2019

FINANCIAL REPORT

Dit rapport is ook beschikbaar in het Nederlands.
Ce rapport est également disponible en français.
Este informe también está disponible en español.

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LAYOUT
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We find it important to do our part in an ecological world, which is why this annual report is published on recycled paper (Nautilus – Super White).

For more information on this annual report, please contact:
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FINANCIAL KEY FIGURES

4,335
Balance sheet total
(million euro)

2,941
Equity
(million euro)

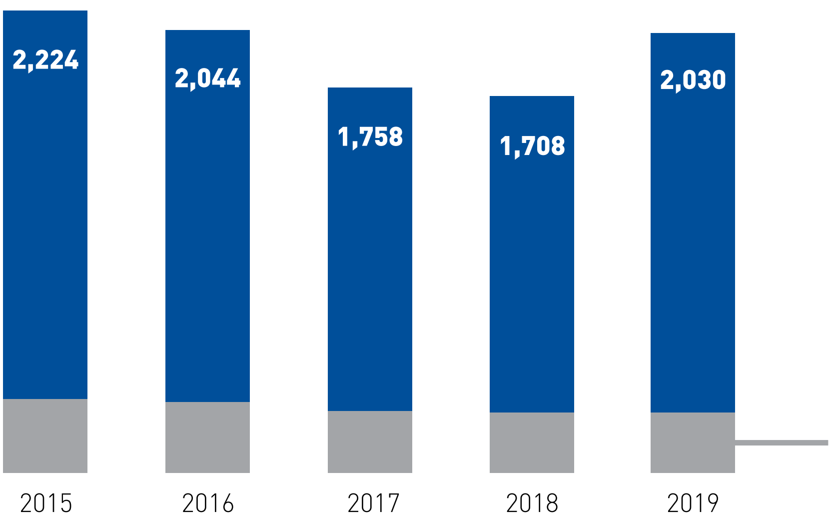
465
Net cash position
(million euro)

2,205
Fixed assets
(million euro)

68%
Solvency ratio
2019

EXTREMELY STRONG SOLVENCY-RATIO THANKS TO COMPLETE PROFIT RESERVATION

TURNOVER: 5 YEAR COMPARISON IN MILLION EURO



61
NET PROFIT
(MILLION EURO)

342
EBITDA
(MILLION EURO)

17%
EBITDA
MARGIN 2019

PROFIT & LOSS ACCOUNT

In line with previous years, 2019 remained a challenging year for the international dredging activities. Market conditions have not yet revived public and private investments. On the other hand, activity in the offshore segment increased significantly.

The market for offshore renewable energy is growing at a rapid pace. Moreover, this market is no longer limited to Europe: Jan De Nul Group is now building offshore wind farms in Taiwan and soon in the United States.

The civil engineering activities of the Group are holding up well, thanks to a strong real estate market in combination with some important projects in the infrastructure market. The environmental activities, the smallest branch of activity of Jan De Nul Group, remains stable.

In 2019, Jan De Nul Group was therefore once again able to exceed a total turnover of 2 billion euro. The EBITDA amounted to 342 million euro or 16.84% of turnover, a great performance and in the leading group of the sector.

After deducting depreciations, financial costs and taxes, the Group presents a net profit of 61 million euro.

MARITIME DREDGING AND OFFSHORE ACTIVITIES

The **maritime dredging and offshore sector** remains in 2019 the cornerstone of Jan De Nul Group's activities with 77% of the total turnover of the Group.

In 2019, Jan De Nul Group was active in major **coastal protection projects** such as in Benin, where the Group was responsible for the design and construction of a submerged dike against coastal erosion. Furthermore, Jan De Nul Group also executed **port dredging works**. In India it helped to deepen and widen the access channel to the Jawaharlal Nehru Port in Mumbai. In Mauritania, the Group executed works for deepening and widening the large port in Nouadhibou for the export of iron ore. In Argentina, Jan De Nul deepened the port of Quequén to -15 metres. In Vietnam, the Group executed dredging works for the port facilities for the Long Son Petrochemicals Complex at Long Son Island and in Qatar for the widening of the access channel to Old Doha Port.

The offshore division was once again involved in the construction of **several offshore wind farm projects**, in and outside Europe. In Belgium, Jan De Nul Group installed Northwester 2 and in Germany, the Trianel offshore wind farm. Outside Europe, more specifically in Taiwan, Jan De Nul Group constructed two offshore wind farm projects: Changhua and Formosa 1 Phase 2. For the contracts Northwester 2 and Formosa 1 Phase 2, Jan De Nul Group was also responsible for the subsea cable installation works. In 2019, Jan De Nul Group was awarded the Formosa 2 project. The construction of the offshore wind farm with 47 Siemens turbines of 8 MW each and a total capacity of 376 MW, will start in 2020. The installation of offshore wind turbines in the United States is in full preparation and will be carried out in 2020.

Furthermore, the offshore division executed general offshore services, amongst other things, the preparation of the shore approach in Italy and Albania for an undersea trans-Adriatic pipeline, as well as trenching and rock installation works for a pipeline for the BP Tangguh Expansion Project in Indonesia. In Hainan, China, Jan De Nul Group executed rock installation works to protect a power cable between the continent and Hainan Island. In Korea, Jan De Nul Group did the same for the protection of a power cable between the islands Jeju and Jindo.

CIVIL ACTIVITIES

With 20% of the Group's total turnover, the **civil activities** remain a stable and constant part of Jan De Nul Group. The range of civil construction and maintenance projects is very diverse and includes residential buildings, school infrastructure, health care institutions, road infrastructure, viaducts, quay walls and locks. In Belgium, Jan De Nul Group contributed to the renovation of the Leopold II tunnel in Brussels. In the Netherlands, the Beatrix lock in Nieuwegein was successfully completed and in Luxembourg city, Jan De Nul Group widened and renovated the historical Pont Passerelle.

ENVIRONMENTAL ACTIVITIES

Envisan, the **environmental division** of Jan De Nul Group, focuses on **environmental technology solutions**. The environmental activities keep a stable 3% of the Group's total turnover. To support these activities, Jan De Nul Group owns and operates six soil and sediment processing centres in Belgium and France. As in previous years, the environmental segment works closely together with the maritime and civil activities, and in particular with the project development partner of the Group, **PSR Brownfield Developers**, who are specialists in the redevelopment of brownfield sites.

GEOGRAPHICAL PRESENCE

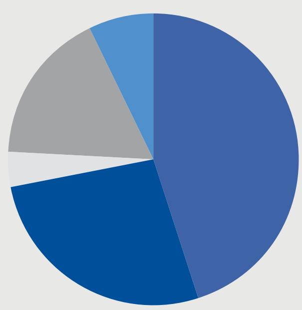
Although the world is its market, Jan De Nul Group continues to have a strong presence in Europe: 45% of its turnover was realised across European countries. Jan De Nul Group's activities, however, grew fastest in Asia and the Middle East. The share of this region in the Group's turnover increased from 18% in 2018 to 27% in 2019. This increase is mainly due to Jan De Nul Group's activities for the construction of three major offshore wind farms in Taiwan. Furthermore, in 2019 Jan De Nul Group was active in America (17%), Africa (7%) and Australia (4%).

REGIONAL BREAKDOWN OF TURNOVER

7% AFRICA

17% AMERICA

4% AUSTRALIA

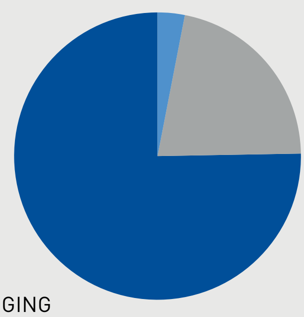


45% EUROPE

27% ASIA & MIDDLE EAST

TURNOVER ACCORDING TO ACTIVITY

3% ENVIRONMENTAL



20% CIVIL

77% DREDGING AND OFFSHORE

BALANCE SHEET

SOLVENCY

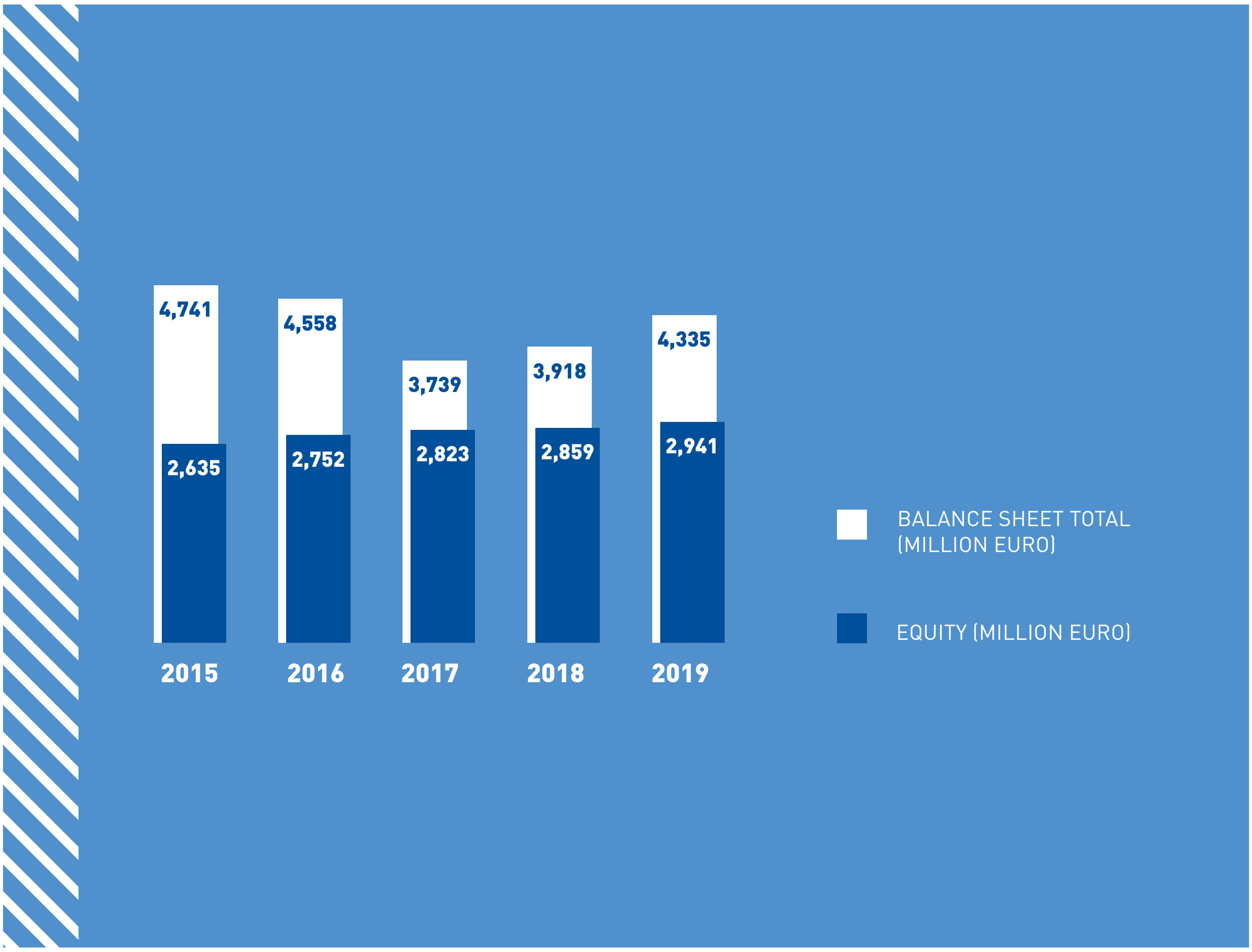
In the financial year 2019, Jan De Nul Group maintained its **high solvency position** with a ratio of 68%. Equity increased from 2,859 million euro in 2018 to 2,941 million euro in 2019, thanks to a sustained policy of complete profit reinvestment (no-payments-of-dividends policy).

