation (-)	-272,495	-4,446	-17,131		-2,972		-297,044
Impairment losses (-)	-19,802	-3,011	-4,438		-13,283		-40,533
Other operating expenses (-)	-528,755	-37,102	-74,007	-74	-20,261	2,059	-658,139
Provisions	26,799	-3,804	1,158		-4		24,149
Profit (loss) on assets/liabilities designated at fair value through profit and loss	0	0	6,285	0	-2,581	0	3,704
Financial assets held for trading			5,555		-2,581		2,974
Investment property			730				730
Profit (loss) on disposal of assets	7,879	482	30,692	0	11,368	0	50,421
Realised gain (loss) on intangible and tangible assets	7,530		-29		9		7,510
Realised gain (loss) on investment property							0
Realised gain (loss) on financial fixed assets	349	-27	30,721		11,125		42,168
Realised gain (loss) on other assets		509			234		743
Profit (loss) from operating activities	235,215	52,551	130,894	-61	-18,752	-1,124	398,723
Finance income	55,233	8	4,375	0	339	-88	59,867
Interest income	7,501	8	2,661		332	-88	10,414
Other finance income	47,732		1,714		8		49,454
Finance costs (-)	-71,945	0	-26,951	-6	-1,616	1,212	-99,305
Interest expenses (-)	-20,638		-16,482		-388	1,212	-36,295
Other finance costs (-)	-51,307		-10,469	-6	-1,228		-63,010
Derivative financial instruments designated at fair value through profit and loss	0	-10	124	0	0		114
Share of profit (loss) from equity accounted investments	21,910	107,089	18,860	8,040	-2,047		153,853
Other non-operating income	0	716	0	0	0		716
Other non-operating expenses (-)	0	0	0	0	0		0
Profit (loss) before tax	240,413	160,355	127,302	7,973	-22,075	0	513,968
Income taxes	-49,769	-11,465	-9,618	0	-1,343	0	-72,195
Deferred taxes	91	916	5,774		-328		6,452
Current taxes	-49,860	-12,381	-15,392		-1,015		-78,647
Profit (loss) after tax from continuing operations	190,644	148,890	117,685	7,973	-23,418	0	441,773
Profit (loss) after tax from discontinued operations	0	0	0	0	0		0
Profit (loss) of the period	190,644	148,890	117,685	7,973	-23,418	0	441,773
Minority interests	72,563	27,589	52,405	266	-689		152,134
Share of the group	118,081	121,300	65,279	7,707	-22,729		289,639

Segment information - consolidated balance sheet 2019 - Assets

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2019
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Non-current assets	3,263,140	5,003,045	1,728,076	234,027	260,684	-10,267	10,478,704
Intangible assets	94,871	1,680	30,120		231		126,902
Goodwill	177,127	134,247	8,449		11,727		331,550
Tangible assets	2,633,912	52,061	192,993		30,201		2,909,167
Land and buildings	156,881	44,385	179,713		22,053		403,032
Plant, machinery and equipment	1,892,734	2,003	3,535		1,189		1,899,461
Furniture and vehicles	39,821	3,458	4,000		6,179		53,457
Other tangible assets	308	1,038	3,335		563		5,245
Assets under construction and advance payments	544,168	1,177	2,409		217		547,971
Investment property			1,336,093				1,336,093
Participations accounted for using the equity method	151,821	638,067	12,495	234,027	166,067		1,202,477
Financial fixed assets	97,942	1,323	119,651		46,175	-10,267	254,824
Financial assets : shares - Fair value through P/L (FVPL)	5,563		113,376		35,479		154,418
Receivables and warranties	92,379	1,323	6,275		10,696	-10,267	100,406
Non-current hedging instruments		381	832				1,213
Amounts receivable after one year	7,018	161,986	21,842		3,892		194,739
Trade receivables							0
Finance lease receivables		161,986	21,400				183,386
Other receivables	7,018		443		3,892		11,353
Deferred tax assets	100,449	2,564	5,600		2,391		111,004
Banks - receivables from credit institutions and clients after one year		4,010,736					4,010,736
II. Current assets	2,014,225	2,147,323	317,423	231	309,835	-6,918	4,782,119
Inventories	305,713		151,330		1,053		458,096
Amounts due from customers under construction contracts	57,344		31,032		11,517		99,893
Investments	3	420,796			55,713		476,513
Financial assets : shares - Fair value through P/L (FVPL)	3				55,713		55,717
Financial assets : bonds - Fair value through OCI (FVOCI)		420,628					420,628
Financial assets : shares - Fair value through OCI (FVOCI)		168					168
Financial assets - at amortised cost							0
Current hedging instruments	751	160					911
Amounts receivable within one year	960,941	102,809	89,521	11	54,660	-6,220	1,201,722
Trade debtors	886,539	100	29,293		23,772	-1,145	938,560
Finance lease receivables		70,086	620				70,706
Other receivables	74,402	32,623	59,607	11	30,888	-5,075	192,456
Current tax receivables	23,307		1,458		1,163		25,927
Banks - receivables from credit institutions and clients within one year		1,595,849					1,595,849
Banks - loans and advances to banks		141,306					141,306
Banks - loans and receivables (excl. finance leases)		999,823					999,823
Banks - cash balances with central banks		454,720					454,720
Cash and cash equivalents	644,971	18,270	41,008	220	183,517		887,985
Time deposits for less than three months	57,000		4,804		155,913		217,717
Cash	587,970	18,270	36,204	220	27,604		670,268
Deferred charges and accrued income	21,196	9,439	3,074		2,211	-698	35,221
III. Assets held for sale	40,280		444				40,724
Total assets	5,317,645	7,150,368	2,045,942	234,258	570,519	-17,185	15,301,547

