

3 GOOD HEALTH  
AND WELL-BEING



Antwerp,  
May 20, 2020

8 DECENT WORK AND  
ECONOMIC GROWTH



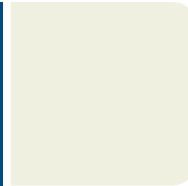
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# Trading update first quarter 2020

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ACKERMANS & VAN HAAREN  
Partners for sustainable growth

# Trading update Q1 2020

## Ackermans & van Haaren

As usual after the end of the first quarter, this trading update gives an overview of the main developments at Ackermans & van Haaren and its main participations.

As was already pointed out in the press release of March 31, 2020, the Ackermans & van Haaren group, too, is not spared the consequences of the COVID-19 crisis, which is wreaking havoc in communities worldwide and is having a disruptive effect on normal business. The group's first concern is for the health of all its employees. Together with the management teams of the participations, Ackermans & van Haaren ensures as much as possible the continuity of its activities and services. This press release goes more deeply into the state of affairs at the main participations of the group.

It is clear that these unforeseen circumstances will have a substantial and negative impact on the results of 2020, both on an interim basis and over the full financial year. At this moment, the impact is difficult to quantify precisely, as it is uncertain how long the effects of the current crisis will persist.

In light of this uncertainty, and bearing in mind the recommendation addressed by the European Central Bank on March 27 to all banks in the eurozone not to pay out any dividends before October 1, 2020, Ackermans & van Haaren had earlier decided to withdraw the proposed dividend of 2.50 euros per share and to reserve the entire profit for the 2019 financial year. At the latest in the course of the fourth quarter of 2020, the board of directors will assess the possibility of an interim dividend.

### Cash position

At the end of March 2020, AvH (including subholdings) had a net cash position of 245.6 million euros, compared with 267.4 million euros at December 31, 2019. Besides cash and short-term deposits, this cash position consists, among other things, of 8.0 million euros in short-term debt in the form of commercial paper, 46.0 million euros in short-term investments, and treasury shares. Additionally, AvH has 282 million euros worth of unused credit lines.

AvH owned 380,250 treasury shares at March 31, 2020 (compared with 363,000 treasury shares at December 31, 2019) to hedge its stock option plan obligations. At March 31, 2020, AvH owned 13,290 additional treasury shares as a result of acquisitions and disposals within the framework of the AvH stock liquidity programme.

### Investments/divestments

Ackermans & van Haaren invested 10.0 million euros during the first quarter, for the most part to strengthen its participations in Medikabazaar, Biotalys, SIPEF, CFE and OncoDNA. In February 2020, a new investment of more than 15% in MRM Health was finalized.

### Outlook 2020

On the basis of the figures at the end of March and the outlook for the full year 2020, the board of directors confirms that the group participations are generally fairly resilient so far. Delen Private Bank and Bank J.Van Breda & C<sup>o</sup> realise strong results and a remarkable inflow of assets under management in these difficult circumstances. The good diversification of the portfolio and the solid balance sheet of the group once more prove their soundness. This does not alter the fact that Ackermans & van Haaren's profit for the 2020 financial year will be significantly lower than in the record year 2019. However, AvH still expects to close the year 2020 with a substantial net profit.

Despite the COVID-19 crisis, Ackermans & van Haaren continues to invest, not only by strengthening its participations in companies in which AvH already holds shares, such as SIPEF, CFE and Medikabazaar, but also by acquiring a new participation in MRM Health. The board of directors continues to support this further expansion of the portfolio.

### General meeting

In light of the COVID-19 pandemic and the measures taken by the government to combat and restrict the pandemic, AvH is obliged to hold the annual meeting of May 25, 2020 behind closed doors. The shareholders can watch the streaming of this meeting from 3.00 pm (in Dutch and in French) on the website <https://www.avh.be/nl/investors/shareholder-information/general-meetings/year/2020>.