LIQUIDITY & NET FINANCIAL DEBT

Since 2014, Jan De Nul Group is completely **net debt-free.** This is quite unique, especially considering the Group's strong investment-DNA. The net cash position further improved from 376 million euro in 2018 to 465 million euro in 2019. At the end of 2019, the available cash at bank and in hand of the Group amounted to 712 million euro (compared to 614 million euro at the end of 2018). This solid balance sheet is a **major asset of Jan De Nul Group** in the context of economic volatility, future investments and competitive strength.

FIXED ASSETS

As a global player, Jan De Nul Group has a focus on the long-term perspective. The continuous renewal and modernization of its fleet and equipment is one element that reveals this long-term vision. The amount of fixed assets on the balance sheet remains stable and amounted to 2,205 million euro (2,122 million euro in 2018). About 70% of the Group's fixed assets consists of vessels.



ORDER BOOK

ORDER BOOK GROWS TO 3.4 BILLION EURO

Jan De Nul Group prepares its fleet for the projects of the future. The current investment program invests in different segments of activity within the group, with a view to maintaining or increasing our market share, and with the emphasis on climate friendly technology. The investments focus on replacement investments in small and middle-sized dredging vessels, and expansion investments in vessels for the offshore wind sector.

The continuous investment in people and own equipment, makes Jan De Nul Group a reliable leading expert in its business. The in-house technical know-how, competent and well-trained employees, and the development of an extensive high performance modern fleet, allow Jan De Nul Group to offer creative and innovative solutions, tailor-made for the client.

Jan De Nul Group thus continues to sail a steady course, combining solid financial figures with targeted investments. This pays off and is reflected in an order book of 3.4 billion euro at the end of 2019.

A DIVERSIFIED PROJECT PORTFOLIO

As a multidisciplinary group, active in the offshore and maritime dredging works, civil works and environmental works, Jan De Nul Group has a wide range of projects in pipe, well spread in terms of geography, project size, sector and clients.

The very comprehensive and diverse expertise of Jan De Nul Group is highly appreciated by customers and is reflected in the stability and even slight increase of our order book, which amounted to 3.4 billion euro at the end of 2019 and compared to 3.3 billion euro at the end of 2018. The order book of Jan De Nul Group includes several major projects, a small selection of which is presented below:

- In Ecuador, Jan De Nul Group signed in 2018 the concession agreement for the deepening and maintenance of the 95-kilometre long access channel to the port of Guayaquil. In 2019, Jan De Nul Group completed the deepening works of the existing access channel. The maintenance and operation of the channel for the remaining 24 years can now start.

- In the port of Takoradi, Ghana, Jan De Nul Group will further expand the port facilities. In Benin, Jan De Nul Group is building an underwater breakwater and replenishes beaches in order to protect the coastline.

- In early 2020, Jan De Nul Group completed the maintenance dredging works in the Port of Maputo, Mozambique, for the Maputo Port Development Company. Also in 2020, Jan De Nul will remain present in Mozambique, executing dredging works in Palma for the development of an LNG terminal.

- The offshore department signed several new contracts geographically spread, confirming the increasing activity in the market of offshore renewables. In Denmark, Jan De Nul Group has been awarded the transport and installation of the offshore wind turbines in the Kriegers Flak Offshore Wind Farm. Furthermore, Jan De Nul Group signed its first offshore wind contract in France: it will be responsible for transportation and installation of 80 offshore wind turbines on the Saint-Nazaire Offshore Wind Farm. The offshore installation vessel Vole au vent will set course to the United States in 2020 for the construction of the Virginia Coastal Windpark.

- In April 2020, Jan De Nul Group and its partner signed the contracts for the supply and installation of high-voltage cables that will connect the Dutch offshore wind farms 'Hollandse Kust Noord' and 'Hollandse Kust West Alpha' to the onshore electricity grid. The offshore installation works will be executed in 2022-2023.

- In 2019, Jan De Nul Group successfully completed the construction of the 120 MW Formosa 1 Phase 2 Offshore Wind Farm. Today, the Group is constructing its second Taiwanese offshore wind farm: the Changhua Offshore Wind Farm with an installed capacity of 109 MW. Jan De Nul Group is responsible for the design, fabrication and installation of the foundations, the installation of the wind turbines, the supply and installation of the cables offshore and onshore as well as for the upgrading of the substation. The execution will mainly appear in 2020 and will be followed by a 5 years maintenance contract. Jan De Nul Group underlined its expansion in Asian OWF development with the signing of its third major Taiwanese project: Formosa 2 Offshore Wind Farm with an installed capacity of 376 MW. Jan De Nul Group will act as EPCI contractor and will be responsible for the design, supply and installation of jacket foundations and subsea cables.

Construction works are planned to start in 2020 and the wind farm is scheduled to be operational by the end of 2021.

- The 376 MW Formosa 2 OWF is located between 3.8 – 9.5 km off the coast and at 40 nautical miles from the port of Taichung. The 109 MW Changhua OWF is located further south. In planning Formosa 2 OWF, Jan De Nul Group will draw on its offshore wind experience gained during the current execution of neighbouring projects Formosa 1 Phase 2 OWF and the Changhua OWF. Furthermore, the Group builds on years of experience in Europe, with offshore wind projects in Belgium, England, Sweden, Denmark, Finland and Germany.

- In Belgium, Jan De Nul Group and its joint venture partner started mid 2019 with the construction of the Grand Hospital of Charleroi. With an opening scheduled in 2024, the 145,000 m² complex is built on a 42 acres site and will have 900 beds. Also in 2019, Jan De Nul was awarded in consortium the contract Constitution for the construction of, amongst other things, subway stations Toots Thielemans and Lemonnier and 575 metres of underground tunnels. These construction works are already in full preparation and will effectively start in the second half of 2020.

- End 2019, the environmental division of the Jan De Nul Group has started, together with its consortium partner, with the largest soil remediation project ever executed in the port of Antwerp at the Fort Filips site. The encapsulation of the polluted soil will avoid the further spreading of any pollution. The construction of flood defence dikes will protect the port against flooding.

The Grand Hospital of Charleroi will accommodate 900 beds.

INVESTMENTS

FLEET

In March and April of 2019, the 3,500 m³ TSHDs Afonso de Albuquerque, Diogo Cão and Tristão da Cunha were delivered by Keppel Shipyard in Nantong, China. The vessels are operating in South America, Europe and the Far East.

The 6,000 m³ TSHD Sanderus was delivered by Keppel in Singapore at the end of 2019. Sister vessel Ortelius is expected to be delivered mid-2020.

In December of 2019, the 18,000 m³ TSHD Galileo Galilei was launched by COSCO shipyard in Dalian in China. The delivery is foreseen in the second half of 2020.

In October of 2019, Jan De Nul Group acquired the vessel Willem van Rubroeck in Croatia by submitting the highest bid in a public auction. The vessel was handed over to the Group in February of 2020. In April 2020, the vessel was transported to the shipyard Remontowa in Poland, where it will be completed. The vessel will be ready and deployable in 2021.

Early April 2019, Jan De Nul Group signed a contract with COSCO Shipping Heavy Industry for the construction of a large Jack-Up Offshore Installation Vessel, to be named Voltaire. This jack-up vessel will be equipped with a main crane having a capacity exceeding 3,000 tonnes, and will be capable of working in water depths of more than 80 m. The vessel is suitable for installing the next generation offshore wind turbines.

Engineering is ongoing, and the shipyard in Qidong, China will start actual construction in May of 2020. Delivery is expected in early 2022,

End 2019 the order was placed for the construction of a large crane vessel. The vessel, to be named Les Alizés, will be built by China Merchants Industry Holding Co.Ltd., on their shipyard in Haimen in China.

Les Alizés will be equipped with a crane with a lifting capacity of 5,000 tonnes. The vessel will enable us to install large and heavy foundations for wind turbines in deep water. Delivery of the vessel is scheduled for 2022.

Voltaire and Les Alizés, as well as the new trailing suction hopper dredgers, will be equipped with an exhaust gas cleaning system, resulting in an ULEv notation.

EQUIPMENT OF JAN DE NUL GROUP AS AT 31.12.2019

73	166	33	52	45
dumpers with carrying capacity from 25 to 100 tonnes	hydraulic excavators, of weight classification between 8 and 250 tonnes	tower cranes	bulldozers	wheel loaders

The investment in Voltaire and Les Alizés anticipates the global trend within the offshore wind industry to install increasingly large wind turbines.

LAND EQUIPMENT

Besides its vessels, Jan De Nul Group continuously invests in extending and renewing its land equipment for supporting its worldwide operations. In doing so, Jan De Nul Group always goes for the most recent technologies, meeting the most stringent environmental requirements. We look for the most suitable machine for every application.

PROJECT-SPECIFIC EQUIPMENT

In 2019, Jan De Nul Group invested in several equipment that had to be renewed and added to its fleet. As such Jan De Nul Group expanded its fleet with 5 new tower cranes in order to support the construction of buildings. Apart from the yearly replacement investments, 2 new telescopic crawlers of 50 tonnes were added to the fleet. For a project in Ghana, the Group purchased a new crawler crane of 300 tonnes to assist in the construction of a new quay wall. To support the logistic operations, Jan De Nul Group invested in 32 new trucks, meeting the latest emission standards. Furthermore, Jan De Nul Group acquired a new gantry crane to support the operations on one of its yards in Belgium. Parallel to that, the Group keeps on investing in looking for project specific adaptions to its fleet. In order to support the operations of Soetaert, Jan De Nul Group adapted a Liebherr 895 Cable crane so that it is able to work with a fixed leader of 60 metres. The equipment is installing in situ casted concrete piles with a Hydraulic Hammer of the type IHC S90 and a ring-vibrator.

37
crawler cranes from 50 to 600 tonnes

48
hydraulic telescopic cranes

33
telescopic handlers

10
pile drilling machines

17
vibro and hydraulic hammers

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated Financial Statements of JAN DE NUL GROUP*, which comprise the consolidated balance sheet as at December 31, 2019, and the consolidated profit and loss account for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019, and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under those Law and standards are further described in the « Responsibilities of “Réviseur d’Entreprises Agréé” for the Audit of the consolidated Financial Statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated Financial Statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated Financial Statements and our report of “Réviseur d’Entreprises Agréé” thereon.

Our opinion on the consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of these consolidated Financial Statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated Financial Statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Financial Statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

*JAN DE NUL GROUP is the trade name for Sofidra sa

RESPONSIBILITY OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Statements.