Segment information - consolidated balance sheet 2019 - Equity and liabilities

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2019
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Total equity	1,815,178	1,331,613	798,452	234,245	502,346		4,681,834
Shareholders' equity - group share	1,086,037	1,211,241	428,478	234,245	496,109		3,456,109
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	1,148,384	1,206,906	440,443	221,350	422,238		3,439,322
Revaluation reserves	-62,348	4,335	-11,965	12,895	-7,388		-64,472
Financial assets : bonds - Fair value through OCI (FVOCI)		3,469					3,469
Financial assets : shares - Fair value through OCI (FVOCI)		41					41
Hedging reserves	-31,693	-9	-12,225	40	-1		-43,889
Actuarial gains (losses) defined benefit pension plans	-22,592	-1,294		-951	1,818		-23,019
Translation differences	-8,063	2,129	260	13,806	-9,205		-1,074
Treasury shares (-)					-32,648		-32,648
Minority interests	729,141	120,372	369,974		6,238		1,225,725
II. Non-current liabilities	1,430,129	850,224	816,504		13,505	-10,267	3,100,095
Provisions	31,765	10,640	2,485		651		45,541
Pension liabilities	70,269	5,539	40		142		75,990
Deferred tax liabilities	105,253		57,818		1,623		164,694
Financial debts	1,202,741	3,231	699,871		10,767	-10,267	1,906,344
Bank loans	937,911		520,465		7,701		1,466,076
Bonds	60,049		144,103				204,152
Subordinated loans	37,414				7		37,422
Finance and operational leases (incl. IFRS 16)	114,131	3,231	31,563		3,060		151,984
Other financial debts	53,236		3,741			-10,267	46,710
Non-current hedging instruments	9,251	40,427	47,196				96,874
Other amounts payable after one year	10,850	11,163	9,095		322		31,429
Banks - debts to credit institutions, clients & securities		779,224					779,224
Banks - deposits from credit institutions							0
Banks - deposits from clients		729,872					729,872
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		49,352					49,352
III. Current liabilities	2,072,339	4,968,531	430,986	13	54,668	-6,918	7,519,619
Provisions	30,564	22	7,020		95		37,701
Pension liabilities		331					331
Financial debts	278,743	2,449	327,785		21,658	-5,075	625,560
Bank loans	199,258		72,899		7,051		279,208
Bonds			49,969				49,969
Subordinated loans	13,208				7		13,216
Finance and operational leases (incl. IFRS 16)	36,471	2,449	2,006		1,781		42,707
Other financial debts	29,805		202,911		12,819	-5,075	240,460
Current hedging instruments	9,356	1,207					10,563
Amounts due to customers under construction contracts	164,999				4,752		169,751
Other amounts payable within one year	1,460,660	11,906	71,078	10	26,688	-1,145	1,569,197
Trade payables	1,240,371	46	52,635	10	13,920	-1,145	1,305,836
Advances received			10		851		861
Amounts payable regarding remuneration and social security	170,407	8,432	8,105		11,023		197,967
Other amounts payable	49,883	3,428	10,328		894		64,533
Current tax payables	49,922	1,253	7,320	4	943		59,441
Banks - debts to credit institutions, clients & securities		4,946,466					4,946,466
Banks - deposits from credit institutions		27,825					27,825
Banks - deposits from clients		4,650,623					4,650,623
Banks - debt certificates including bonds		241,367					241,367
Banks - subordinated liabilities		26,651					26,651
Accrued charges and deferred income	78,093	4,897	17,784		532	-698	100,608
IV. Liabilities held for sale							0
Total equity and liabilities	5,317,645	7,150,368	2,045,942	234,258	570,519	-17,185	15,301,547

Comments on the segment information - balance sheet

The strong commercial dynamic of Bank J.Van Breda & C° already accounts for an increase in the balance sheet total of the consolidated AvH group by 558 million euros. Loans to clients increased further to more than 5 billion euros (+436 million euros), financed by 553.4 million euros worth of additional deposits received from clients.

The "Marine Engineering & Contracting" (+314.7 million euros) and "AvH & Growth Capital" (+194.1 million euros) segments account for the rest of the increase in the balance sheet total. In "Marine Engineering & Contracting", this increase is primarily the result of the full consolidation by Rent-A-Port of its stake in Infra Asia Investments (previously equity method) and of the balance sheet increase at DEME (+118.7 million euros). In "AvH & Growth Capital", the participation in Bioelectric Group is fully consolidated with effect from the 2019 financial year, resulting in an increase by 15.7 million euros. Additionally, in 2019 AvH sold its stake in the French retirement home group Residalya for 165 million euros.

The **intangible assets** decreased by 49.9 million euros to 126.9 million euros compared to year-end 2018. This decrease is explained to the amount of 59.9 million euros by the sale of the stake in the French retirement home group Residalya in the first half of 2019. This sale also led to a decrease in **goodwill** by 21.3 million euros. The full consolidation of Bioelectric Group (AvH 60%), however, led to the recognition in 2019 of 11.7 million euros goodwill in "AvH & Growth Capital". Anima Care expanded its retirement home network with the acquisition of two residential care facilities, Villa 34 and Rossignol in Braine l'Alleud, whereupon it recognized a limited goodwill. The balance of the increase in intangible assets is virtually entirely accounted for by the first-time full consolidation of Infra Asia Investments by Rent-A-Port.

The increase in **tangible assets** by 198.1 million euros is attributable to the amount of 251.6 million euros to "Marine Engineering & Contracting". Not only did DEME make substantial additional investments in the modernization of its fleet in the course of 2019 (434.7 million euros); the first-time application of IFRS 16 in the 2019 financial year also led to the recognition of a new category of fixed assets at DEME to the amount of 107.0 million euros. The implementation of this new accounting standard across the whole group led to the recognition of assets worth 127.3 million euros at the end of 2019. Furthermore, the disposal of Residalya naturally also led to a decrease of 106.4 million euros, which however is partly offset by 30.7 million euros in additional investments by Anima Care, a.o. in new retirement homes in Anderlecht, Zoutleeuw and Bilzen.

Investment property represented 1,336.1 million euros at year-end 2019, an increase of 198.6 million euros compared to the previous year. Of this increase, 88 million euros is explained by the expansion of the real estate portfolio of Leasinvest Real Estate in Austria and Luxembourg reduced by its divestments, while the rest represents the increase in Extensa's investments, primarily on the Tour & Taxis site (Gare Maritime, Parking Maritime and Hotel de la Poste).

Participations accounted for using the equity method increased by 17.7 million euros compared to last year. Since AvH did not acquire or dispose of any new participations in 2019 that are accounted for using the equity method, the evolution is explained by the results of those participations (154.9 million euros), less the dividends paid by those companies (62.2 million euros). The balance is explained by additional investments (for example in SIPEF and Sagar Cements) and by changes in the consolidation scope.

The **financial fixed assets** amounted to 254.8 million euros at year-end 2019, a decrease by 41.6 million euros compared to 2018, despite the acquisition by Leasinvest Real Estate of additional Retail Estates shares, the increase in fair value during the course of 2019 to a total of 113.4 million euros, and the increase in the financial assets of "AvH & Growth Capital" following the investments of 2019 in, a.o., Biotalys, Medikabazaar, Onco DNA, and the reclassification from 'Assets held for sale' of the 45% participation in the French group Transpalux. The decrease is in fact attributable to the repayment in the course of 2019 of financing that had been provided for the construction of the offshore wind farms by Merkur (DEME), Rentel (DEME, AvH, CFE).

The **finance lease receivables** arise from the activities of Van Breda Car Finance ("Private Banking" segment) and of Extensa and Leasinvest Real Estate in "Real Estate & Senior Care". The accounts comprise both a long-term and a short-term component.

The **inventories** increased by 125.7 million euros compared to last year. Of this figure, 108.4 million euros is explained by the full consolidation of Infra Asia Investments by Rent-A-Port as of 2019, as a result of which its landholdings (land) are expressed in the consolidated balance sheet. The rest of the increase is attributable to the increased landholdings of CFE (+28.3 million euros) and the changes in inventories of raw materials at both DEME and CFE.

Investments in "AvH & Growth Capital" increased by 18.5 million euros thanks to fair value increases as well as additional investments. The bond portfolio of Bank J.Van Breda & C° was reduced to 420.6 million euros (2018: 456.8 million euros).