# Marine Engineering & Contracting

## DEME

DEME (AvH 60.96%) realized a turnover in the first quarter of 2020 of 534.9 million euros, compared with 613.8 million euros over the same period last year (-13%).

In the first quarter of 2020, both the dredging activities and DEME Offshore reported a decrease in turnover by more than 15% compared with the previous year. The first effects of the COVID-19 crisis can already be discerned in this trend. Among the different activities of DEME, only the Infra segment reported growth in the first quarter of 2020, primarily thanks to three projects in the Netherlands which Dimco is engaged on.

The consequences of the pandemic became more prominent in the second quarter: on all continents, the measures taken to contain the virus gave rise to logistical complications, delays of projects, as well as extra costs. Customers are also delaying current or planned tenders. Even though DEME has little direct exposure to the oil and gas industry, the decrease in oil prices leads to less demand from this sector and from the countries that are dependent on oil revenues. It is not yet clear how long and with what intensity the corona measures will be sustained. DEME has taken the necessary measures to maximize cost savings and to limit cash expenditure, to weather these challenging times with resilience. DEME will record a lower turnover in 2020 and hence a substantially lower operating result.

A number of major dredging projects were continued, such as maintenance dredging on the river Scheldt and along the Belgian coast, and the deepening of the Elbe in Germany. Dredging works in Swinoujście (Poland) have started up successfully. The dredging works on the mega project TTP1 in Singapore have been completed. The various projects in India and Africa continued, despite local logistical problems.

In the first quarter, DEME achieved important milestones on various offshore wind farms, such as the completion of the installation of pin piles for Moray East (Scotland), the installation of two offshore substations for SeaMade (Belgian North Sea), and the solid progress made with the installation of foundations for Borssele 1 & 2 (Dutch North Sea). In April, the installation of the turbines, which can generate up to 714 MW, for East Anglia One (UK) was successfully completed.

In the environmental segment, the works on Fort Philip in Antwerp have begun. The infrastructure projects such as the Terneuzen lock, the Blankenburg tunnel and the Rijnlandroute are in progress, albeit with the necessary stringent measures and despite the obstacles raised by COVID.

DEME's order backlog amounted to 3,415 million euros at the end of March 2020, compared to 3,750 million euros at year-end 2019. In April 2020, DEME added two substantial new contracts in Russia and in Africa to its order backlog. Additionally, the Danish government gave the notice to proceed to start work on the great Fehmernbelt project (700 million euros) on January 1, 2021. These contracts, as well as the projects in Taiwan, were not yet included in this order backlog at the end of March.

In March, DEME Offshore signed a memorandum of understanding with Penta-Ocean Construction Co. Ltd., Japan's biggest marine contractor, for extensive collaboration on the construction of offshore wind farms in Japan. This collaboration will contribute significantly to the further expansion of Japan's offshore wind industry. Also in March, DEME Concessions announced the HYPORU Duqm project for the production of green hydrogen. The production site will substantially help to decarbonize the chemical industry in Oman, and will supply green hydrogen and/or derivatives (such as green methanol or ammonia) to international customers in Europe.

DEME invested 69.2 million euros in the first quarter of 2020.



DEME - SeaMade - Installation of offshore substations



DEME - Borssele - Installation of foundations



DEME - River Thames at IHC



DEME - Green Jade

At the end of April, CSBC-DEME Wind Engineering (CDWE) concluded an 'early works' contract for the very first offshore wind installation vessel to be built in Taiwan. 'Green Jade' will be equipped with a high-tech crane with a lifting capacity of 4,000 tonnes and DP3 capacity. Starting in 2023, the vessel will be deployed in the thriving local offshore wind market.