As part of an audit in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Financial Statements, including the disclosures, and whether the consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report is consistent with the consolidated Financial Statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, April 30, 2020

Thierry REMACLE
Réviseur d'Entreprises Agréé
Grant Thornton Audit & Assurance

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CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2019

Jan De Nul GROUP* Registered office: Capellen – R.C.S. Luxembourg: B 73.723

ASSETS	2019	2018
FIXED ASSETS	**2,204,817,684.41**	**2,122,392,800.11**
Intangible assets	**81,541,536.11**	**1,958,980.62**
Concessions, patents, licences, trademarks & similar rights and assets, if they were acquired for valuable consideration and need not be shown under goodwill (Note 4)	81,541,536.11	1,958,980.64
Goodwill, to the extent that it was acquired for valuable consideration (Note 5)	0.00	0.00
Tangible assets (Note 6)	**2,066,265,890.64**	**2,072,671,437.44**
Land and buildings	90,050,328.36	97,952,537.11
Plant and machinery	1,619,596,170.64	1,623,418,334.09
Other fixtures and fittings, tools and equipment	22,213,514.51	21,378,736.17
Payments on account and tangible assets in the course of construction	334,405,877.13	329,921,830.07
Financial assets (Note 7)	**47,184,755.66**	**39,365,604.62**
Loans to undertakings with which the undertaking is linked by virtue of participating interests	0.00	0.00
Investments held as fixed assets	470,772.41	1,501,077.16
Other loans	46,713,983.25	37,864,527.46
Companies consolidated by net equity method (Note 8)	**9,825,502.00**	**8,396,777.43**
CURRENT ASSETS	**2,086,559,751.15**	**1,781,290,812.53**
Stocks (Note 9)	**400,042,158.86**	**333,105,776.95**
Raw materials and consumables	238,497,377.22	225,954,011.98
Work in progress	152,956,102.41	96,355,952.33
Finished goods and goods for resale	8,588,679.23	10,795,812.64
Payments on account	0.00	0.00
Debtors	**914,733,323.05**	**774,111,199.97**
Trade debtors (Note 10)	825,086,739.08	649,777,662.34
becoming due and payable within one year	*823,308,739.08*	*647,999,662.36*
becoming due and payable after more than one year	*1,778,000.00*	*1,777,999.98*
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests (Note 11)	4,924,608.23	7,064,175.07
becoming due and payable within one year	*4,924,608.23*	*7,064,175.07*
Other debtors (Note 12)	84,721,975.74	117,269,362.56
becoming due and payable within one year	*84,721,975.74*	*117,269,362.56*
becoming due and payable after more than one year	*0.00*	*0.00*
Investments	**60,000,000.00**	**60,000,000.00**
Own shares (Note 13)	60,000,000.00	60,000,000.00
Other investments	0.00	0.00
Cash at bank and in hand	**711,784,269.24**	**614,073,835.61**
PREPAYMENTS	**43,787,316.40**	**14,010,785.81**
TOTAL (ASSETS)	**4,335,164,751.96**	**3,917,694,398.45**

The accompanying notes form an integral part of these consolidated accounts. (Expressed in euro)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2019

Jan De Nul GROUP* Registered office: Capellen – R.C.S. Luxembourg: B 73.723

CAPITAL, RESERVES AND LIABILITIES	2019	2018
CAPITAL AND RESERVES	**2,806,328,603.81**	**2,723,971,673.03**
Subscribed capital (Note 14)	538,400,000.00	538,400,000.00
Share premium account (Note 15)	20,343,906.33	20,343,906.33
Reserves	18,203,588.54	6,455,980.26
Legal reserve (Note 16)	53,840,000.00	51,650,025.53
Other reserves, including the fair value reserve (Note 17)	(35,636,411.46)	(45,194,045.27)
Profit or loss brought forward (Note 18)	2,358,307,315.81	2,328,774,445.57
Profit or loss for the financial year	61,187,958.75	31,288,083.55
Capital investment subsidies	310,341.06	327,435.89
Minority interests	24,891,541.63	19,739,069.27
Translation differences (Note 19)	(215,316,048.31)	(221,357,247.84)
PROVISIONS	**169,122,935.73**	**173,201,572.11**
Provisions for pensions and similar obligations	1,629,642.61	1,442,712.84
Provisions for taxation (Note 20)	22,277,052.66	27,266,453.57
Other provisions (Note 21)	145,216,240.46	144,492,405.70
CREDITORS	**1,309,084,426.99**	**969,172,320.57**
Amounts owed to credit institutions (Note 22)	321,354,169.40	313,017,863.47
becoming due and payable within one year	*99,045,321.96*	*191,051,497.10*
becoming due and payable after more than one year	*222,308,847.44*	*121,966,366.37*
Payments received on accounts of orders as far as they are shown separately as deductions from stocks (Note 23)	321,348,064.55	160,799,713.09
becoming due and payable within one year	*321,348,064.55*	*160,799,713.09*
Trade creditors (Note 24)	455,763,721.49	321,696,558.41
becoming due and payable within one year	*455,763,721.49*	*321,696,558.41*
Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	92,854.56	28,048.31
becoming due and payable within one year	*92,854.56*	*28,048.31*
Other creditors (Note 25)	210,525,616.99	173,630,137.29
Tax authorities	89,444,195.43	58,921,627.61
Social security authorities	10,163,141.22	8,185,966.62
Other creditors	110,918,280.34	106,522,543.06
becoming due and payable within one year	*50,069,918.93*	*45,674,181.65*
becoming due and payable after more than one year	*60,848,361.41*	*60,848,361.41*
DEFERRED INCOME (NOTE 26)	**50,628,785.43**	**51,348,832.74**
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	**4,335,164,751.96**	**3,917,694,398.45**

The accompanying notes form an integral part of these consolidated accounts. (Expressed in euro)

*JAN DE NUL GROUP is the trade name for Sofidra sa

CONSOLIDATED PROFIT AND LOSS ACCOUNT FROM JANUARY 1, 2019 TO DECEMBER 31, 2019

Jan De Nul GROUP * Registered office: Capellen – R.C.S. Luxembourg: B 73.723

	2019	2018
NET OPERATING RESULT	**137,051,356.46**	**77,690,569.08**
Net turnover (Note 23 and 27)	2,029,694,746.54	1,707,744,890.77
Variation in stocks of finished goods and in work in progress (Note 9)	53,357,882.92	7,335,864.58
Work performed by the undertaking for its own purposes and capitalised	82,475,141.15	521,481.16
Other operating income (Note 28)	76,283,772.39	105,676,189.39
Raw materials and consumables and other external expenses	(1,402,347,243.97)	(1,144,486,819.29)
Raw materials and consumables	(832,432,545.63)	(611,223,518.20)
Other external expenses	(569,914,698.34)	(533,263,301.09)
Staff costs (Note 29)	(406,747,055.64)	(351,442,430.05)
Wages and salaries	(298,023,890.18)	(250,411,302.86)
Social security costs	(83,472,720.40)	(69,460,905.39)
Other staff costs	(25,250,445.06)	(31,570,221.80)
Value adjustments	(204,717,550.94)	(198,859,644.53)
in respect of formation expenses and of tangible and intangible fixed assets (Notes 4, 5 and 6)	(193,510,172.19)	(201,640,563.13)
in respect of current assets (Note 30)	(11,207,378.75)	2,780,918.60
Other operating expenses (Note 31)	(90,948,335.99)	(48,798,962.95)
NET FINANCIAL RESULT	**(28,321,891.24)**	**(5,016,306.62)**
Income from participating interests	1,065.23	2.05
derived from affiliated undertakings	0.00	0.00
other income from participating interests	1,065.23	2.05
Income from other investments and loans forming part of the fixed assets	0.00	0.00
derived from affiliated undertakings	0.00	0.00
other income not included under derived from affiliated undertakings	0.00	0.00
Other interest receivable and similar income (Note 32)	26,989,937.30	26,124,801.55
derived from affiliated undertakings	0.00	0.00
other interest and similar income	26,989,937.30	26,124,801.55
Share of profit or loss of undertakings accounted for under the equity method (Note 8)	(33,899,737.44)	86,626,212.13
Value adjustments in respect of financial assets and of investments held as current assets (Note 7)	29,436,812.67	(108,019,817.56)
Interest payable and similar expenses (Note 33)	(50,849,969.00)	(9,747,504.79)
concerning affiliated undertakings	0.00	0.00
other interest and similar expenses	(50,849,969.00)	(9,747,504.79)
TAXES AND RESULT OF THE YEAR		
Tax on profit or loss (Note 34)	(32,271,406.48)	(22,556,093.16)
Profit or loss after taxation	76,458,058.74	50,118,169.30
Other taxes not shown above (Note 35)	(13,929,691.76)	(17,782,998.04)
Profit or loss for the year before minority interests	62,528,366.98	32,335,171.26
Minority interests	(1,340,408.23)	(1,047,087.71)
PROFIT OR LOSS FOR THE YEAR AFTER MINORITY INTERESTS	**61,187,958.75**	**31,288,083.55**

CONSOLIDATED CASH FLOW ANALYSIS

Jan De Nul GROUP * Registered office: Capellen – R.C.S. Luxembourg: B 73.723

	2019	2018
CASH AT BANK AND IN HAND & INVESTMENTS AT BEGINNING OF PERIOD	**614,073,835.61**	**531,868,639.88**
+ Operational Cash Flow	224,340,295.27	234,483,784.42
+ Change in Working Capital	(537,682.02)	180,839,501.55
+ Cash Flow Investments	(250,381,016.99)	(311,024,202.66)
+ Cash Flow Financial Operations	124,288,837.37	(22,093,887.58)
CASH AT BANK AND IN HAND & INVESTMENTS AT END OF PERIOD	**711,784,269.24**	**614,073,835.61**
+ Result of the year	61,187,958.75	31,288,083.55
- Minority Interests	1,340,408.23	1,047,087.71
- Share in result of companies consolidated using the equity method	(44,216,291.76)	(81,729,987.65)
+ Depreciation and amounts written off on intangible and tangible fixed assets	194,731,205.37	197,138,418.30
+ Depreciation and amounts written off on current assets	12,007,161.66	(6,498,730.27)
+ Depreciation and amounts written off on financial assets	(29,463,288.31)	107,994,680.85
+ Changes in Provisions	42,145,258.24	(14,755,768.07)
+ Control acquisitions	(13,392,116.91)	0.00
OPERATIONAL CASH FLOW	**224,340,295.27**	**234,483,784.42**
+ Change in Short-term Debt	236,684,183.43	283,346,458.25
+ Change in Deferred income	(720,047.31)	(23,213,911.81)
- Change in Short-term Receivables	(139,738,355.94)	12,521,065.96
- Change in Deferred Charges	(29,733,954.03)	345,414.91
- Change in Stock	(67,029,508.17)	(92,159,525.76)
CHANGE IN WORKING CAPITAL	**(537,682.02)**	**180,839,501.55**
- Investments in Intangible Fixed Assets	(82,238,769.82)	(503,018.90)
- Investments in Tangible Fixed Assets	(256,255,540.16)	(247,333,130.83)
- Investments in Financial Assets	0.00	0.00
+ Disuse of Tangible Fixed Assets & Exchange Rate Differences	66,469,156.72	41,905,699.74
- Change in Financial Assets	22,284,136.27	(105,093,752.67)
- Increase in Participations of Companies consolidated by net Equity method	0.00	0.00
- Acquisition of subsidiaries net of cash acquired	(640,000.00)	0.00
- Regularisations and other Transactions	0.00	0.00
CASH FLOW INVESTMENTS	**(250,381,016.99)**	**(311,024,202.66)**
+ Change in Consolidation and Conversion differences	23,945,503.02	681,314.51
+ Change in Long-term Debt	100,343,334.35	(22,775,202.09)
- Change in Long-term Receivables	0.00	0.00
CASH FLOW FINANCIAL OPERATIONS	**124,288,837.37**	**(22,093,887.58)**

The cashflow analysis is not part of the audited financial statements. (Expressed in euro)
The accompanying notes form an integral part of these consolidated accounts.

*JAN DE NUL GROUP is the trade name for Sofidra sa

NOTES TO THE CONSOLIDATED ACCOUNTS AS OF DECEMBER 31, 2019

1. Principal activities

JAN DE NUL GROUP* (the Group) is a group of companies active in dredging, civil, environmental and offshore works.

The parent company Sofidra sa (the Company) is incorporated as a Société Anonyme on December 29, 1999 for an unlimited period. The Company is registered in Capellen under reference B 73.723.

The Group's financial year starts on January 1 and ends on December 31 of each year.

*JAN DE NUL GROUP is the trade name of Sofidra sa registered at the Répertoire Général des Personnes Morales in Luxembourg on March 31, 2002.