The **cash and cash equivalents** increased by 374.4 million euros compared with year-end 2018. AvH has a comfortable cash position, which was further strengthened by 165 million euros from the disposal of its stake in Residalya. In "Marine Engineering & Contracting", the volume of cash increased by 254.2 million euros. DEME substantially increased its drawdowns on loans during 2019, which means that those figures need to be analysed on a net basis.

The **assets held for sale** amounted to 40.7 million euros at year-end 2019 and include DEME's stake in the German offshore wind farm Merkur, Rent-A-Port's stake in a project company which is developing (part of) the land in Vietnam, and a property of Anima Care that is no longer in use. The Kennedy building (Leasinvest Real Estate) and Luchthavenlaan (Extensa) properties which at year-end 2018 were reported as assets held for sale were effectively sold in 2019. On the other hand, the planned disposal of the 45% stake in Transpalux did not go ahead due to lack of financing on the part of the prospective buyer.

The evolution of the **consolidated equity** is explained in section 5 on page 25.

The **non-current provisions** decreased by 34.5 million euros in 2019. Of this amount, 12.9 million euros represents the release of part of the provision constituted by AvH for contingent liabilities upon the acquisition of CFE in 2013. This release is due to the fact that the corresponding risks have since been accounted for in CFE's own consolidated financial statements or have disappeared. Another 11.0 million euros (2018: 25.1 million euros) relates to project companies of DEME/CFE/Extensa which at year-end 2019 had negative equity.

The **non-current financial debt** of the group increased by 566.1 million euros. The current financial debt, however, decreased by 47.4 million euros, and as was pointed out earlier, the cash and cash equivalents increased by 374.4 million euros. The first-time application of IFRS 16 caused the financial debt to increase by 133.2 million euros on a consolidated basis. The increase in net financial debt is to be found for the most part (165.3 million euros) in "Marine Engineering & Contracting" as a result of the investments by DEME, the full consolidation of Infra Asia Investments by Rent-A-Port, and in general a significant impact of the first-time application of IFRS 16. Besides the cash revenue of 165 million euros, the disposal of Residalya also led to the elimination from the group of a net financial debt of 77.4 million euros.

In February 2019, DEME repaid its bond of 200 million euros and replaced it with conventional bank loans.

Segment information - consolidated balance sheet 2018 - Assets

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2018
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Non-current assets	3,127,131	4,554,231	1,662,897	221,606	220,361	-17,405	9,768,821
Intangible assets	89,603	1,528	85,197		475		176,802
Goodwill	177,127	134,247	28,363				339,738
Tangible assets	2,382,353	44,401	257,420		26,923		2,711,097
Land and buildings	77,134	42,203	206,860		22,395		348,592
Plant, machinery and equipment	1,860,603	6	4,474		896		1,865,980
Furniture and vehicles	13,040	294	12,657		3,380		29,372
Other tangible assets	552	1,809	1,905		252		4,518
Assets under construction and advance payments	431,023	89	31,523				462,635
Investment property			1,137,531				1,137,531
Participations accounted for using the equity method	194,547	585,540	32,765	221,606	150,307		1,184,765
Financial fixed assets	181,135	1,054	95,159		36,524	-17,405	296,467
Financial assets : shares - Fair value through P/L (FVPL)	3,255		91,824		18,447		113,526
Receivables and warranties	177,880	1,054	3,335		18,077	-17,405	182,941
Non-current hedging instruments	9	1,295	696				2,000
Amounts receivable after one year	2,448	156,875	22,618		3,554		185,495
Trade receivables							0
Finance lease receivables		156,875	22,096				178,971
Other receivables	2,448		522		3,554		6,524
Deferred tax assets	99,909	2,663	3,147		2,578		108,297
Banks - receivables from credit institutions and clients after one year		3,626,628					3,626,628
II. Current assets	1,875,800	1,992,452	362,626	412	150,736	-10,451	4,371,576
Inventories	181,451		150,415		519		332,385
Amounts due from customers under construction contracts	50,943		26,042		8,770		85,755
Investments	3	457,129	113		37,175		494,420
Financial assets : shares - Fair value through P/L (FVPL)	3		113		37,175		37,291
Financial assets : bonds - Fair value through OCI (FVOCI)		456,813					456,813
Financial assets : shares - Fair value through OCI (FVOCI)		316					316
Financial assets - at amortised cost							0
Current hedging instruments	275	176					451
Amounts receivable within one year	1,200,042	93,266	114,678		50,150	-8,801	1,449,334
Trade debtors	1,093,581		30,895		15,123	-1,116	1,138,482
Finance lease receivables		63,682	685				64,367
Other receivables	106,461	29,584	83,097		35,028	-7,685	246,485
Current tax receivables	24,257	881	3,282	4	1,092		29,516
Banks - receivables from credit institutions and clients within one year		1,424,040					1,424,040
Banks - loans and advances to banks		127,693					127,693
Banks - loans and receivables (excluding leases)		936,664					936,664
Banks - cash balances with central banks		359,683					359,683
Cash and cash equivalents	390,746	9,355	62,785	409	50,293		513,588
Time deposits for less than three months	28,240	1	4,552		23,868		56,661
Cash	362,506	9,354	58,234	409	26,425		456,927
Deferred charges and accrued income	28,083	7,605	5,312		2,738	-1,649	42,088
III. Assets held for sale			19,753		5,314		25,067
Total assets	5,002,931	6,546,683	2,045,277	222,018	376,412	-27,856	14,165,464

