

JDN

2018

financial report



Jan De Nul
GROUP

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FINANCIAL KEY FIGURES

3,918

Balance sheet total
(million Euro)

2,859

Equity
(million Euro)

376

Net cash position
(million Euro)

2,122

Fixed assets
(million Euro)

73%

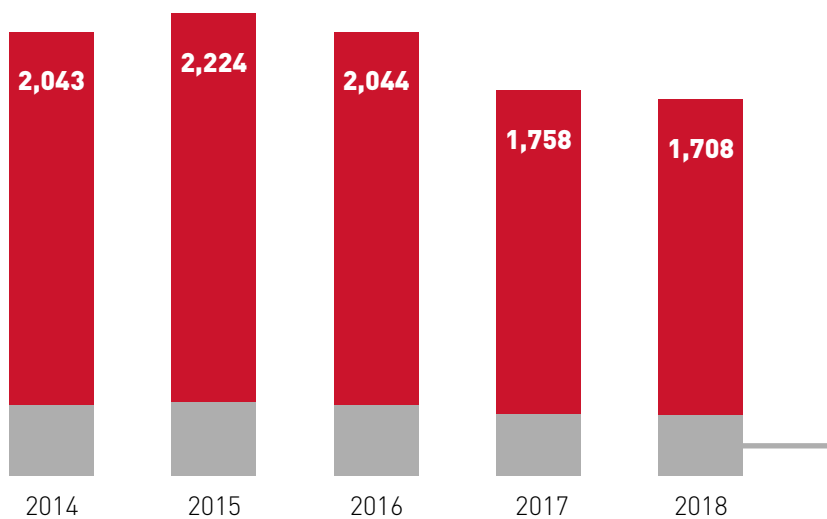
Solvency ratio 2018



**EXTREMELY STRONG
SOLVENCY-RATIO
THANKS TO COMPLETE
PROFIT RESERVATION**

The widening of the Passerelle, the old bridge in Luxembourg and UNESCO world heritage.

TURNOVER: 5 YEAR COMPARISON IN MILLION EURO



31

Net profit
(million Euro)

277

EBITDA
(million Euro)

16%

EBITDA
margin 2018

PROFIT & LOSS ACCOUNT

Jan De Nul Group experienced in the financial year 2018 many of the market challenges it had faced in 2017. The worldwide investment level in the dredging market and the oil & gas market was not reactivated which kept the margins of the executed projects in 2018 under pressure.

FINANCIAL

On the other hand, Jan De Nul was able to further expand its activities in the offshore renewables sector in 2018 in Europe as well as outside Europe. Thanks to the successful delivery of multiple EPCI-projects and the continuous investments in its knowledge, people and fleet, Jan De Nul Group has become well known as a solid and reliable contract partner within the renewables segment.

Jan De Nul Group reached in 2018 a total turnover of 1,708 million Euro (compared to 1,758 million Euro in 2017). The EBITDA decreased from 365 million Euro in 2017 to 277 million Euro in the financial year 2018. This decrease is amongst others explained by the aforementioned economic context with a lack of public and private investments in the different markets on which Jan De Nul is active. The corresponding EBITDA-margin of 16% is in line with the Jan De Nul Group's sector peers. After deducting depreciations, financial costs and taxes, the Group presents a net profit of 31 million Euro.

Maritime, dredging and offshore activities

The maritime, dredging and offshore activities of Jan De Nul Group generated in 2018 approximately 75% of the total turnover of the Group. As such, it remains the core activity of Jan De Nul Group. In 2018, Jan De Nul executed several dredging projects protecting coastal areas from natural disasters caused by the increasing sea levels. In Texel, one of the Wadden Sea Islands in the Netherlands, Jan De Nul created a future-proof water barrier in the form of dunes which at the same time improves the ecological value of the island.