2. Group structure & Consolidation area

Jan De Nul GROUP * Registered office: 34-36, Parc d'Activités L-8308 Capellen – R.C.S. Luxembourg: B 73.723

THE HOLD INTERESTS OF THE GROUP IN CONSOLIDATED SUBSIDIARIES ARE (SITUATION AT THE END OF THE RESPECTIVE YEARS):	2019	2018
COMPANIES CONSOLIDATED FOLLOWING THE GLOBAL INTEGRATION METHOD		
Jan De Nul Mauritius Ltd, Mauritius	100.00 %	100.00 %
Port Louis Dredging Company Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul Dredging Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul Pacific Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul (Mozambique) Ltda, Mozambique	100.00 %	100.00 %
Jan De Nul Dredging M.E. Ltd, Cyprus	100.00 %	100.00 %
Jan De Nul Indian Ocean Ltd, Seychelles	100.00 %	100.00 %
Barbarons Maritime Ltd, Seychelles	100.00 %	100.00 %
Jan De Nul Central America Ltd, Bahamas	100.00 %	100.00 %
Kina Ltd, Seychelles	100.00 %	100.00 %
Malaysian Marine Services Ltd, Malaysia	100.00 %	100.00 %
Universal Dredging & Reclamation Corporation Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul Interamerica S.A., Uruguay	100.00 %	100.00 %
Jan De Nul (Mascareignes) Ltd, (formerly Envisan Ltd) Mauritius	100.00 %	100.00 %
Port Louis Maritime Co. Ltd, Mauritius	100.00 %	100.00 %
Jan De Nul N.V., Belgium	99.07 %	99.07 %
Jan De Nul (U.K.) Ltd, United Kingdom	99.07 %	99.07 %
Jan De Nul (Australia) Pty Ltd, Australia	99.07 %	99.07 %
Jan De Nul (Phils.) Inc, Philippines	99.07 %	99.07 %
Mest- en Afvalverwerking N.V., Belgium	99.08 %	99.08 %
Sodraco International S.A.S., France	99.07 %	99.07 %
Terminal Eight Marine Works Ltd, China	99.53 %	99.53 %
Jan De Nul (Italia) S.p.A., Italy	99.08 %	99.08 %
Jan De Nul Saudi Arabia Co. Ltd, Saudi Arabia	99.07 %	99.07 %
Jan De Nul Maritime & Constructions Services Co Ltd, Lybia	99.07 %	99.07 %
Jan De Nul Nassbaggerei und Wasserbau GmbH, Germany	99.07 %	99.07 %
Jan De Nul Ghana Ltd, Ghana	99.07 %	99.07 %
Jan De Nul N.V. FZE, Nigeria	0.00 %	99.07 %

Vidar Crewing Luxembourg S.A., Luxembourg	99.07 %	99.07 %
Vidar Shipowning Luxembourg S.A., Luxembourg	99.07 %	99.07 %
Algemene Ondernemingen Soetaert N.V., Belgium	99.07 %	99.07 %
Soetaert France S.A.S., France	99.07 %	99.07 %
Jan De Nul Constructlux S.A., Luxembourg	99.44 %	99.44 %
Travaux Maritimes Nador S.A.R.L., Morocco	99.07 %	99.07 %
Arenas Argentinas Del Parana S.A., Argentina	99.54 %	99.54 %
Jan De Nul Denizcilik Ve Altyapi Hizmetleri A.S., Turkey	99.07 %	99.07 %
Jan De Nul Kazakhstan LLP, Kazakhstan	99.07 %	99.07 %
Jan De Nul Bénin S.A., Benin	99.07 %	99.07 %
Canal de Guayaquil CGU S.A., Ecuador	99.16 %	99.16 %
Payra Dredging Company Ltd, Bangladesh	99.07 %	99.07 %
Vasco S.A., Luxembourg	100.00 %	100.00 %
Dragalux S.A., Luxembourg	100.00 %	100.00 %
Dias S.A., Luxembourg	0.00 %	100.00 %
Dracomar S.A., Luxembourg	100.00 %	100.00 %
Vole au Vent S.A.S., Luxembourg	100.00 %	100.00 %
Adhémar & Bernoulli S.A., Luxembourg	100.00 %	100.00 %
Cunha S.A., Luxembourg	100.00 %	0.00 %
Sanderus S.A., Luxembourg	100.00 %	0.00 %
Vlaamse Bagger Maatschappij N.V., Belgium	100.00 %	100.00 %
PSR Brownfield Developers N.V., Belgium	100.00 %	100.00 %
Lummerzheim & Co. N.V., Belgium	100.00 %	100.00 %
Cortoria N.V., Belgium	100.00 %	100.00 %
PSR 8870 N.V., Belgium	100.00 %	100.00 %
Zennepoort N.V., Belgium	100.00 %	100.00 %
PSR 1830.01 N.V., Belgium	100.00 %	100.00 %
PSR 2850 N.V., Belgium	100.00 %	100.00 %
Codralux S.A., Luxembourg	100.00 %	100.00 %
Dredging and Contracting Rotterdam B.V., Netherlands	100.00 %	100.00 %
Jan De Nul Ukraine LLC, Ukraine	100.00 %	100.00 %
Biscay Pte Ltd, Singapore	99.99 %	99.99 %
Jan De Nul Guatemala S.A., Guatemala	100.00 %	100.00 %
Dredging and Maritime Management S.A., Luxembourg	100.00 %	100.00 %
Jan De Nul Dredging N.V., Belgium	100.00 %	100.00 %
Mexicana de Dragados S.A. de C.V., Mexico	99.54 %	99.54 %
Servicios de Dragados S.A. de C.V., Mexico	100.00 %	100.00 %
Dredging and Reclamation Jan De Nul Ltd, Nigeria	100.00 %	100.00 %
Envisan N.V., Belgium	100.00 %	100.00 %
Envisan France S.A.S., France	100.00 %	100.00 %
Jan De Nul (Singapore) Pte Ltd, Singapore	100.00 %	100.00 %
Jan De Nul Dredging India Pvt Ltd, India	100.00 %	100.00 %
Compania Chilena de Dragados S.A., Chile	100.00 %	100.00 %
Compania Sud. Americana de Dragados S.A., Argentina	99.91 %	99.91 %

Jan De Nul (Malaysia) Sdn. Bhd, Malaysia	100.00 %	100.00 %
PT Idros Services, Indonesia	100.00 %	100.00 %
Jan De Nul Monaco SAM, Monaco	100.00 %	100.00 %
Jan De Nul Portugal LDA, Portugal	100.00 %	100.00 %
European Dredging Company S.A., Luxembourg	100.00 %	100.00 %
Willem S.A., Luxembourg	100.00 %	100.00 %
Isaac Newton S.A., Luxembourg	100.00 %(*)	100.00 %(*)
Komarine Engineering & Construction Co. Ltd, Korea	100.00 %	100.00 %
Jan De Nul Do Brasil Dragagem Ltda, Brasil	100.00 %	100.00 %
Vitus Bering S.A., Luxembourg	0.00 %	100.00 %
Al-Idrisi S.A., Luxembourg	0.00 %	100.00 %
Magalhaes S.A., Luxembourg	0.00 %	100.00 %(*)
Taillevent S.A., Luxembourg	100.00 %	100.00 %
Albuquerque S.A., Luxembourg	100.00 %	100.00 %
Jan De Nul Dredging Middle East FZE, UAE	100.00 %	100.00 %
Siam Dredging and Reclamation Ltd, Thaïland	100.00 %	100.00 %
Jan De Nul Luxembourg S.A., Luxembourg	100.00 %	100.00 %
Mediudra S.R.L., Romania	100.00 %	100.00 %
Sofidra Shipping S.C.A., Luxembourg	100.00 %	100.00 %
Jan De Nul Panama S.A., Panama	100.00 %	100.00 %
Maritime and Construction Management C.V., Belgium	100.00 %	100.00 %
Toa (Lux) S.A.	81.00 %	0.00 %

(*) Per application of the substance over form principle – see note 3.2

COMPANIES CONSOLIDATED FOLLOWING THE PROPORTIONAL INTEGRATION METHOD

Hidrovia S.A., Argentina	49.53 %	49.53 %
Scaldis Salvage & Marine Contractors N.V., Belgium	20.43 %	20.43 %
Terranova N.V., Belgium	49.77 %	49.77 %
Terranova Solar N.V., Belgium	22.40 %	22.40 %
Boskalis Jan De Nul – Dragagens E Afins, Lda. Angola	49.53 %	49.53 %
Travaux Maritimes Tanger Med S.A.R.L., Morocco	49.53 %	49.53 %
Denderoever N.V., Belgium	50.00 %	50.00 %
Circul 2020 N.V., Belgium	24.77 %	24.77 %
Meurop 2020 N.V., Belgium	50.00 %	50.00 %
Denderoever Properties I N.V., Belgium	50.00 %	0.00 %
Denderoever Properties II N.V. , Belgium	50.00 %	0.00 %
Various Joint ventures	variable	variable

COMPANIES CONSOLIDATED FOLLOWING THE NET EQUITY METHOD

R-1 Consortium Inc, Philippines	39.23 %	39.23 %
Southern Peninsula Dredging Sdn Bhd, Malaysia	30.00 %	30.00 %
Grupo Unidos Por El Canal S.A., Panama	14.86 %	14.86 %
Normalux Maritime S.A., Luxembourg	37.50 %	37.50 %
Neo Legia S.A., Belgium	25.00 %	25.00 %

COMPANIES EXCLUDED FROM THE CONSOLIDATION AREA

In 2018, one company had been excluded from the consolidation area as the Management considers that it did not exert nor control nor significant influence while it owned more than 20% of the voting shares of this subsidiary. This subsidiary had been kept at historical cost, less impairment. In application of article 1712-20.2° of the Luxembourg Law on Commercial Companies, the information required by article 1712-19.2°.b) had been omitted. In 2019, no company has been excluded from the consolidation area.

MODIFICATION IN THE CONSOLIDATION AREA – CURRENT YEAR

During the year 2019, the following modifications have been performed in the consolidation area:

- The Group has acquired shares in Toa (Lux) S.A. from a third party so that the Group gains control over this subsidiary.
- Cunha S.A., Luxembourg and Sanderus S.A., Luxembourg, Denderoever Properties I N.V., Belgium and Denderoever Properties II N.V., Belgium, have been incorporated during the year by group's subsidiaries.
- The companies Jan De Nul N.V. FZE, Nigeria, Al Idrisi S.A., Luxembourg, Dias S.A., Luxembourg, Vitus Bering S.A., Luxembourg and Magalhaes S.A., Luxembourg have been liquidated.

MODIFICATION IN THE CONSOLIDATION AREA – PRIOR YEAR

During the year 2018, the following modifications have been performed in the consolidation area:

- The participation in the entity Decor Oyenbrug B.V.B.A., Belgium had been sold to third parties.
- Soetaert France S.A.S., France, Canal de Guayaquil CGU S.A., Ecuador, Taillevent S.A., Luxembourg, Albuquerque S.A., Luxembourg, Payra Dredging Company Ltd, Bangladesh, Denderoever N.V., Belgium, Circul 2020 N.V., Belgium, Meurop 2020 N.V., Belgium, Neo Legia S.A., Belgium, had been incorporated during the year by group's subsidiaries.
- The companies Letimar S.A. (ex. Caboto S.A.), Luxembourg, Cabarez S.A., Luxembourg and Machiavelli S.A., Luxembourg had been liquidated.

3. Summary of significant accounting policies

3.1 Principles of consolidation

The consolidated accounts are prepared in accordance with the Section XVI of the amended Luxembourg law on commercial companies dated August 10, 1915 (the Law). The consolidated accounts are prepared using the going concern principle.