Segment information - consolidated balance sheet 2018 - Equity and liabilities

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2018
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Total equity	1,726,910	1,265,115	830,804	222,012	313,154		4,357,996
Equity - group share	1,044,472	1,149,019	450,091	222,012	310,853		3,176,447
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	1,071,973	1,147,315	457,491	212,576	235,486		3,124,841
Revaluation reserves	-27,501	1,704	-7,400	9,436	-10,429		-34,190
Financial assets : bonds - Fair value through OCI (FVOCI)		1,569					1,569
Financial assets : shares - Fair value through OCI (FVOCI)		228					228
Hedging reserves	-3,501	-71	-10,281	117	208		-13,529
Actuarial gains (losses) defined benefit pension plans	-15,427	-145	-9	-871	1,455		-14,996
Translation differences	-8,573	123	2,891	10,190	-12,092		-7,462
Treasury shares (-)					-28,111		-28,111
Minority interests	682,439	116,096	380,713		2,301		1,181,549
II. Non-current liabilities	962,984	707,047	773,470		9,118	-17,405	2,435,214
Provisions	66,913	8,874	2,836		1,425		80,048
Pension liabilities	57,553	4,528	823				62,904
Deferred tax liabilities	119,441		70,884		1,657		191,983
Financial debts	703,997		647,804		5,808	-17,405	1,340,204
Bank loans	598,767		516,311		5,227		1,120,304
Bonds	29,805		113,552				143,356
Subordinated loans	18,902				14		18,916
Finance leases	37,997		15,363		567		53,927
Other financial debts	18,528		2,578			-17,405	3,700
Non-current hedging instruments	9,354	14,048	35,801				59,203
Other amounts payable after one year	5,725	11,268	15,322		228		32,543
Banks - non-current debts to credit institutions. clients & securities		668,329					668,329
Banks - deposits from credit institutions							0
Banks - deposits from clients		594,294					594,294
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		74,035					74,035
III. Current liabilities	2,313,036	4,574,521	440,950	6	54,139	-10,451	7,372,201
Provisions	44,205	18	6,536				50,760
Pension liabilities		358					358
Financial debts	357,997		296,612		25,679	-7,367	672,919
Bank loans	137,010		76,480		1,374		214,864
Bonds	200,137		75,689				275,826
Subordinated loans	4,573				7		4,580
Finance leases	8,325		1,301		299		9,924
Other financial debts	7,952		143,141		23,999	-7,367	167,724
Current hedging instruments	10,990	1,546	33				12,569
Amounts due to customers under construction contracts	216,222		740		7,579		224,540
Other amounts payable within one year	1,601,027	13,764	101,105	2	19,490	-1,116	1,734,272
Trade payables	1,412,207	15	66,434	2	9,689	-1,116	1,487,232
Advances received on construction contracts			1,270				1,270
Amounts payable regarding remuneration and social security	150,717	9,892	20,221		8,381		189,210
Other amounts payable	38,103	3,857	13,180		1,420		56,559
Current tax payables	43,666	75	11,569	4	899		56,212
Banks - current debts to credit institutions. clients & securities		4,551,832					4,551,832
Banks - deposits from credit institutions		27,634					27,634
Banks - deposits from clients		4,232,779					4,232,779
Banks - debt certificates including bonds		275,208					275,208
Banks - subordinated liabilities		16,211					16,211
Accrued charges and deferred income	38,930	6,928	24,355		493	-1,967	68,739
IV. Liabilities held for sale			54				54
Total equity and liabilities	5,002,931	6,546,683	2,045,277	222,018	376,412	-27,856	14,165,464

Segment information - consolidated cash flow statement 2019

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2019
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Cash and cash equivalents - opening balance	390,746	9,355	62,785	409	50,293		513,588
Profit (loss) from operating activities	161,618	56,190	120,426	-133	109,497		447,598
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-7,400	-738	-49		-113,711		-121,899
Dividends from participations accounted for using the equity method	12,018	44,525	600	111	4,938		62,192
Other non-operating income (expenses)	2,042	2,400					4,442
Income taxes (paid)	-45,826	-15,530	-7,659		-259		-69,274
Non-cash adjustments							
Depreciation	320,853	7,708	9,587		4,802		342,950
Impairment losses	26,827	1,522	193		86		28,628
Share based payment		-1,398	80		1,174		-144
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-15,491		-8,040		-23,531
(Decrease) increase of provisions	-36,636	1,000	492		-679		-35,823
Other non-cash expenses (income)	-2,146	-1,205			926		-2,425
Cash flow	431,348	94,474	108,180	-22	-1,267		632,713
Decrease (increase) of working capital	14,384	-40,305	-10,836	0	-1,994	-2,610	-41,361
Decrease (increase) of inventories and construction contracts	-103,272		-13,973		-6,339		-123,584
Decrease (increase) of amounts receivable	215,782	-13,772	14,420	-8	-2,775	-2,610	211,038
Decrease (increase) of receivables from credit institutions and clients (banks)		-530,741					-530,741
Increase (decrease) of liabilities (other than financial debts)	-94,578	1,720	-9,629	8	6,540		-95,940
Increase (decrease) of debts to credit institutions, clients & securities (banks)		507,257					507,257
Decrease (increase) other	-3,549	-4,769	-1,653		579		-9,392
Cash flow from operating activities	445,731	54,169	97,344	-23	-3,261	-2,610	591,352
Investments	-467,162	-263,330	-268,447	-12,207	-30,206	458	-1,040,894
Acquisition of intangible and tangible assets	-460,505	-8,324	-32,342		-1,984		-503,154
Acquisition of investment property			-212,713				-212,713
Acquisition of financial fixed assets (business combinations included)	-27,910		-18,028	-12,207	-17,904		-76,049
Cash acquired through business combinations	36,652		867		692		38,212
New amounts receivable	-15,400	-296	-6,232		-846	458	-22,315
Acquisition of investments		-254,710			-10,165		-264,875
Divestments	112,441	294,344	44,660	0	181,806	-7,727	625,524
Disposal of intangible and tangible assets	13,889	362	188		17		14,456
Disposal of investment property			42,350				42,350
Disposal of financial fixed assets (business disposals included)	1,663		28,605		172,429		202,698
Cash disposed of through business disposals			-26,483				-26,483
Reimbursements of amounts receivable	96,889				7,727	-7,727	96,889
Disposal of investments		293,982			1,633		295,615
Cash flow from investing activities	-354,721	31,014	-223,788	-12,207	151,600	-7,269	-415,370
Financial operations							
Interest received	15,495	12	2,896		1,666	-1,361	18,708
Interest paid	-30,236		-14,252		-622	1,361	-43,749
Other financial income (costs)	-4,169	-1	-6,041	2	-947		-11,157
Decrease (increase) of treasury shares					-6,108		-6,108
(Decrease) increase of financial debts	226,175	-2,890	163,901		-7,661	9,878	389,404
Investments and divestments in controlling interests	6,811				-14,289		-7,478
Distribution of profits					-76,741		-76,741
Dividends paid intra group	-36,916	-68,000	-7,949		112,865		0
Dividends paid to minority interests	-26,692	-5,481	-33,787				-65,960
Cash flow from financial activities	150,469	-76,360	104,767	2	8,163	9,878	196,919
II. Net increase (decrease) in cash and cash equivalents	241,479	8,824	-21,676	-12,228	156,502		372,901
Transfer between segments	11,250			12,030	-23,280		0
Impact of exchange rate changes on cash and cash equivalents	1,495	91	-101	9	2		1,496
III. Cash and cash equivalents - ending balance	644,971	18,270	41,008	220	183,517		887,985

Comments on the consolidated cash flow statement

The **cash flow** of the group over the full year 2019 amounted to 632.7 million euros, slightly (1.5%) lower than 642.3 million euros last year.

Nevertheless, the group reported a 48.9 million euros higher **profit from operating activities** in 2019. For comments on the composition of that figure, see the Note on page 28 of this report.

The **reclassification of the profit on disposal of assets to cash flow from divestments** was greater than last year, which is entirely due to the substantial capital gains that were recorded in 'AvH & Growth Capital', primarily on the disposal of the participations in Residalya, Henschel Engineering and Ogeda (positive price adjustment on the transaction of 2017).

During 2019, the group received 62.2 million euros in **dividends from participations accounted for using the equity method**. Although this is 5.4 million euros less than in 2018, it should be pointed out that the participation in Delen Private Bank, following the restructuring of its shareholding, was recognized directly at 78.75% instead of at the full 100% less a minority interest of 21.25%, as was still the case in 2018.