On May 2, 2020, the crane on the offshore installation vessel Orion was badly damaged during crane load tests. Fortunately, only a few people were slightly injured. The vessel, which was still under construction, is owned by COSCO (Qidong) Offshore Co and was moored at the quay of the Liebherr yard in Rostock (Germany). The cause of the damage, the time needed for repair, and the impact will be further investigated in the coming weeks. After delivery, which in principle was scheduled for the end of May, the Orion would start to work on the Moray East offshore wind project. It seems that, for part of the work, an internal solution can be found by rescheduling DEME Offshore's own installation capacity. The low oil price means that, for the rest of the work, there is sufficient external capacity available in the market that can be hired on competitive terms.

DEME's net financial debt (incl. IFRS 16 effect on the capitalization of leases) increased to 730.3 million euros, compared with 708.5 million euros at December 31, 2019. DEME maintains a solid balance sheet and, as a result of the measures described above, has approximately 500 million euros in cash. DEME also expects to be able to reduce its debt towards the end of 2020.

On May 12, DEME Concessions closed the sale of its 12.5% stake in the Merkur offshore wind farm, one of the largest operational wind farms (396 MW) in Germany. This transaction forms part of the sale of all the shares in Merkur Offshore GmbH to APG and The Renewables Infrastructure Group Limited by the consortium to which DEME belonged, and earns DEME a capital gain of 62 million euros.

Despite the obstacles described earlier, DEME still expects to be able to close 2020 with a positive net result.

## CFE

Within the CFE group (AvH 60.96%), the COVID-19 crisis will have a major impact on the turnover, cash flow and results of CFE Contracting in 2020.

In the first quarter of 2020, the impact was still limited, with the turnover of CFE Contracting decreasing very slightly to 221.1 million euros, compared to 226.0 million euros in the same period last year. The activities of Multitechnics, Rail Infra and Construction in Flanders and Poland increased, whereas the entities in Brussels and Wallonia reported a sharp decrease in turnover. The order book of CFE Contracting at the end of March 2020 amounted to 1,271 million euros, an 8.2% decrease compared to 1,386 million euros at the end of December 2019. There were fewer new contracts obtained for Construction, while the order books of Multitechnics and Rail Infra increased by 1% and 7.5% respectively.

The impact of the COVID-19 pandemic became stronger from the beginning of April 2020, primarily in Belgium and Luxembourg, where virtually all projects were suspended from March 18. In Poland, activity was maintained at a more or less normal level. Activity in Luxembourg and Belgium was gradually resumed from the end of April. The strict measures to protect the health of employees, customers and subcontractors have a major impact on productivity at most sites. Certain projects are also affected by disruptions in the supply chain.

Taking this impact into account, CFE Contracting will report a considerably lower turnover in 2020 than in 2019. The net result should be close to break-even.

In the Real Estate Development division, the sales of ongoing projects in Belgium and Luxembourg were satisfactory at the beginning of the year. Since mid-March, however, sales have virtually come to a halt. In Poland, on the other hand, sales continue, albeit at a somewhat slower pace. Of the 726 housing units that will be delivered in 2020, more than 85% have already been sold.

In the first quarter of 2020, BPI acquired two new projects: the former head office of Allianz in Brussels and a building (factory premises and offices) in Bertrange (Luxembourg).

Despite the effects of the pandemic on sales of real estate projects, BPI maintains its objective of a net profit in 2020 in line with that of 2019.

In the first quarter of 2020, AvH slightly increased its shareholding percentage in CFE to 60.96% (year-end 2019: 60.91%).

# Private Banking

## Delen Private Bank

After a good start to 2020, the financial markets came under pressure in March 2020 due to the rapidly expanding COVID-19 crisis.

In those difficult market conditions, the portfolios managed by Delen Private Bank (AvH 78.75%) performed relatively well, although they decreased on average by 14% at the end of March 2020, and the results of Delen Private Bank are holding up well. Since then, the return of the portfolios has improved since then, reducing the average decrease of the portfolios compared to January 1 to 6.6% by mid-May.

The decrease of assets under management (consolidated) from 43,566 million euros at year-end 2019 to 37,412 million euros at the end of March 2020 is therefore entirely attributable to the negative developments on the financial markets referred to earlier.