Date of first consolidation

The Company acquired in 2000 Jan De Nul Mauritius Ltd and subsidiaries and in 2001 Jan De Nul nv, Belgium and subsidiaries. In both operations, ships included under fixed assets were revaluated. The revaluation was based on a valuation report issued by an independent expert. No deferred taxes were accounted for on this reevaluation of assets. These operations restructured the initial Group Jan De Nul nv and subsidiairies, Belgium. Date of the first consolidation is fixed at the fiscal year starting January 1st, 2001. The revaluations have been fully depreciated as of December 31, 2019 and 2018.

Companies consolidated following the global integration method

Subsidiaries are in principle all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the global integration method. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been exchanged where necessary to ensure consistency with the policies adopted by the Group.

Minority interests are that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. Equity attributable to the interest of minority shareholder interests in subsidiaries is shown separately in the consolidated annual accounts.

Companies consolidated following the proportional integration method

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Joint Ventures and Jointly controlled entities are accounted for using the proportional consolidation method.

Unrealized gains on transactions between the Group and its Joint Ventures and jointly controlled entities are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of Joint Ventures and jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Companies consolidated following the net equity method

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

The Group's share of its associates' post acquisition profits is recognized in the profit and loss account under the caption *Share of profit or loss of undertakings accounted for under the equity method.* The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group recognizes further losses under the caption *Other provisions.*

Unrealized gains on transactions (disposal of fixed assets or inventory) between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Accounting methods

Foreign currencies

a) The Company's accounts are kept in euros (EUR) and the consolidated accounts are expressed in this currency. Transactions in any currency other than the EUR are translated at exchange rates fixed monthly by the Group. At balance sheet date, the translation is done based on the following methods:

   - *Banks* are translated at exchange rates prevailing at the balance sheet date;

- For *Debtors* and *Creditors*, realized exchange gains and losses are recorded in the profit and loss account as well as the unrealized exchange losses; unrealized exchange gains are booked in a balance sheet account presented under *Other creditors*;

- Other accounts are translated at the historical exchange rate.

b) The annual accounts of the subsidiaries kept in another currency than EUR are translated – in order to include those in the consolidated annual accounts – as follows:

- Assets and liabilities other than *Capital and reserves* are translated at the exchange rates prevailing at the balance sheet date;

- *Capital and reserves* are translated at rates prevailing at the first consolidation or at historical rates;

- Income and charges are translated at the average exchange rate of the year.

Gains and losses resulting from the translation of capital, reserves, income and charges into EUR are accumulated in a separate account under shareholders' equity called *Translation differences.*

Exchange losses and exchange gains resulting from the elimination of intercompany debtors and creditors accounts are recorded in the *Other interest and similar expenses* or *Other interest and similar income* captions respectively.

c) Transactions in subsidiaries holding their accounts in a currency in hyperinflation are converted using a specific method. A currency is considered in hyperinflation if the cumulative inflation over a 3 year period approaches or is in excess of, 100%. The amounts in the balance sheet that are not already expressed in EUR are restated following a specific method as follows:

- The intangible, tangible and financial fixed assets, the long term loan receivables and payables as well as the deferred tax positions are restated by applying a general price index; the counterpart of the impact of this retreatment is reflected under *Other interest and similar income;*

- All items in the Profit and Loss are restated by applying a general price index from the dates when the items of income and expenses were initially recorded; the counterpart of the impact of this retreatment is reflected under *Other interest and similar income;*

- The Equity are restated by applying a general price index and its impact is included under *Translation differences.*

Acquisition differences

Up to 2012, positive and negative acquisition differences related to the acquisition of subsidiaries are recorded under *Other reserve*s in the *Capital and reserves*. Starting from 2013, positive acquisition differences related to the acquisition of subsidiaries are allocated to certain assets and/or liabilities, and for the unallocated portion to Goodwill (within the Intangible assets caption); negative acquisition differences are recorded under *Other reserves* in the *Capital and reserves* caption. The *Goodwill* is depreciated over a 5 years period.

Where the Group considers that *Goodwill* has suffered a durable depreciation in value, an additional write-down is recorded in order to reflect this loss.

Formation expenses

Formation expenses are entirely depreciated during the year of their acquisition.

Intangible and tangible assets

Vessels that were brought in during the first year of consolidation (2001) are recognized at the revaluated acquisition cost, while ships acquired since then are recognized at acquisition cost.

Intangible and tangible assets are recognized at acquisition cost, including the expenses incidental thereto or at production cost. Replacement spare parts for vessels, which are constantly being replaced and whose overall value is of secondary importance to the Group are shown under Plant and machinery at a fixed quantity and value, as the quantity, value and composition thereof do not vary materially; further acquisition of spare parts for vessels are booked as charges.

Vessels are depreciated on a linear or degressive method over their expected lifetime or a period of 12 years to 20 years, whichever is the shortest. Intangible and other tangible fixed assets are depreciated using a linear or degressive method over their expected lifetime. Land and assets under construction are not depreciated.

Where the Group considers that an intangible or tangible asset has suffered a durable depreciation in value, an additional write-down is recorded in order to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Financial assets

Financial assets represent participations in non-consolidated companies, deposits and long-term loans. Shares in participating interests are recognized at purchase price including the expenses incidental thereto. Deposits and long-term loans are recognized at nominal value including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Stocks

Stocks represent raw materials, heavy material held for resale, work in progress, finished goods and merchandise.

Stocks of *Raw materials and consumables* are valued at the lower of purchase price or market value. A value adjustment is recorded where the economic value is below the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Heavy material held for resale represent steel pipes that are not allocated to a particular site at year end and are available for sale, out of the Group. *Heavy material held for resale* is included under the *Raw materials and consumables* caption. *Heavy material held for resale* is recognized at the net book value valid at the date of transfer from tangible assets (or stock) to stock. A value adjustment is recorded where the economic value is below the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Finished goods and goods for resale represent mainly brownfields pieces of land acquired and the related cost for their rehabilitation. The gross book value includes the initial acquisition price paid and the costs directly attributable to the rehabilitation of the land. A value adjustment is recorded where the economic value is below the net book value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Work and contracts in progress are valued at cost (purchase or production cost) or at net realisable value when this is lower. The production cost comprises all direct and indirect costs incurred in bringing the inventories to their completion at balance sheet date and this corresponds with the estimated sales prices in normal circumstances, minus the handling, marketing and distribution costs (net realizable value). Construction and dredging contracts are valued according to the Percentage of Completion method based on cost to cost – whereby the result is recognized in accordance with progress of the works. Expected losses are immediately recognized as an expense.

Debtors

Debtors are recognized at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Transferable securities

Transferable securities are valued at the lower of purchase cost, including expenses incidental thereto and calculated on the basis of weighted average prices method, expressed in the currency in which the annual accounts are prepared and market value. A value adjustment is recorded where the market value is lower than the purchase cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to:

- the last available quote on the valuation day for transferable securities listed on a stock exchange or dealt in on another regulated market;

- the probable realisation value estimated with care and in good faith by the Board of Directors

- for transferable securities not listed on a stock exchange or not dealt in on another regulated market and for transferable securities listed on a stock exchange or dealt in on another regulated market where the latest quote is not representative.

Prepayments

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Deferred taxes

Deferred taxes are recognized for temporary differences due to consolidation retreatments that will result in deductible or taxable amounts or from tax losses carried forward. *Deferred tax assets* are fully impaired except if they can be offset against statutory tax accruals and/or deferred tax liabilities.

Creditors

Creditors are valued at their nominal value.

Deferred income

This liability item includes income received during the financial year or previous years but relating to a subsequent financial year. Among these, Group's technical contribution to some vessels invoiced by the Group to the shipyard in charge of the ship's construction are retreated from the revenues to the deferred income and amortized at a rate based on the related tangible asset's residual lifetime.

Deferred income also includes profit on intercompany disposals of inventory and of *Heavy material held for resale* which cannot be individually identified. These positions are recognized in revenues over a 2.5 years period. This method is intended to deal appropriately with profits on intercompany disposals of fixed assets or inventory items that are whether fungible whether difficult to retreat individually over their remaining useful lifetime (among others the stock of pipes).

Net turnover

The *Net turnover* comprises the amounts derived from the sale of products and the provision of services falling within the Group's ordinary activities, after deductions of sales rebates and of value added tax and other taxes directly linked to the turnover. The method of revenue recognition is the percentage of completion method based on cost to cost.

Derivatives

Unrealized losses and gains on derivatives subscribed for hedging of assets or liabilities that are present in the balance sheet at year end (example: Forex deals hedging trade debtors in foreign currency that are booked at year end and will be collected on next year) are recognized in the profit and loss account concommitently with the revenue/loss recognition of the hedged asset or liability. Unrealized losses and gains on derivatives subscribed for hedging of transactions occurring in the future and – as such – not present in the balance sheet at year end except where they would correct concommitent revenue/loss recognition of the hedged asset or liability (example: Energy swaps in relation with next year's fuel purchases – Forex deals hedging trade debtors not yet booked at year end but expected to be recognized on next year) – these are not accrued but are mentioned in off balance sheet commitments.

Unrealized losses on derivatives not subscribed for hedging purpose are accrued for and recognized in profit and loss at year end.

Unrealized gains on derivatives not subscribed for hedging purpose are not recognized.

Realized losses and gains on derivatives are recognized in profit and loss account during the year of their realization.

Substance over form

The presentation of the amounts recorded on the consolidated balance sheet and consolidated profit and loss account should refer to the substance of the operation rather than its legal form.

This principle has been applied to the consolidation method applied to certain subsidiaries which are – based on the voting rights – controlled by a third party but whose effective control is exercised by the Group.

4. Concessions, patents, licences, trademarks & similar rights and assets

THE EVOLUTION OF CONCESSIONS, PATENTS, LICENCES, TRADEMARKS & SIMILAR RIGHTS AND ASSETS IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	14,308,263.66	3,000,046.31
Impact of foreign exchange	(159,753.24)	11,388,030.05
Change of consolidation perimeter	0.00	0.00
Increase of the year	82,238,769.82	503,018.99
Decrease of the year	(642,481.51)	(582,831.69)
ACQUISITION COST – END OF THE YEAR	**95,744,798.73**	**14,308,263.66**
VALUE CORRECTION		
Beginning of the year	(12,349,283.02)	(2,290,551.74)
Impact of foreign exchange	(160,059.04)	(10,209,529.30)
Change of consolidation perimeter	0.00	0.00
Increase of the year	(1,988,516.04)	(244,599.38)
Decrease of the year	294,595.48	395,397.40
VALUE CORRECTION – END OF THE YEAR	**(14,203,262.62)**	**(12,349,283.02)**
NET BOOK VALUE – END OF THE YEAR	**81,541,536.11**	**1,958,980.64**

In 2019, the Group has activated an asset consisting in a concession right over the exploitation of the Canal de Guayaquil in Ecuador, over a 25 years period starting in 2019. The activated amount of 81,899,865.72 EUR consists in the production cost (including a reasonable portion of indirect costs) of the deepening works of the canal, performed by the Group. The counterpart of this activation lies in the Profit and loss under the caption *Work performed by the undertaking for its own purposes and capitalized* for an amount of 81,899,865.72 EUR. Applying a prudent approach, the Management will depreciate this asset over a 10 years period, starting in November 2019. The asset has been subject to an impairment testing concluding that no impairment has to be deducted from the net book value as of December 31, 2019.