Income taxes in 2019 were responsible for a cash outflow of 69.3 million euros. The decrease (-15.3 million euros) compared to last year is to be found in "Marine Engineering & Contracting" in line with the lower profit from operating activities in this segment, and in "Real Estate & Senior Care" as a result of the deconsolidation of Residalya.

The **non-cash adjustments** are, as a whole, virtually equal to those in 2018: the increased depreciation costs on tangible and intangible assets (+ 45.9 million euros) are offset by a 12.0 million euros lower adjustment for impairment losses, by a 19.8 million euros higher adjustment for profit on assets designated at fair value through profit and loss, and by a 14.6 million euros higher release of provisions.

The **depreciation costs** decreased in "Real Estate & Senior Care" due to the deconsolidation of Residalya. This, however, is amply offset by the increased depreciation costs in the other segments, particularly in "Marine Engineering & Contracting", where DEME's sustained efforts in the expansion and renewal of its fleet translate into 33.0 million euros higher depreciation, which amounted to 295.9 million euros.

Impairment losses in 2019 were limited to 28.6 million euros (2018: 40.7 million euros). Except for the limited impairment loss on loans at Bank J.Van Breda & C° and smaller items in the other segments, those losses are to be found primarily in "Marine Engineering & Contracting". DEME recognized an impairment loss of 8.6 million euros (amongst others as a result of the Servion insolvency for 10.8 million euros), while CFE reported impairment losses of 16.9 million euros (including a write-down on old receivables on Chad).

The operating results of 2019 comprise 23.5 million euros **profits on assets designated at fair value**: these include 8.0 million euros remeasurement gain on the investment portfolio and on financial assets at AvH & subholdings, 10.1 million euros remeasurement gain (increasing stock market price) on the Retail Estates shares held by Leasinvest Real Estate, 4.1 million euros remeasurement of investment property of Leasinvest Real Estate, while the remainder consists of gains from fair value adjustments on investment property of Extensa.

In 2019, **decrease of provisions** accounts for 35.8 million euros of the operating result. CFE in particular released a total of 22.5 million euros in view of the favourable progress of a lawsuit involving a real estate project; likewise, a provision that had been constituted in previous years for geopolitical risks was reversed. As a result of the impairment losses recorded by CFE in its profit & loss account 2019, an amount of 12.9 million euros had to be released in AvH's consolidated financial statements of the provisions for contingent liabilities that AvH had constituted in 2013 on the acquisition of control over CFE in order to anticipate certain risks it had assessed at the time.

After a vigorous increase by 213.8 million euros in 2018, the **working capital** requirement increased by 41.4 million euros in 2019 as well. Unlike in 2018, this increase was

mainly situated in the "Private Banking" segment rather than in "Marine Engineering & Contracting". Bank J.Van Breda & C° indeed reported a particularly strong increase in its commercial volumes in 2019, with on balance the increase in lending slightly exceeding that of deposits received and financing.

The combination of a 9.6 million euros lower cash flow and a 172.5 million euros lower increase in working capital requirement resulted in a markedly higher **cash flow from operating activities** in 2019, which amounted to 591.4 million euros, or a 38% increase compared to last year.

The AvH group maintained its high level of investment in 2019, with a total of 1,040.9 million euros, which is only slightly lower than in the record year 2018 (1,103.2 million euros). It should also be noted that this limited decrease is amply explained by a smaller amount in terms of acquisition of **investments** by Bank J.Van Breda & C° as part of its normal ALM policy.

The **group's acquisition of intangible and tangible assets** remained virtually on the same high level at 503.2 million euros (2018: 505.9 million euros). In 2019 it was again mainly DEME that made substantial investments (434.7 million euros) in the modernization and expansion of its fleet. This amount does not include the sum of 107.0 million euros from leases that are reported in the balance sheet in application (since 2019) of the new IFRS 16 accounting standard. What is included, however, is the 75.5 million euros maintenance and repair costs that are incurred to extend the life of the vessels and are consequently capitalized on the balance sheet in accordance with IAS 16. For Anima Care, too, 2019 was a year of heavy investments (30.7 million euros): besides various minor alterations to several residential care centres, most of this amount went to the three new-build residences in Anderlecht (Erasmus site), Zoutleeuw and Bilzen, which were already brought into use in the last quarter of 2019.

Investment property: Extensa invested 107.7 million euros and Leasinvest Real Estate 105.0 million euros in the expansion of their real estate portfolio. Extensa invested further in the renovation of several historic buildings on the Tour & Taxis site, for the most part in the Gare Maritime complex and the underground car park that belongs to it. Leasinvest Real Estate in 2019 acquired two retail properties near Shopping City Süd in Vösendorf near Vienna in Austria, and also acquired two more office buildings in the EBBC Business Park in Luxembourg.

Additional **financial fixed assets** in "Marine Engineering & Contracting" were acquired by DEME and CFE by investing in the capital of several project companies, and by Rent-A-Port which made additional investments in the development companies of two industrial zones in the vicinity of the port of Haiphong (Vietnam). In "Real Estate & Senior Care", Leasinvest Real Estate acquired a total of 11.4 million euros worth of additional shares in the listed real estate company Retail Estates. AvH increased its participation in SIPEF by acquiring 3.3 million euros worth of additional shares, and also invested an additional 8.9 million euros in Sagar Cements. "AvH & Growth Capital" invested in new participations such as Bioelectric, Biotalys and Medikabazaar.

Divestments in 2019 generated 625.5 million euros in cash (2018 : 538.0 million euros).

In "Real Estate & Senior Care", Leasinvest Real Estate in 2019 sold its Kennedy building in Luxembourg and the Riverside Business Park in Belgium. The balance of the **disposal of investment property** (totalling 42.4 million euros) related to the sale of a small property by Extensa.

The cash proceeds from the **disposal of financial fixed assets** peaked at 202.7 million euros thanks to the sale by AvH of its participations in primarily Residalya (165.0 million euros), Henschel Engineering (3.5 million euros) and the earn out for Ogeda (3.1 million euros). The sale of the office building developed for Deloitte on the Cloche d'Or site in Luxembourg, which was 50% owned by Extensa through a development company, also contributed to this.

The offshore wind farms Rentel (in Belgium) and Merkur (in Germany) were both operational in 2019. In the development phase of those wind farms, DEME (Rentel and Merkur)

and Green Offshore (Rentel) had also provided substantial **financing** that was repaid to a large extent during 2019 from cash flow from operating activities and refinancing. Several real estate development companies in which CFE participates also repaid 13.5 million euros worth of financing.

The **disposal of investments** amounted to 53.7 million euros less than last year. This movement should be seen in conjunction with the acquisition of investments, since both these items relate exclusively to the investment portfolio that Bank J.Van Breda & C° holds in the long term.