Clients (both new and existing) even entrusted more assets to Delen Private Bank than were withdrawn. Such substantial positive net inflow illustrates the strong trust of the clients in the conservative discretionary asset management model of Delen Private Bank, JM Finn (UK) and Oyens & Van Eeghen (NL).

Its strong IT infrastructure enabled the bank to respond quickly to the COVID-19 crisis. Nearly all employees (95%) worked from home, and services remained fully operational. Delen Private Bank employees made an extra effort to proactively maintain contact with the bank's clients by telephone or by videoconference, which has allowed to open a large number of new accounts.

## FinAx: Assets under management

| (€ million)                              | 1Q20          | 2019   |
|--|---------------|--------|
| <b>Delen Private Bank (consolidated)</b> | <b>37,412</b> | 43,566 |
| Delen Private Bank                       | 27,521        | 31,489 |
| JM Finn                                  | 9,230         | 11,448 |
| Oyens & Van Eeghen                       | 661           | 629    |
| <b>Bank J.Van Breda &amp; C°</b>         |               |        |
| Off-balance sheet products               | 9,962         | 10,651 |
| Client deposits                          | 5,572         | 5,416  |
| AuM at Delen <sup>(1)</sup>              | -7,110        | -7,761 |
| <b>FinAx</b>                             | <b>45,836</b> | 51,872 |

<sup>(1)</sup> Already included in AuM Delen Private Bank

## Bank J.Van Breda & C°

Bank J.Van Breda & C° (AvH 78.75%) reported a strong commercial start to the year with an increase of client deposits to 5.6 billion euros (year-end 2019: 5.4 billion euros) and nice net inflows of off-balance sheet products. The volatility on the financial markets, however, led to a net decrease in the off-balance sheet products to 9.9 billion euros (year-end 2019: 10.7 billion euros); consequently, the total assets invested by clients also decreased to 15.5 billion euros (2019: 16.1 billion euros).

The total loan portfolio remained stable at 5.2 billion euros.



Delen Private Bank - Antwerp



Bank J.Van Breda & C° - Aalst

# Real Estate & Senior Care

## Leasinvest Real Estate

Leasinvest Real Estate (LRE, AvH 30.01%) recorded a net loss in the first quarter of 2020 of 50.2 million euros, compared with a net profit of 12.4 million euros in the same period last year. This significant decrease is the result of the impact of COVID-19 and of the remeasurement loss of 49.3 million euros on its participation (10.7%) in Retail Estates, of which the stock market price had sharply decreased (impact Q1 2019: +5.0 million euros).

The fair value of the consolidated real estate portfolio, including project developments, remained stable at 1.1 billion euros, compared with year-end 2019. Including the stake in BE-REIT Retail Estates, the fair value of the portfolio at the end of March 2020 stood at 1.2 billion euros.

The rental income decreased to 15.1 million euros in the first quarter of 2020, compared to 17.2 million euros in the first quarter of 2019. The decrease is the result of the reduced occupancy rate (primarily related to the buildings EBBC A and Mercator) and the loss of the coupon of the real estate certificate Immo Lux Airport (1.6 million euros in March 2019) following the integration/liquidation in 2019. A partial loss of rental income in the second half of March 2020 was also already taken into account as a result of the COVID-19 lockdown. The impact on the rental income of the sale in 2019 of Riverside Businesspark and Kennedy is offset by the acquisition (also in 2019) of the two retail parks in Vösendorf (Austria). The overall occupancy rate and the rental yield decreased slightly to 89.0% (year-end 2019: 90.5%) and 5.78% (year-end 2019: 5.84%) respectively.

At the end of March 2020, the equity (group share) stood at 441 million euros (year-end 2019: 493 million euros). The debt ratio increased to 56.6% (54.8% at the end of December 2019).