Furthermore, Jan De Nul Group was involved in the construction of several offshore wind mill projects such as a.o. Trianel windpark, Borkum Riffgrund 2, Race Bank and Kriegers Flak. Moreover, after the successful realisation of the installation of complete wind mills parks as from 2017, such as Nobelwind Offshore Wind Farm in Belgium and Tahkoluoto Offshore Wind Farm in Finland, Jan De Nul significantly extended its portfolio. For example, the Group is currently constructing the Northwester 2 offshore wind mill park in Belgium. In 2018, Jan De Nul even secured the first offshore wind projects outside Europe: the design and installation of the offshore wind parks Changhua and Formosa 1 Phase 2 in Taiwan, and the installation of offshore wind mills in the United States.

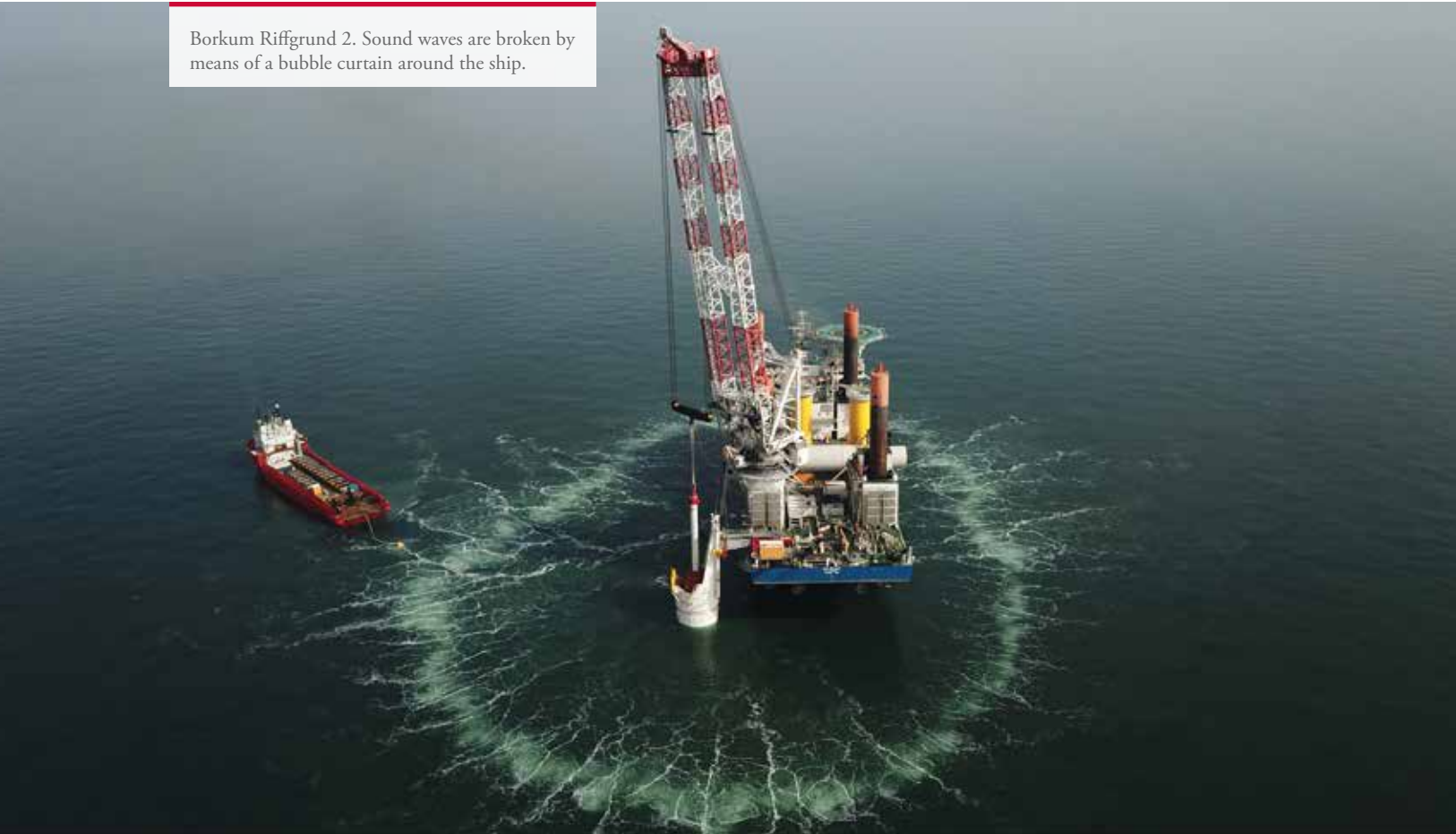
Civil activities

The financial year 2018 confirms the importance of this segment as part of the Group's activities generating approximately 21% of the Group's total turnover. The executed works in 2018 had a large diversity and ranged from the construction of residential offices, school offices, health care institutions, road infrastructure, quay walls, viaducts, and locks to the maintenance of infrastructure and buildings. As the public tenders in the civil sector in Belgium remain at a rather low level, Jan De Nul is increasingly active on projects launched by private parties and continues to expand its activities in the Netherlands and Luxembourg.

Environmental activities