The (net) **cash flow from financial activities** amounted to 196.9 million euros in 2019, compared to just 15.4 million euros in 2018. This is primarily explained by the uptake of 389.4 million euros additional financial debts (2018: 158.6 million euros). In this respect it should be pointed out that this increase of financial debt by 389.4 million euros is almost entirely offset by the increase of cash and cash equivalents by 374.4 million euros.

The balance of **interest received** less **interest paid** over the full year 2019 in fact turned out 4.9 million euros less negative than in 2018.

“Marine Engineering & Contracting” accounts for 226.2 million euros of the **increase of financial debts**. DEME took up 254.2 million euros worth of extra financial debts. In “Real Estate & Senior Care”, too, the additional investments were reflected in the uptake of extra financing (Extensa 85.0 million euros; Leasinvest Real Estate 62.1 million euros, and Anima Care 18.5 million euros).

Dividends paid to minority interests related to dividends that were paid in 2019 to the minority shareholders of a.o. CFE (23.8 million euros), Bank J.Van Breda & C° (5.5 million euros), Leasinvest Real Estate (18.5 million euros) and participations of Extensa (15.2 million euros).

Evolution of the financial debts (cash & non-cash)

(€ 1,000)	
Financial debts at 31-12-2018	2,013,123
Changes in Cashflow statement	389,404
Other adjustments :	
- IFRS 16 Leases (opening balance)	131,448
- IFRS 16 Leases (2019)	30,068
- Changes in consolidation scope - acquisitions	70,911
- Changes in consolidation scope - divestments	-103,949
- Impact of exchange rates	345
- Others	552
Financial debts at 31-12-2019	2,531,904

Segment information - consolidated cash flow statement 2018

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		Total 2018
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	
I. Cash and cash equivalents - opening balance	524,994	3,762	48,930	402	58,939		637,027
Profit (loss) from operating activities	235,215	52,551	130,894	-61	-18,752	-1,124	398,723
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-7,879	-482	-30,692		-11,368		-50,421
Dividends from participations accounted for using the equity method	5,825	52,263	1,766	73	7,638		67,565
Other non-operating income (expenses)	0	716					716
Income taxes (paid)	-55,776	-12,381	-15,392	0	-1,015		-84,563
Non-cash adjustments							
Depreciation	272,495	4,446	17,131		2,972		297,044
Impairment losses	19,802	3,148	4,429		13,283		40,661
Share based payment		-1,498	163		973		-362
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-6,285		2,581		-3,704
(Decrease) increase of provisions	-24,250	4,304	-1,126		-196		-21,268
Other non-cash expenses (income)	-3,070	269	-120		830		-2,091
Cash flow	442,363	103,336	100,768	12	-3,054	-1,124	642,299
Decrease (increase) of working capital	-213,714	10,645	9,511	18	-26,446	6,165	-213,822
Decrease (increase) of inventories and construction contracts	-64,473		10,631		-4,505		-58,347
Decrease (increase) of amounts receivable	-289,957	-28,245	-1,824	19	5,459	6,165	-308,384
Decrease (increase) of receivables from credit institutions and clients (banks)		-336,488					-336,488
Increase (decrease) of liabilities (other than financial debts)	134,724	-2,394	-9,905	-1	-26,304		96,120
Increase (decrease) of debts to credit institutions, clients & securities (banks)		379,047					379,047
Decrease (increase) other	5,993	-1,275	10,608		-1,096		14,230
Cash flow from operating activities	228,649	113,981	110,279	30	-29,500	5,041	428,478
Investments	-450,192	-368,096	-239,731	-7,360	-39,780	1,937	-1,103,222
Acquisition of intangible and tangible assets	-453,483	-5,867	-43,084		-3,482		-505,916
Acquisition of investment property			-182,707				-182,707
Acquisition of financial fixed assets (business combinations included)	-18,489	-289	-12,990	-7,360	-13,485		-52,612
Cash aquired through business combinations	72,454						72,454
New amounts receivable	-50,674	-236	-950		-4,188	1,937	-54,112
Acquisition of investments		-361,704			-18,625		-380,329
Divestments	34,152	330,654	107,664		65,541		538,011
Disposal of intangible and tangible assets	15,834		155		38		16,027
Disposal of investment property			3,500				3,500
Disposal of financial fixed assets (business disposals included)	9,564		103,477		46,904		159,945
Cash disposed of through business disposals							0
Reimbursements of amounts receivable	8,755		486				9,241
Disposal of investments		330,654	45		18,598		349,297
Cash flow from investing activities	-416,039	-37,442	-132,067	-7,360	25,760	1,937	-565,211
Financial operations							
Interest received	7,501	8	2,659		332	-88	10,412
Interest paid	-23,934		-17,234		-388	1,212	-40,343
Other financial income (costs)	-3,605		-8,196	-6	-1,045		-12,852
Decrease (increase) of treasury shares					768		768
(Decrease) increase of financial debts	136,537		50,704		-20,548	-8,102	158,592
Investments and divestments in controlling interests			52,317		-3,676		48,641
Distribution of profits					-73,019		-73,019
Dividends paid intra group	-36,695	-55,913	-7,410		100,017		0
Dividends paid to minority interests	-24,060	-15,161	-37,600				-76,820
Cash flow from financial activities	55,745	-71,065	35,241	-6	2,442	-6,977	15,379
II. Net increase (decrease) in cash and cash equivalents	-131,646	5,474	13,452	-7,336	-1,298		-121,355
Transfer between segments				7,360	-7,360		0
Change in consolidation scope or method	-3,314	119	401				-2,794
Impact of exchange rate changes on cash and cash equivalents	712		2	-17	12		709
III. Cash and cash equivalents - ending balance	390,746	9,355	62,785	409	50,293		513,588

A number of line items have been added to the presentation of the cash flow statement (to make the link with the note on 'Business combinations & disposals' more transparent, among other reasons); accordingly, the 2018 presentation was adapted as well.

7. Notes to the financial statements

7.1. Basis for the presentation of the condensed financial statements

The condensed consolidated financial statements of AvH relating the financial year 2019 are issued in accordance with IAS 34.

New and amended standards and interpretations

Following new standards and amendments to existing standards published by the IASB, are applied as from January 1, 2019.