Extensa - Tour & Taxis - Gare Maritime - Brussels

## Extensa

In the first quarter, Extensa (AvH 100%) began delivery of the first apartments in the Riva residence in Brussels. Off-plan sales of six apartment buildings (totalling 319 units) of the Park Lane project on Tour & Taxis continue, but will be delayed by the COVID-19 crisis. In the former Gare Maritime freight station, the first tenants have already brought a few modules into use. Completion of the other modules will suffer some delay, but is still scheduled for this year. The construction of an additional underground car park (908 parking places) is finished, and operation will begin in the second quarter of 2020. As a result of the COVID-19 pandemic, trade fairs, events and seminars in Tour & Taxis have been cancelled or postponed.

In the Cloche d'Or project in Luxembourg, the final phase of the first residential project (lot A) will be delivered this year. In the meantime, construction work continues on a new residential project (lot D, 151 apartments) and 5 new office buildings (approximately 30,000 m<sup>2</sup> in total), which include 'Bijou' (6,000 m<sup>2</sup>), 'Spaces' (4,300 m<sup>2</sup>) and a new head office for Intesa Sanpaolo (10,800 m<sup>2</sup>).

## Anima Care

At the beginning of 2020, Anima Care (AvH 92.5%) brought the residential care centre Nuance (Vorst), with a capacity of 121 nursing home beds, into use. This new complex in Vorst was developed by Anima Care in association with Care Property Invest, which owns the real estate on this site. In May 2020, construction work began on a residential care centre with a capacity of 197 beds on the Tour & Taxis site in Brussels.

At the new residential care centre Kristallijn in Bilzen, which opened at the end of 2019, the capacity was increased by 49 units; consequently, at the end of March 2020, Anima Care had a total of 2,485 beds in operation, of which 2,089 nursing home beds, 137 convalescence beds, and 259 service flats, spread over 22 care centres (9 in Flanders, 7 in Brussels, 6 in Wallonia).

The 1,600 employees of Anima Care have given their very best in the past few weeks in difficult conditions, and they deserve everyone's utmost respect for this.

# Energy & Resources

## SIPEF

At SIPEF (AvH 32.6%), favourable weather conditions led to an increase in total palm oil production in the first quarter of 2020 by 6.6% to 78,533 tonnes (Q1 2019: 73,692 tonnes). As a result of higher oil extraction rates (OER), the already increased fruit production (+5.1%) of the Indonesian plantations resulted in an increase in palm oil volumes by 5.6% compared to the same period last year. In Papua New Guinea, the average OER at Hargy Oil Palms increased to 23.8% (compared to 22.2% in Q1 2019), and total palm oil production increased by 8.3%.

The palm oil market started the year strongly, but suffered from declining demand from February onwards due to the effects of COVID-19 and the accompanying low prices for oil. The market price of palm oil decreased from 830 USD at the beginning of the year to 610 USD per tonne CIF Rotterdam at the end of March 2020.

Taking into account the already realized sales of palm oil and based on the recent market prices, SIPEF expects a turnaround into a profit position for 2020. The management is reasonably confident that the fundamentals of the palm oil markets will continue to be strong, but remains cautious given the unpredictable effects of COVID-19 on the global economy.

In Musi Rawas (South Sumatra, Indonesia), expansion continued steadily, and the cultivated hectares increased to 12,617 hectares.

AvH increased its shareholding percentage in SIPEF to 32.6% in the first quarter of 2020 and to 34.68% in the first half of April 2020.

1. SIPEF - Immature palms
2. SIPEF - Rubber plantation
3. SIPEF - Immature palms
4. SIPEF - Cutting palm fruit bunches



# AvH & Growth Capital

In February 2020, AvH participated in a capital increase of **MRM Health**. With its contribution of 4 million euros, AvH acquires a stake of more than 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. Research is also being carried out into the treatment of spondyloarthritis (rheumatic diseases), diabetes and the development of certain probiotics.