The environmental activities of the Group, active under the Envisan name, focus on environmental technology solutions. As in previous years, the environmental segment of the Group closely works together with the maritime and civil activities, and in particular with the brownfield activities of Group member PSR Brownfield Developers. Besides, the Group owns and operates six soil and sediment processing centres in Belgium and France. The environmental activities of the Group keep a stable 4% of the Group's total turnover.

Borkum Riffgrund 2. Sound waves are broken by means of a bubble curtain around the ship.

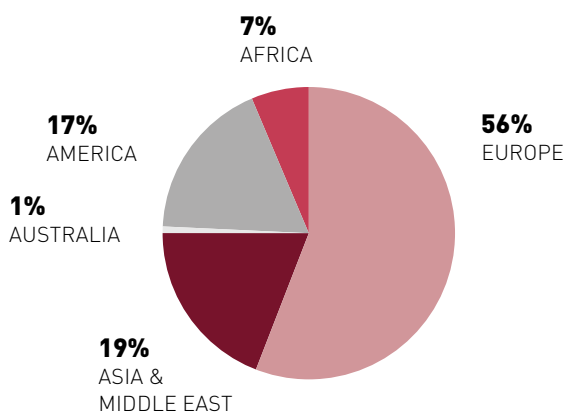


Geographical presence

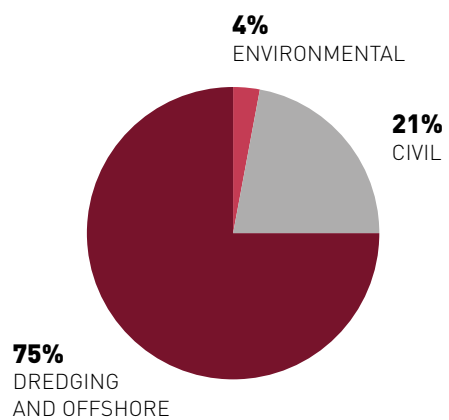
Jan De Nul Group shows a very strong presence in Europe, as all divisions of Jan De Nul Group are heavily active in Europe. As a consequence, 56% of its turnover was realized across various European countries. This represents a 10% increase in comparison with last year, which is mainly

explained by the expansion of Jan De Nul Group's activities in the European offshore renewables market. Jan De Nul Group is also still very active in Asia & Middle East (19% of turnover) and the Americas (17% of turnover). 7% of the turnover in 2018 was generated in Africa and the remaining 1% are derived from the activities in Australia.

REGIONAL BREAKDOWN OF TURNOVER



TURNOVER ACCORDING TO ACTIVITY



BALANCE SHEET

Solvency

Jan De Nul Group is well known for its extremely high solvency level and confirms its financial solidity again in the financial year 2018 with a solvency ratio of 73% (compared to 75% in 2017). Equity increased from 2,823 million Euro in 2017 to 2,859 million Euro in 2018.