- IFRS 16 Leases, effective 1 January 2019
- Amendments to IFRS 9 Financial Instruments - Prepayment features with negative compensation, effective 1 January 2019
- IFRIC 23 Uncertainty over income tax treatments, effective 1 January 2019
- Amendments to IAS 28 Long term interests in associates and joint ventures, effective 1 January 2019
- Amendments to IAS 19 Employment Benefits - Plan Amendment, Curtailment or Settlement, effective 1 January 2019
- Annual improvements to IFRS Standards 2015-2017 cycle, effective 1 January 2019

Impact of IFRS 16 Leases

(€ 1,000)	31-12-2018	IFRS 16	01-01-2019
Assets			
Tangible assets	2,711,097	126,790	2,837,887
Land and buildings	348,592	92,876	441,468
Plant, machinery and equipment	1,865,980	5,311	1,871,291
Furniture and vehicles	29,372	28,603	57,974
Other tangible assets	4,518		4,518
Assets under construction and advance payments	462,635		462,635
Operating lease - as lessor (IAS 17)	0		0
Investment property	1,137,531	4,659	1,142,190
Total impact - Assets		131,448	
Liabilities			
Equity - group share	3,176,447	0	3,176,447
Financial debts	2,013,123	131,448	2,144,572
Non-current financial debts	1,340,204	106,622	1,446,826
Current financial debts	672,919	24,826	697,746
Total impact - Liabilities		131,448	

(€ 1,000)	
Operating lease commitments (31-12-2018)	177,435
- Deduct - short term lease contracts (exemption)	-924
- Deduct - lease contracts of low-value assets (exemption)	-18
- Add - extension and purchase options	0
- Other	-6,831
Total lease liabilities (pre-discount)	169,661
Impact discount	-38,213
Lease liability (01-01-2019)	131,448

The "Others" heading mainly relates to the deduction of non-integrated service components of the rental debt (insurance and maintenance expenses in the lease contracts for cars), as well as to the deduction of contracts signed in 2018 for assets available after January 1, 2019.

IFRS 16 Leases

This new standard sets out the principles for the recognition, valuation and provision of information relating to leasing contracts (1/1/2019), and replaces IAS 17. As a result, operating lease and rental obligations (such as real estate leases) appear on the balance sheet.

An asset (the right to use the leased property) and a financial obligation to pay rent are recognised under the new standard. The only exceptions to this are short-term or low-value lease contracts. The group has applied the simplified transition approach, taking into account the cumulative effect of the first application of the standard as of January 1, 2019 and, consequently, the comparative figures (financial year 2018) were not restated.

In accordance with IFRS 16 C8(b) ii, the Group has opted to value the right to use the asset at an amount equal to the lease obligation, adjusted by the amount of prepaid or current lease payments in respect of that lease, which are included in the balance sheet immediately before the date of first application. As the Group has included the right to use the assets for an amount equal to the lease obligations, there is no impact on the opening balance of equity.

(€ 1,000)	2019
Income statement	
- Reversal of rental charges	32,474
- Depreciation	-31,220
Profit (loss) from operating activities (EBIT)	1,254
EBITDA	32,474
Interest expenses	-2,406
Net result	-1,152
Balance sheet	
Right of use (assets)	127,292
Lease debt	133,249

7.2. Business disposals - Residalya

(€ 1,000)	impact per 01-01-2019
Intangible assets & goodwill	79,436
Tangible assets	106,396
Cash and cash equivalents	26,596
Other assets	27,657
Total assets	240,085
Equity (group share)	80,029
Minority interests	3,019
Current and non-current financial debts	103,949
Other liabilities	53,088
Total equity and liabilities	240,085
Total assets (including goodwill from PPA at AvH)	242,653
Total liabilities	-157,037
Minority interests	-3,019
Net assets (100%)	82,597
Beneficial interest	71,72%
Net assets - group share	59,242
Realised capital gain	105,710
Sales price	164,952

In March 2019, AvH and Hervé Hardy, founder and CEO, reached an agreement on the sale of 100% of the share capital of HPA, the parent company of Residalya, to DomusVi. The transaction was completed at the end of June 2019. In the consolidated accounts,

the participation in HPA was transferred to "held for sale" in Q1 2019, and later deconsolidated on June 28, 2019.

7.3. Business combinations

	Infra Asia Investments (USD 1,000)	Bioelectric Group (EUR 1,000)	by Anima Care (EUR 1,000)
Goodwill and intangible assets	5,155	11,924	4,481
Tangible assets	19,743	1,100	5,619
Inventory	92,694	938	0
Cash and cash equivalents	38,067	692	867
Other assets	53,423	326	751
Total assets	209,081	14,981	11,719
Equity (group share)	75,855	10,026	6,612
Minority interests	14,460	0	0
Current and non-current financial debts (incl. IFRS 16)	87,863	3,778	2,797
Other liabilities	30,904	1,176	2,311
Total equity and liabilities	209,081	14,981	11,719
Total assets	209,081	14,981	11,719
Total liabilities	-118,766	-4,954	-5,107
Minority interests	-14,460	0	0
Net assets (100%)	75,855	10,026	6,612
Beneficial interest of Rent-A-Port in Infra Asia Investments Ltd	60.02%		
Beneficial interest of AvH in Rent-A-Port per 01-01-2019	72.20%		
Beneficial interest of AvH	43.33%	60.00%	
Net assets - share AvH	32,870		
Purchase price	0	6,016	6,612

Acquisition of control over Infra Asia Investments Ltd

Infra Asia Investment Ltd, with Rent-A-Port (60%) and partner IPEI (40%) as shareholders, develops various concessions in Vietnam, and, in the past, was included in the consolidated financial statements of Rent-A-Port according to the equity method, due to the joint control. As a result of a new shareholders' agreement that was entered into between Rent-A-Port and IPEI in early 2019, Rent-A-Port acquired exclusive control over Infra Asia Investment Ltd (IAI), whose shareholding remained unchanged.

This acquisition of control meets the definition of a business combination (IFRS 3), whereby the assets and liabilities of IAI must be recognised at their fair value, and the historical 60% stake must be (re)measured at fair value.

The assessment of the fair value has led to the conclusion that the fair value of the underlying assets/liabilities is already in line with the current book value of these assets/liabilities in the financial statements of Rent-A-Port.

Acquisition of control over Bioelectric Group

At the end of February 2019, AvH acquired a 60% interest in **Bioelectric**, alongside founder and CEO Philippe Jans. Bioelectric, founded in 2011, is market leader in the production and sale of compact biogas installations (< 100 kW) for cattle and pig farms and water purification stations. Bioelectric Group is fully consolidated as of January 1, 2019. The purchase price allocation was finalised in the second half of the year and resulted in the recognition of goodwill of 11.9 million euros.

Business combinations performed by Anima Care

Anima Care expanded its retirement home network with the acquisition of two residential care facilities, Villa 34 and Rossignol in Braine l'Alleud (125 nursing home beds).

After allocation of the acquisition price to intangible and tangible assets, the goodwill amounts to 1.4 million euros. The acquisitions took place in October 2019 and therefore only contributed to the consolidated results in the last quarter.

7.4. Seasonality or cyclicity of operations

Ackermans & van Haaren is active in several segments, each (more or less) cyclically sensitive: dredging & infrastructure, oil & energy markets (DEME, Rent-A-Port, Green Offshore), construction (CFE), evolution on the financial markets and interest rates (Delen Private Bank and Bank J. Van Breda & C°), real estate and interest rates evolution (Ex-

tensa & Leasinvest Real Estate) and the evolution of commodity prices (SIPEF, Sagor Cements). The segments in which the Growth Capital participations are active, are also confronted with seasonal or cyclical activities.