At the beginning of March 2020, **Biotalys** closed a second Series C financing round totalling 10 million euros. All existing shareholders and the new shareholder, Novalis LifeSciences, participated in that round. AvH's shareholding percentage now comes to 13.3%. At the beginning of May, Biotalys announced the positive results of the field trials. The company is on track to launch its fungicide BioFun-1 on the US market in 2022 and to roll it out worldwide later on.

At the end of April 2020, **Mediahuis** (AvH 13.5%) acquired all the shares of media group Saint-Paul Luxembourg, publisher of titles such as Luxemburger Wort, Luxembourg Times, Télécran and Contacto. This acquisition will enable Luxembourg's largest media group to accelerate the digital transformation of its brands and organization.

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

At the end of April, a broad consortium of investors and industrial partners from dredging and offshore markets (Ackermans & van Haaren, HAL Investments, MerweOord and Huisman) and the existing international banking syndicate of **Royal IHC** reached an agreement in principle with a view to an acquisition and recapitalization. This gives Royal IHC new perspectives as a leading Dutch maritime player with a solid balance sheet. By setting up a continuity foundation (that will hold the shares in IHC Merwede Holding B.V.), the consortium seeks to preserve the leading technology of Royal IHC, and Royal IHC as a major hub in the marine cluster. Through the industrial consortium, AvH has committed 10 million euros worth of financial resources to this rescue operation of Royal IHC.



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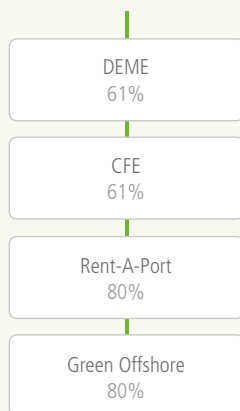
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1. MRM Health
2. Biotalys - Field trials
3. Mediahuis - Luxemburger Wort

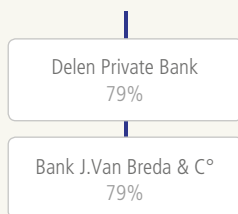


# Ackermans & van Haaren

## Marine Engineering & Contracting



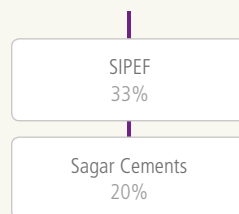
## Private Banking



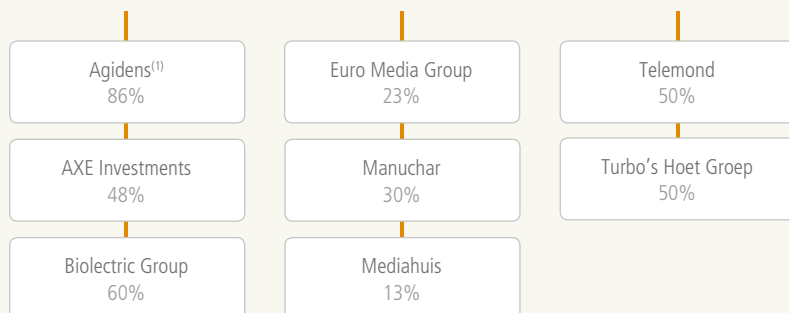
## Real Estate & Senior Care



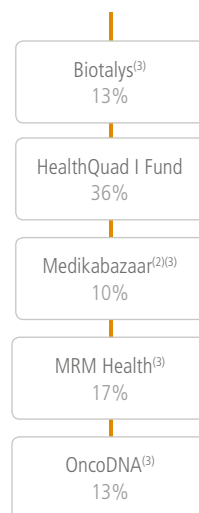
## Energy & Resources



## AvH & Growth Capital



## Non-consolidated



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

**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

All press releases issued by AvH and its most important group companies as well as the 'Investor Presentation' can also be consulted on the AvH website: [www.avh.be](http://www.avh.be). Anyone who is interested to receive the press releases via email has to register to this website.

## Financial calendar

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

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