5. Goodwill

THE EVOLUTION OF GOODWILL IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	12,746,053.50	12,746,053.50
Impact of foreign exchange	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**12,746,053.50**	**12,746,053.50**
VALUE CORRECTION		
Beginning of the year	(12,746,053.50)	(8,088,795.62)
Impact of foreign exchange	0.00	0.00
Increase of the year	0.00	(4,657,257.88)
Decrease of the year	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(12,746,053.50)**	**(12,746,053.50)**
NET BOOK VALUE – END OF THE YEAR	**0.00**	**0.00**

During the year 2018, an extraordinary value correction has been booked for an amount of 2,116,844.13 EUR resulting from impairment test of the *Goodwill*.

6. Tangible assets

THE EVOLUTION OF TANGIBLE ASSETS IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	4,613,100,478.68	4,463,844,965.29
Impact of foreign exchange	(185,468.03)	8,514,111.42
Change of consolidation perimeter	68,978,363.00	(2,381.23)
Increase of the year	256,255,540.16	247,333,130.83
Decrease of the year	(142,110,212.41)	(106,589,347.63)
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**4,796,038,701.40**	**4,613,100,478.68**
VALUE CORRECTION		
Beginning of the year	(2,540,429,041.24)	(2,406,486,235.83)
Impact of foreign exchange	(3,611,658.91)	(6,579,707.74)
Change of consolidation perimeter	(68,978,363.00)	2,381.23
Increase of the year	(192,742,689.33)	(192,236,560.88)
Decrease of the year	75,988,941.72	64,871,082.18
Transfer	0.00	(0.20)
VALUE CORRECTION – END OF THE YEAR	**(2,729,772,810.76)**	**(2,540,429,041.24)**
NET BOOK VALUE – END OF THE YEAR	**2,066,265,890.64**	**2,072,671,437.44**

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF LAND & BUILDINGS IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	158,247,440.09	150,416,159.40
Impact of foreign exchange	(7,285.97)	408,589.47
Change of consolidation perimeter	0.00	0.00
Increase of the year	4,041,061.28	9,198,089.97
Decrease of the year	(9,032,602.16)	(1,775,398.75)
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**153,248,613.24**	**158,247,440.09**
VALUE CORRECTION		
Beginning of the year	(60,294,902.98)	(55,113,935.55)
Impact of foreign exchange	(25,726.20)	(210,830.94)
Change of consolidation perimeter	0.00	0.00
Increase of the year	(4,902,628.82)	(5,569,989.25)
Decrease of the year	2,024,973.12	599,852.76
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(63,198,284.88)**	**(60,294,902.98)**
NET BOOK VALUE – END OF THE YEAR	**90,050,328.36**	**97,952,537.11**

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF PLANT & MACHINERY IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	4,063,475,009.36	4,037,099,227.09
Impact of foreign exchange	3,215,872.44	2,435,943.26
Change of consolidation perimeter	68,978,363.00	(2,381.23)
Increase of the year	28,361,598.71	117,017,203.66
Decrease of the year	(79,044,560.88)	(93,074,983.42)
Transfer	159,143,037.58	0.00
ACQUISITION COST – END OF THE YEAR	**4,244,129,320.21**	**4,063,475,009.36**
VALUE CORRECTION		
Beginning of the year	(2,440,056,675.27)	(2,313,525,308.11)
Impact of foreign exchange	(3,323,632.65)	(5,674,469.90)
Change of consolidation perimeter	(68,978,363.00)	2,381.23
Increase of the year	(184,374,800.51)	(181,571,407.95)
Decrease of the year	72,200,321.86	60,712,129.67
Transfer	0.00	(0.21)
VALUE CORRECTION – END OF THE YEAR	**(2,624,533,149.57)**	**(2,440,056,675.27)**
NET BOOK VALUE – END OF THE YEAR	**1,619,596,170.64**	**1,623,418,334.09**

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF OTHER FIXTURES AND FITTINGS, TOOLS AND EQUIPMENT IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	61,456,199.06	57,460,281.31
Impact of foreign exchange	188,556.76	765,655.95
Change of consolidation perimeter	0.00	0.00
Increase of the year	7,951,841.18	8,720,548.62
Decrease of the year	(5,341,706.26)	(5,490,286.82)
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**64,254,890.74**	**61,456,199.06**
VALUE CORRECTION		
Beginning of the year	(40,077,462.89)	(37,846,992.51)
Impact of foreign exchange	(262,300.09)	(694,406.45)
Change of consolidation perimeter	0.00	0.00
Increase of the year	(3,465,260.00)	(5,095,163.68)
Decrease of the year	1,763,646.75	3,559,099.75
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(42,041,376.23)**	**(40,077,462.89)**
NET BOOK VALUE – END OF THE YEAR	**22,213,514.51**	**21,378,736.17**

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF PAYMENTS ON ACCOUNT AND TANGIBLE ASSETS IN THE COURSE OF CONSTRUCTION IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	329,921,830.07	218,869,297.82
Impact of foreign exchange	(3,582,611.22)	4,903,922.33
Change of consolidation perimeter	0.00	0.00
Increase of the year	215,901,038.98	112,397,288.56
Decrease of the year	(48,691,343.12)	(6,248,678.64)
Transfer	(159,143,037.58)	0.00
ACQUISITION COST – END OF THE YEAR	**334,405,877.13**	**329,921,830.07**
VALUE CORRECTION		
Beginning of the year	0.00	0.00
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**0.00**	**0.00**
NET BOOK VALUE – END OF THE YEAR	**334,405,877.13**	**329,921,830.07**

The *Payments on account and tangible assets in the course of construction* include the acquisition value of the vessel under construction Willem van Rubroeck. The main part of the decrease of the year 2019 is related to this vessel and is explained as follows.

Over 2018 and 2019, the shipyard Uljanik d.d. was confronted with serious liquidity problems. The Group and Uljanik d.d. previously entered into a shipbuilding contract for the construction of the vessel Willem van Rubroeck. A rescue plan was launched by the Croatian government (supported by the EU) with around 100 million EUR of liquidity input. The Group and Uljanik d.d. extended the shipbuilding contract until January 2019. However progress stalled and Uljanik d.d. did not have sufficient resources anymore to complete the construction of the vessel. As a result, the Group terminated the shipbuilding contract on January 23, 2019. From that point on, negotiations started with Uljanik d.d. and the different stakeholders (the guaranteeing banks and the counter-guaranteeing Croatian government) to take over the vessel subject to specific conditions.

In April 2019, the Group called on the refund guarantees to safeguard its contractual rights and securities. This resulted in a full and unconditional repayment of the disbursed construction milestone payments of the Group by the guaranteeing banks end of May 2019. On July 22, 2019, the bankruptcy court has published its decision on a public sale of the vessel via an electronic public auction organized by the Croatian Financial Agency (FINA). On October 23, 2019, the Group submitted the highest bid in the public auction. The main part of the book value of the vessel is constituted by this bid, constituting the new acquisition value of the vessel. Except for interests received under the refund guarantees, there is no impact on the profit and loss accounts.

AMONG THE PLANT & MACHINERY, THE EVOLUTION OF SHIPS IN SERVICE IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	3,572,266,833.81	3,522,394,365.41
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	68,978,363.00	0.00
Increase of the year	324,140.88	64,476,398.00
Decrease of the year	(2,830,934.77)	(14,603,929.60)
Transfer/Other	139,839,329.18	0.00
ACQUISITION COST – END OF THE YEAR	**3,778,577,732.10**	**3,572,266,833.81**
VALUE CORRECTION		
Beginning of the year	(2,089,151,576.57)	(1,963,116,689.94)
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	(68,978,363.00)	0.00
Increase of the year	(146,914,944.95)	(140,638,816.23)
Decrease of the year	2,830,934.77	14,603,929.60
Transfer/Other	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(2,302,213,949.75)**	**(2,089,151,576.57)**
NET BOOK VALUE – END OF THE YEAR	**1,476,363,782.35**	**1,483,115,257.24**

In 2019, the vessels Tristão da Cunha, Giovanni Venturi, Henry Darcy, Henri Pitot, Sanderus, Diogo Cão and Afonso de Albuquerque have been commissioned and the vessels Dirk Martens, Weseltje, Geelvinck, Nijptangh have been sold to third parties. The vessel Kaishuu, fully depreciated, has been acquired through a change of consolidation perimeter (see Note 2).

In 2018, the vessel Taillevent had been acquired by the group from a third party and the vessels Ortelius, DN 52, DN 53, DN 61, James Ensor and Galilei had been sold to a third party.

7. Financial assets

Investments held as fixed assets

THE EVOLUTION OF INVESTMENTS HELD AS FIXED ASSETS IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	2,726,077.16	2,749,893.66
Impact of foreign exchange	0.00	0.00
Variation of consolidation scope	0.00	0.00
Increase of the year	2,531.25	0.00
Decrease of the year	(1,032,836.00)	(23,816.50)
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	**1,695,772.41**	**2,726,077.16**
VALUE CORRECTION		
Beginning of the year	(1,225,000.00)	(1,225,000.00)
Impact of foreign exchange	0.00	0.00
Variation of consolidation scope	0.00	0.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
Transfer	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	**(1,225,000.00)**	**(1,225,000.00)**
NET BOOK VALUE – END OF THE YEAR	**470,772.41**	**1,501,077.16**

These amounts represent participations held in non-consolidated companies.

Other loans

THE EVOLUTION OF OTHER LOANS IS AS FOLLOWS:	2019	2018
ACQUISITION COST		
Beginning of the year	247,367,242.46	142,249,673.29
Net increase of the year	0.00	105,117,569.17
Net decrease of the year	(20,613,831.52)	0.00
ACQUISITION COST – END OF THE YEAR	**226,753,410.94**	**247,367,242.46**
VALUE CORRECTION		
Beginning of the year	(209,502,715.00)	(101,508,034.15)
Net increase of the year	0.00	(107,994,680.85)
Net decrease of the year	29,463,288.31	0.00
VALUE CORRECTION – END OF THE YEAR	**(180,039,426.69)**	**(209,502,715.00)**
NET BOOK VALUE – END OF THE YEAR	**46,713,983.25**	**37,864,527.46**

In 2019 and 2018, these amounts represent deposits, long term loans to non-consolidated entities and a long term shareholder (subordinated) loan to an entity consolidated by net equity method named Grupo Unidos Por El Canal S.A., Panama or GUPC where a participation below 20% is held. This shareholder (subordinated) loan is fully depreciated.

In 2019, among the deposits, an amount of 10,672,031.52 EUR (2018: 0.00 EUR) was blocked as guarantee upon Court's decision due to an arbitration with a supplier.

8. Companies consolidated by net equity method

	ACQUISITION COST	SHARE IN NET EQUITY
Southern Peninsula Dredging Sdn Bhd	127,871.51	18,338.53
Normalux Maritime S.A., Luxembourg	7,500,000.00	9,718,034.77
Grupo Unidos Por El Canal S.A., Panama	20,756.94	0.00
SAS Van Vreeswijk Maintenance B.V., Belgium	20.00	89,128.70
Neo Legia S.A., Belgium	15,500.00	0.00
		9,825,502.00

In 2019 and 2018, application of net equity method to Grupo Unidos Por El Canal S.A., Panama and Neo Legia S.A., Belgium, leads to negative figures; as a consequence, the company's acquisition value has been fully impaired and a provision booked for the resulting negative net equity position amounting to 34,444,483.75 EUR (2018: 77,266,174.87 EUR) for Grupo Unidos Por El Canal S.A.and 46,229.93 (2018: 12,105.92) for Neo Legia S.A..

In 2019, the evolution of the net equity position (variation of the provision for negative net equity position added to variation of the share in net equity related to positive net equity position) is recognized under the profit and loss caption *Share of profit or loss of undertakings accounted for under the equity method* as a loss amounting to 33,899,737.44 EUR (2018: a loss of 86,626,212.13 EUR).