7.5. Earnings per share

	2019	2018
I, Continued and discontinued operations		
Net consolidated profit, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares ⁽¹⁾	33,140,933	33,144,068
Basic earnings per share (€)	11.92	8.74
II, Continued activities		
Net consolidated profit, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares ⁽¹⁾	33,140,933	33,144,068
Impact stock options	79,304	96,122
Adjusted weighted average number of shares	33,220,236	33,240,190
Diluted earnings per share (€)	11.89	8.71
III, Discontinued operations		
Net consolidated profit from discontinued activities, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares ⁽¹⁾	33,140,933	33,144,068
Basic earnings per share (€)	11.92	8.74
IV, Discontinued activities		
Net consolidated profit from discontinued activities, share of the group (€ 1,000)	394,900	289,639
Weighted average number of shares ⁽¹⁾	33,140,933	33,144,068
Impact stock options	79,304	96,122
Adjusted weighted average number of shares	33,220,236	33,240,190
Diluted earnings per share (€)	11.89	8.71

⁽¹⁾ Based on number of shares issued, adjusted for treasury shares in portfolio.

7.6. Number of treasury shares

	2019	2018
Treasury shares as part of the stock option plan		
Opening balance	334,000	357,000
Acquisition of treasury shares	65,500	
Disposal of treasury shares	-36,500	-23,000
Ending balance	363,000	334,000

In 2019, AvH has purchased 65,500 of its own shares in order to hedge newly granted options for the benefit of the staff. Over the same period, the beneficiaries of the share option plan exercised options on 36,500 AvH shares. At the end of 2019, options were outstanding for a total of 343,000 AvH shares. In order to hedge these (and future) obligations, AvH owned 363,000 own shares on the same date.

	2019	2018
Treasury shares as part of the liquidity contract		
Opening balance	9,415	5,257
Acquisition of treasury shares	89,238	304,867
Disposal of treasury shares	-93,125	-300,709
Ending balance	5,528	9,415

In addition, 89,238 AvH shares were purchased and 93,125 shares were sold in the course of 2019 in the context of the contract that AvH entered into with Kepler Cheuvreux in order to support the liquidity of the AvH share. These transactions are initiated entirely autonomously by Kepler Cheuvreux, but, as they take place on behalf of AvH, the net sale of 3,887 AvH shares has an impact on AvH's equity. On December 31, 2019, the number of own shares in the portfolio in the context of this liquidity agreement amounts to 5,528.

7.7. Impairments

The impairment losses in 2019 were limited to 27.2 million euros (2018: 40.5 million euros). They consist primarily of impairment losses on receivables at DEME in the amount of 8.6 million euros (amongst others as a result of the Servion Concordat for 10.8 million euros) and at CFE in the amount of 16.9 million euros (including a write-down on old receivables on Chad).

Bank J. Van Breda & C^o follows strict procedures to recognize impairments on outstanding receivables. Thanks to rigorous risk management and the good quality of the credit portfolio, the provision for credit losses was limited (1.4 million euros).

7.8. Contingent liabilities or contingent assets

At December 31, 2019, AvH further reduced the provision for contingent liabilities which it had accounted for at year-end 2013 in respect of its stake in CFE by 12.9 million euros (AvH share: 7.8 million euros) to 16.0 million euros (AvH share: 9.7 million euros). This reversal is justified by the disappearance of the underlying risks for which the provision had been constituted at year-end 2013 or by provisioning in the financial statements of CFE itself.

8. Main risks and uncertainties

For a description of the main risks and uncertainties, please refer to our annual report for the financial year ended 31/12/2018. The composition of AvH's portfolio changed only slightly during the year; accordingly, the risks and the spread of those risks have not changed fundamentally in relation to the situation at the end of the previous year.

Several group companies of AvH (such as DEME, CFE, Rent-A-Port, SIPEF, Telemond, Manuchar, Turbo's Hoet Groep, Agidens,...) are also internationally active and are therefore exposed to related political and credit risks.

When disposing of participating interests and/or activities, AvH and its subsidiaries are regularly required to provide certain warranties and representations. These may give rise to claims - legitimate or otherwise - from buyers for compensation on that basis. AvH received no such claims in 2019.

Several fully consolidated companies have agreed on certain ratios (covenants) in their credit agreements and these were respected end of 2019.

Bioelectric is the only new consolidated participation that was included in the portfolio in 2019. The subsidiaries of AvH invested in the further expansion of their activities. AvH believes that those investments do not fundamentally alter the risk profile; they are follow-up investments by companies in which the Group has been a shareholder for some time now.

Several group companies of AvH (such as DEME, CFE, Agidens,...) are actively involved in the execution of projects. This always entails a certain operational risk, but also means that certain estimates of profitability need to be made at the end of such a project. This is inherent in such activity, as is the risk of disagreements with customers over divergent costs or changes in execution and the collection of these receivables. In the Netherlands, DEME is involved in a dispute with Rijkswaterstaat since 2018 regarding the execution of the Juliana canal project. On the basis of the information that is currently available, DEME is still not able to reliably estimate the financial consequences.

In the current market context, AvH is focusing more than ever on its role as proactive shareholder in the companies in which it has a stake. By participating in risk committees, audit committees, technical committees etc. at DEME, CFE, Rent-A-Port and Agidens, AvH specifically monitors the risks in its contracting division from a very early stage.

As regards the risk of value adjustments on assets, reference is made to section 7.7 Impairments.

In its role as proactive shareholder, AvH also sees to it that the companies in which it participates organize themselves in such a way as to comply with current laws and regulations, including all kinds of international and compliance rules.

DEME is fully cooperating with the judicial investigation that was started in 2018 into the circumstances around the award of a contract that has already been implemented. In the current circumstances, the financial impact on DEME cannot be reliably estimated.

9. Events after balance sheet date

In February 2020, Ackermans & van Haaren participated in a capital increase of **MRM Health**. With its contribution of 4 million euros, AvH acquires a stake in excess of 15%. MRM Health, established in the Ghent biotech cluster, develops innovative human microbiome-based medicines. The first product is designed to treat inflammatory bowel disease (colitis ulcerosa and Crohn's disease) and will enter the clinical phase at the end of 2020. The treatment of spondyloarthritis (rheumatic diseases), diabetes and the development of certain probiotics are also being investigated.

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

Lexicon

- **Cost-income ratio:** The relative cost efficiency (cost versus income) of the banking activities.
- **Core Tier1 capital ratio:** A capital ratio of the liquidity buffers held by banks to offset any losses, seen from the regulator's perspective. The equity of a bank consists of share capital and undistributed profits. This equity is necessary to offset losses on loans.
- **EBIT:** Earnings before interest and taxes.
- **EBITDA:** EBIT plus depreciation and amortisation on fixed assets.
- **EBITDAR:** EBITDA plus rent cost.
- **Net financial position:** Cash & cash equivalents and investments minus short and long term financial debt.
- **REBITDA** (Recurring Earnings Before Interest Taxes Depreciation and Amortisation): EBITDA purged from any non-recurrent elements.
- **Rental yield based on fair value:** Rental yield is only calculated on buildings in operation, excluding the projects and the assets held for sale.
- **Return on equity (ROE):** The relative profitability of the group, more particularly the amount of net income returned as a percentage of shareholders' equity.