9. Stocks

In 2019, the Work and contracts in progress gross value amounts to 152,956,102.41 EUR (2018: 96,355,952.33 EUR). In 2019 and 2018, no value correction has been deducted to take into account the current loss on certain projects but for the future loss making contract, the expected future losses have been recognized under the caption *Other Provisions – Provisions for future losses.*

10. Trade debtors

THE TRADE DEBTORS ARE COMPOSED AS FOLLOWS:	2019	2018
Customer accounts	421,664,574.63	387,922,213.58
Accruals	440,239,183.36	286,758,432.27
Value corrections	(36,817,018.91)	(24,902,983.51)
	825,086,739.08	**649,777,662.34**

THE TRADE DEBTORS' TERM IS AS FOLLOWS:	2019	2018
Less than one year	823,308,739.08	647,999,662.36
Between one and four years	1,778,000.00	1,777,999.98
Five years and more	0.00	0.00
	825,086,739.08	**649,777,662.34**

11. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests

The *Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests* are mainly composed with current accounts owed from various companies and Joint Ventures which are consolidated following the proportional integration method.

12. Other debtors

THE OTHER DEBTORS ARE COMPOSED AS FOLLOWS:	2019	2018
Prepayments to creditors	10,161,384.01	9,729,208.36
Accrued income (incl. interests to receive)	2,819,368.55	1,215,011.48
Advance payments to staff	1,188,807.02	825,443.14
Joint ventures & Partners current accounts	11,697,672.71	10,559,345.46
VAT receivables	22,452,287.77	25,513,056.98
Tax receivables	29,747,244.89	26,540,187.23
Deferred tax assets – net	0.00	0.00
Others	6,655,210.79	42,887,109.91
	84,721,975.74	**117,269,362.56**

A provision for non-recoverability risks on VAT, income tax and withholding tax debtors amounting to 4,006,331.37 EUR (2018: 4,502,115.70 EUR) has been provided for and is shown under *Other provisions.*

13. Own shares

A Group's subsidiary – consolidated by global integration method – owns 132 shares, with a nominal value of 400,000.00 EUR each, in the Group's mother company Sofidra sa, Luxembourg, representing an acquisition value of 60,000,000.00 EUR and creating a circular relationship. Per application of article 1712-4 (2) of the Law on consolidated annual accounts, these shares are considered as *Own shares* at Group level. There is no unavailable reserve for own shares accounted for.

In 2019 and 2018, there has been no transaction on Own shares.

14. Subscribed capital

Subscribed capital

THE EVOLUTION OF SUBSCRIBED CAPITAL IS AS FOLLOWS:	2019	2018
Beginning of the year	538,400,000.00	538,400,000.00
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
	538,400,000.00	**538,400,000.00**

As at December 31, 2019 and 2018, the *Subscribed capital* amounts to 538,400,000.00 EUR and is divided into 1,346 shares fully paid with a nominal value of 400,000.00 EUR each.

Authorized capital

As at December 31, 2018, the authorized capital amounted to 5,000,000,000.00 EUR divided into 12,500 shares with a nominal value of 400,000.00 EUR each. This authorization was valid until 2019 but void as of December 31, 2019. The unused authorized capital amounted to 5,000,000,000.00 EUR as at December 31, 2018.

15. Share premium account

THE EVOLUTION OF SHARE PREMIUM ACCOUNT IS AS FOLLOWS:	2019	2018
Beginning of the year	20,343,906.33	20,343,906.33
Increase of the year	0.00	0.00
Decrease of the year	0.00	0.00
	20,343,906.33	**20,343,906.33**

16. Legal reserve

THE EVOLUTION OF THE LEGAL RESERVE IS AS FOLLOWS:	2019	2018
Beginning of the year	51,650,025.53	47,441,677.53
Allocation from previous year result	2,189,974.47	4,208,348.00
	53,840,000.00	**51,650,025.53**

Luxembourg companies are required to allocate to a *Legal reserve* a minimum of 5% of the profit of the financial year, until this reserve equals 10% of the *Subscribed capital*. This reserve may not be distributed. This amount represents the Legal reserve of the Company only.

17. Other reserves

THE EVOLUTION OF OTHER RESERVES IS AS FOLLOWS:	2019	2018
Beginning of the year	(45,194,045.27)	(45,909,401.98)
Variation of first consolidation differences	9,557,633.81	715,356.71
	(35,636,411.46)	**(45,194,045.27)**

In 2019 the variation of *Other reserves* during the year is mainly due to the acquisition difference on the acquisition of a subsidiary from a third party. In 2018, the variation of *Other reserves* during the year was mainly due to the disposal of subsidiaries.

18. Profit or loss brought forward

THE EVOLUTION OF THE PROFIT OR LOSS BROUGHT FORWARD IS AS FOLLOWS:	2019	2018
Beginning of the year	2,328,774,445.57	2,264,362,824.53
Result for the previous financial year	31,288,083.55	69,825,612.78
Allocation to the legal reserve	(2,189,974.47)	(4,208,348.00)
Other	434,761.16	(1,205,643.74)
	2,358,307,315.81	**2,328,774,445.57**

19. Translation differences

THE EVOLUTION OF TRANSLATION DIFFERENCES IS AS FOLLOWS:	2019	2018
Beginning of the year	(221,357,247.84)	(225,420,216.87)
Translation variation of the year	6,041,199.53	4,062,969.03
	(215,316,048.31)	**(221,357,247.84)**

The Translation differences represents gains and losses resulting from the translation into EUR of capital, reserves, income and charges positions of consolidated entities whose accounts are kept in foreign currencies. Starting from January 1, 2018 there is an hyperinflation adjustment booked due to the devaluation of ARS and its impacts on the subsidiaries located in Argentina.

20. Provisions for taxation

THE PROVISIONS FOR TAXATION ARE COMPOSED AS FOLLOWS:	2019	2018
Provisions for taxes	18,487,484.34	25,774,425.61
Provisions for deferred taxes	3,789,568.32	1,492,027.96
	22,277,052.66	**27,266,453.57**

Provision for taxes include provisions for income corporate taxes and tax risks for the various entities consolidated through global and proportional integration method.

In 2019 and 2018, the net position of deferred taxes is negative and the resulting net position of deferred tax liabilities had been recognized under *Provisions for deferred taxes.*

21. Other provisions

THE OTHER PROVISIONS ARE COMPOSED AS FOLLOWS:	2019	2018
Provisions for future losses	22,663,722.91	10,130,041.08
Provisions for non recoverable VAT & tax debtors	4,006,331.37	4,502,115.70
Provisions for maintenance and repairs	36,130,551.09	21,505,842.45
Provisions for negative net equity method	34,490,713.68	77,278,280.87
Others	47,924,921.41	31,076,125.60
	145,216,240.46	**144,492,405.70**

Provisions for future losses

The *Provisions for future losses* are intended to cover the expected future losses on non-performing projects. Due to its generally operating nature, the allocations and reversals of this provision are booked in operating result.

Provisions for non recoverable VAT & tax debtors

The Management performs annually an impairment test on the amounts due by tax authorities. Where the Management considers that a position whether cannot be collected nor be offset against current or expected future tax payables, *Provisions for non recoverable VAT & tax debtors* are booked to cover such a recoverability risk. Due to its generally operating nature, the allocations and reversals of this provision are booked in operating result.

Provisions for maintenance and repairs

The *Provisions for maintenance and repairs* are booked to cover future docking costs of the main vessels of the fleet. These docking costs are estimated using a standard maintenance cost determined on a vessel-per-vessel basis. A docking is expected to occur twice over a five years period. Due to its operating nature, the allocations and reversals of this provision are booked in operating result.

Others

These provisions includes amounts related to brownfield projects and cover the expected future land rehabilitation costs and to cover the risk of repayment of some guarantees. Due to its operating nature, the allocations and reversals of this provision are booked in operating result.

In addition, it includes provisions for the repatriation cost of positions (bank accounts and trade receivables) located in Argentina amounting to 8,087,153.85 EUR. Due to its financial nature, the allocations and reversals of this provision are booked in financial result.

Provisions for negative net equity projects

The *Provisions for negative net equity projects* represents the net equity method valuation of these entities where the application of net equity method leads to negative figures (see also Note 8).

THE PROVISIONS FOR NEGATIVE NET EQUITY PROJECTS ARE COMPOSED AS FOLLOWS:	2019	2018
Grupo Unidos Por El Canal S.A., Panama	34,444,483.75	77,266,174.87
Neo Legia S.A., Belgium	46,229.93	12,106.00
	34,490,713.68	**77,278,280.87**

Grupo Unidos Por El Canal S.A., Panama (hereafter GUPC) is a company incorporated under the laws of the Republic of Panama (deed no 25931 dated November 23, 2009). Jan De Nul nv has an economic interest of 15% in the shareholding of GUPC.

All advances being (re-)paid to ACP, JDN has limited its risks, including the liquidity disbursement risk. This means now that, except for totally unforeseen incidents, any winning award under the running arbitrations would have – taking into account Group's share in the project and legal costs – a positive impact on Group's future financial results and on Group's cash position.

The financial exposure of the Group in relation to the above is covered by the *Provisions for negative net equity projects*.

22. Amounts owed to credit institutions

THE AMOUNTS OWED TO CREDIT INSTITUTIONS ARE COMPOSED AS FOLLOWS:	2019	2018
Long term loans and financing	166,645,137.42	187,265,651.53
Bank overdraft and short term loans	199,272.05	19,135.78
Commercial paper	154,000,000.00	125,000,000.00
Leasing debts	509,759.93	733,076.16
	321,354,169.40	**313,017,863.47**

THE AMOUNTS OWED TO CREDIT INSTITUTIONS TERM IS AS FOLLOWS:	2019	2018
Less than one year	99,045,321.96	191,051,497.10
Between one and four years	195,311,347.54	119,550,285.70
Five years or more	26,997,499.90	2,416,080.67
	321,354,169.40	**313,017,863.47**

In 2019, the *Long term loans and financing* include a subordinated loan for an amount of 75,000,000.00 EUR (2018: 75,000,000.00 EUR), due between one and four years. This loan is granted under a 75,000,000.00 EUR facility agreement.

23. Payments received on accounts of orders as far as they are shown separately as deductions from stocks

In 2019, the *Payments received on accounts of orders as far as they are shown separately as deductions from stocks* include prepayments from customers amounting to 311,239,641.24 EUR (2018: 154,520,471.01 EUR).

24. Trade creditors

THE TRADE CREDITORS ARE COMPOSED AS FOLLOWS:	2019	2018
Supplier accounts	175,224,587.00	212,817,667.71
Accruals	280,539,134.49	108,878,890.70
	455,763,721.49	**321,696,558.41**

THE TRADE CREDITORS' TERM IS AS FOLLOWS:	2019	2018
Less than one year	455,763,721.49	321,696,558.41
Between one and four years	0.00	0.00
Five years and more	0.00	0.00
	455,763,721.49	**321,696,558.41**

25. Other creditors

Tax authorities

THE TAX AUTHORITIES CREDITORS ARE COMPOSED AS FOLLOWS:	2019	2018
Tax on salaries	59,838,867.30	41,108,690.84
VAT payables	8,153,074.05	9,400,704.37
Withholding and other tax payables	21,452,254.08	8,412,232.40
	89,444,195.43	**58,921,627.61**

Social security authorities

THE SOCIAL SECURITY AUTHORITIES CREDITORS ARE COMPOSED AS FOLLOWS:	2019	2018
Social security creditors	10,163,141.22	8,185,966.62
	10,163,141.22	**8,185,966.62**

Other creditors

THE OTHER CREDITORS ARE COMPOSED AS FOLLOWS:	2019	2018
Wages payables	34,207,426.99	24,607,762.63
Unrealized gains on forex positions	3,526,903.45	3,568,181.25
Interest payables	4,667,250.98	5,267,774.27
Other creditors	8,348,814.92	12,910,940.91
Other financing	60,167,884.00	60,167,884.00
	110,918,280.34	**106,522,543.06**

THE OTHER CREDITORS TERM IS AS FOLLOWS:	2019	2018
Less than one year	50,069,918.93	45,674,181.65
Between one and four years	680,477.41	680,477.41
Five years or more	60,167,884.00	60,167,884.00
	110,918,280.34	**106,522,543.06**

In 2019, the *Other financing* position includes subordinated loans for an amount of 60,167,884.00 EUR (2018: 60,167,884.00 EUR). The loan agreement shows no repayment date but the loan is considered as due over five years or more.

26. Deferred income

THE DEFERRED INCOME IS COMPOSED AS FOLLOWS:	2019	2018
Deferred profit on ODS	14,162,595.45	13,618,201.64
Deferred profit in relation with ships	32,291,413.32	29,503,687.54
Intercompany profit on stock disposals	1,550,616.63	5,783,247.79
Others	2,624,160.03	2,443,695.77
	50,628,785.43	**51,348,832.74**

The *Deferred profit* on ODS is generated by the neutralization of the profit realized on the delivery by the Group of parts that are included in the construction of new vessels. This income is recognized as operating on a timely basis (based on the depreciation rate of the related vessel) and recognized under the profit and loss caption *Other operating income.*

The *Deferred profit in relation with ships* is generated by the financing structure put in place by the Group and by indemnities perceived from ship constructors due to delivery delays or non-conformity issues. This income is recognized as operating or financial result on a timely basis (financial structure) or at the amortization rate of the related vessel (indemnities). In 2019, a profit amounting to 13,300,557.39 EUR (2018: 9,437,658.64 EUR) has been recognized under the profit and loss caption *Other operating income* or *Other interest receivable and similar income*, depending on the nature of the income.

The *Intercompany profit on stock disposals* represents eliminated intercompany margin on disposal of assets or inventories when these margins cannot be allocated to a single item (example: pipes). This margin is recognized as operating result over a 2.5 years period. In 2019, a profit amounting to 5,685,087.80 EUR (2018: 5,244,689.96 EUR) has been recognized under the profit and loss caption *Other operating income.*

27. Net turnover

NET TURNOVER IS BROKEN DOWN AS FOLLOWS:	2019	2018
Maritime, dredging and offshore works	77.08 %	75.28 %
Civil works	20.33 %	20.62 %
Environmental	2.59 %	4.10 %
	100.00 %	**100.00%**

NET TURNOVER IS BROKEN DOWN AS FOLLOWS:	2019	2018
Africa	7.17 %	6.99 %
America	17.50 %	17.37 %
Australia	3.59 %	1.18 %
Asia & Middle East	27.08 %	18.46 %
Europa	44.66 %	56.00 %
	100.00 %	**100.00%**

28. Other operating income

OTHER OPERATING INCOME IS BROKEN DOWN AS FOLLOWS:	2019	2018
Insurance indemnification	1,011,131.72	5,848,953.41
Income from Joint Venture	68,959.84	20,270,371.03
Reversal of operating provisions	18,293,579.21	23,056,325.62
Deferred income recognition – ships	5,004,447.78	2,893,023.50
Deferred income recognition – interco. disposals	5,772,385.92	5,244,689.90
Gain on disposal of tangible assets	16,419,977.07	24,049,600.62
Other	29,713,290.85	24,313,225.31
	76,283,772.39	**105,676,189.39**

Gain on disposal of tangible assets are to be as well considered as extraordinary income.

29. Staff costs

During the year 2019, average staff employed by Group entities consolidated through the global integration method is 6,468 (2018: 6,041) among these 1,809 (2018: 1,783) are employed through third party crewing agencies.

During the year 2019, average staff employed by Group entities consolidated through the proportional integration method is 407 (2018: 417).

30. Value adjustments in respect of current assets

VALUE ADJUSTMENTS IN RESPECT OF CURRENT ASSETS ARE BROKEN DOWN AS FOLLOWS:	2019	2018
Value adjustments on stock	(126,049.14)	(1,634,055.20)
Value adjustments on receivables	(11,081,329.61)	4,414,973.80
	(11,207,378.75)	**2,780,918.60**

The *Value adjustments on stocks* represent in 2019 an allocation to the value correction on *Raw materials and consumables* for an amount of 1,898,810.10 EUR (2018: 1,634,055.20 EUR) and a reversal of value correction on *Raw materials and consumables* amounting to 1,772,760.96 EUR (2018: 0.00 EUR).

31. Other operating expenses

OTHER OPERATING EXPENSES ARE BROKEN DOWN AS FOLLOWS:	2019	2018
Net allocation to operating provisions	46,318,267.75	22,738,412.84
Losses on disposal of tangible assets	7,564,453.89	1,439,250.28
Others	37,065,614.35	24,621,299.83
	90,948,335.99	**48,798,962.95**

The *Net allocation to operating provisions* includes the allocation to the other provisions (including provisions for land depollution, for ships maintenance and repairs and for losses on projects) for an amount of 46,318,267.75 EUR (2018: 22,738,412.84 EUR).

Losses on disposal of tangible assets are to be considered as extraordinary charges. The Others include extraordinary charges amounting to 686,873.55 EUR (2018: 293,731.47 EUR).

32. Other interest receivable and similar income

OTHER INTEREST RECEIVABLE AND SIMILAR INCOME IS BROKEN DOWN AS FOLLOWS:	2019	2018
Interest income	14,526,002.79	11,988,250.34
Exchange differences – net	0.00	6,085,525.76
Deferred income recognition	12,463,934.51	8,045,637.84
Other financial income	0.00	5,387.61
	26,989,937.30	**26,124,801.55**

The *Deferred income recognition* is related to the *Deferred profit in relation with ships* (see Note 26).

33. Interest payable and similar expenses

INTEREST PAYABLE AND SIMILAR EXPENSES ARE BROKEN DOWN AS FOLLOWS:	2019	2018
Interest charges	5,052,181.37	3,758,715.59
Exchange differences – net	23,294,436.25	0.00
Allocation to financial provisions	11,930,943.85	0.00
Other financial charges	10,572,407.53	5,988,789.20
	50,849,969.00	**9,747,504.79**

34. Tax on profit or loss

TAX ON PROFIT OR LOSS IS BROKEN DOWN AS FOLLOWS:	2019	2018
Income tax	29,488,314.88	21,202,967.90
Deferred taxes	2,783,091.60	1,353,125.26
	32,271,406.48	**22,556,093.16**

35. Other taxes

Other taxes are mainly composed of withholding tax charges.

36. Emoluments granted to the members of the administrative, managerial and supervisory bodies and commitments in respect of retirement pensions

The emoluments granted to the members of the administrative, managerial and supervisory bodies in that capacity and the obligations arising or entered into in respect of retirement pensions for former members of those bodies for the financial year, are broken down as follows:

	2019	2018
Administrative and managerial bodies	2,942,271.89	3,078,610.74
Supervisory bodies	0.00	0.00

37. Audit fees

Audit fees incurred during the year 2019 amount to 1,483,662.83 EUR (2018 : 1,297,717.00 EUR). Audit fees of the statutory auditor amount to 292,270 EUR.

38. Advances and loans granted to the members of the administrative, managerial and supervisory bodies

The advances and loans granted during the financial year to the members of those bodies may be summarised as follows:

	2019	2018
Administrative and managerial bodies	0.00	0.00
Supervisory bodies	0.00	0.00

The Group did not enter in any commitments during the financial year on the behalf of the members of those bodies.

39. Off balance sheet commitments

Guarantees issued for operations

As at December 31, 2019, the Group has issued guarantees for operations for an amount of 1,044,142,545.74 EUR (2018: 805,048,961.09 EUR). As at December 31, 2019, the Group had received guarantees for operations for an amount of 474,797,761.17 EUR (2018: 351,776,748.23 EUR).

Hedging derivatives

Mark to Market potential loss on total derivative portfolio as at December 31, 2019 is 8,687,152.91 EUR (2018: 6,288,646.88 EUR). Based on these, an accrual has been included through *Other provisions* for 145,832.89 EUR (2018: 0.00 EUR) and none (2018: none) as a deduction from *Trade debtors.*

The Group's commitment in derivatives consists of:

1. Forward exchange contracts on different currencies for a total amount of over 156 million USD (2018: 108 million USD), 10 million AUD (2018: 0 million AUD), 14 million BRL (2018: 6 million BRL), 2,900 million COP (2018: 35,000 million COP), 208 million RUB (2018: 0 million RUB), 0 million INR (2018: 786 million INR), 36 million SEK (2018: 75 million SEK), 10,547 million TWD (2018: 10,547 million TWD), 63,000 million IDR (2018: 29,323 million IDR), 250 million MXN (2018: 199 million MXN), 0 million SGD (2018: 8 million SGD), 0 million CAD (2018: 6 million CAD), 8 million CNY (2018: 24 million CNY), 1.5 million PLN (2018: 0 million PLN) and 0 million EGP (2018: 16 million EGP). The term of the forex deals is up to November 2020 (2018: up to September 2019). Mark to Market loss on Forex contracts amounts to 7,602,257.16 EUR (2018: a loss of 4,011,889.39 EUR). In 2019, from this amount, only a provision for forex loss amounting to 145,832.89 EUR (2018: 0.00 EUR) has been recognized; other forex contracts at loss have been considered as hedging contracts so that no provision has been recorded. No deduction from *Trade debtors* has been made to take into account the hedging effect of open positions at year end as the impact is immaterial.

2. Interest Rate Swaps contracts in order to cover its long term funding interest risk. Global notional amounts to 100 million EUR (2018: 122 million EUR). Due dates are up to December 2021 (2018: to February 2026). Mark to Market loss on IRS and IRC contracts amounts to 1,117,432.90 EUR (2018: a loss of 3,556,677.65 EUR). No provision has been provided for in connection with these contracts as they are considered as hedging contracts.

3. Energy Swaps contracts in order to cover the variation of fuel prices. Global notional amounts to 5,103 MT (2018: 27,218 MT). Their expiration date is up to September 2022. The valuation of these contracts as at December 31, 2019 leads to a potential gain amounting to 32,537.15 EUR (in 2018: gain of 1,279,920.16 EUR). As these contracts are hedging purpose, no accrual has been provided for.

Commitments to purchase tangible assets

As at December 31, 2019, commitments related to forward purchases of vessels within *Tangible assets* amount approximately to 440.6 million EUR (2018: 107.3 million EUR).

40. Subsequent events

The Coronavirus disease 2019 ("COVID-19") outbreak has caused extensive disruptions to people's lives, economies and operations of companies around the globe. In March 2020, COVID-19 was announced as a pandemic by the World Health Organisation. Based on the facts known as of today, the directors of Jan De Nul Group are in the opinion that it is difficult to predict the overall outcome and impact of COVID-19 on the financial statements of the Company at this stage. For the purpose of the preparation of the consolided annual accounts as of December 31, 2019, COVID-19 is considered as a non adjusting event; as such, the valuation of assets and liabilities reflects the conditions that existed as per December 31, 2019.

In the light of the above, Jan De Nul Group has taken the necessary measures to safeguard the health of its employees, optimise its cost structure, and maintain its excellent working capital position which for an important part exists of freely available cash. Furthermore, in 2019 Jan De Nul Group put in place a committed Green Term Loan available to finance its major investments in vessels in the coming years. Moreover, Jan De Nul Group ended 2019 with an order book of 3.4 billion euro and has today not had any cancellations regarding that order book.

04/06/20

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