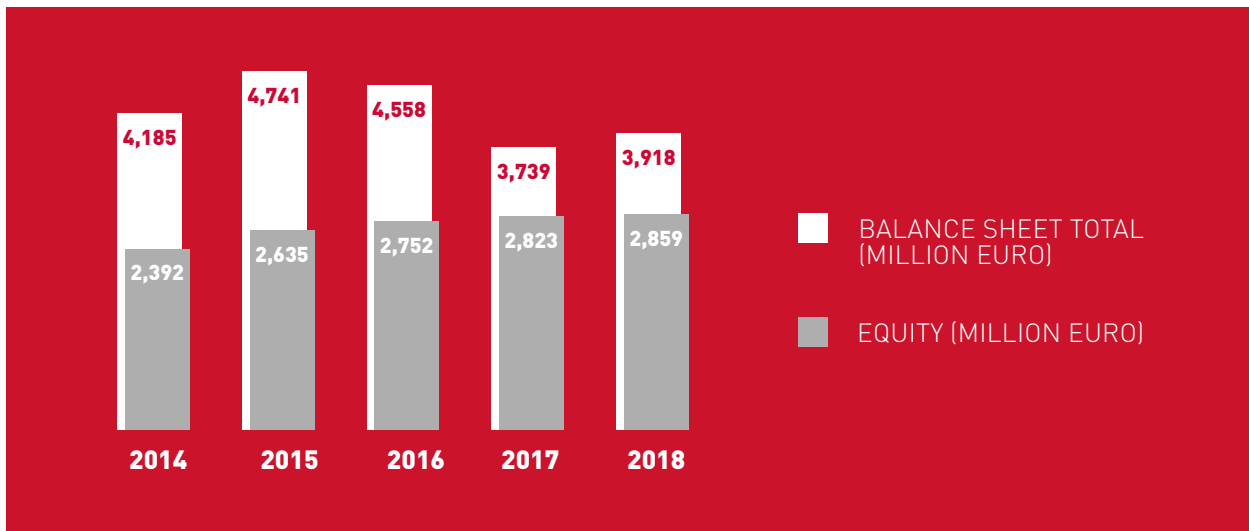
This strong balance sheet results from the profit margins that are realised by the Group combined with the fact that the profit is completely reserved (no-payment-of-dividends policy). As a result, Jan De Nul Group has a strong financial base which allows to invest in new vessels, equipment and opportunities.

Liquidity & net financial debt

Already since 2014, Jan De Nul Group is completely net debt-free. The net cash position further improved from 345 million Euro in 2017 to 376 million Euro in 2018. At the end of 2018, the available cash at bank and in hand of the Group amounted to 614 million Euro (compared to 532 million Euro end of 2017).

Fixed assets

As a global player, Jan De Nul has a focus on the long-term perspective. The continuous renewal and modernization of its fleet and equipment is one element which reveals this long-term vision. The amount of fixed assets on the balance sheet remains stable and amounted to 2,122 million Euro (2,112 million Euro in 2017). About 70% of the Group's fixed assets consists of vessels.



Cutter suction dredger *Niccolò Machiavelli* in Linkou, Taiwan.



ORDER BOOK

Growing order book

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. These core characteristics of the group, combined with the group's financial strength, convinces clients to entrust Jan De Nul with their projects. Moreover, Jan De Nul Group has ample experience in facilitating export credit structures and other financing proposals for its clients.

This results at the end of 2018 in an order book of more than 3.3 billion euro. This increase, compared to an order book of 2.6 billion euro at the end of 2017, is remarkable given the challenging market circumstances.

A wide variety of projects

Jan De Nul Group is a global player active in maritime, dredging and offshore works, civil works and environmental works. The projects in its order book are therefore very diverse in nature and situated in all parts of the world, from constructing complete wind mill parks in Taiwan to protecting beaches in Benin, from building a hospital in Belgium to treating dredged materials in France.

Some examples of the challenging projects in Jan De Nul's order book:

- In Ecuador, Jan De Nul Group signed the concession agreement for the deepening and maintenance of the 95 kilometer long access channel to the port of Guayaquil. Jan De Nul Group will finance the capital dredging works to deepen the existing access channel guaranteeing a new authorized draught of 12.5 m, as well as to deepen the Guayas River to an authorized draught of 7.5 m. Jan De Nul will also remove the rock in the offshore section of the channel. Meanwhile, a modern Vessel Traffic Service system and toll collection system also need to be installed. The capital dredging works in the maritime channel will be executed in less than 12 months. The dredging of the Guayas River will be completed within three years. After the capital works are concluded, Jan De Nul Group will operate and maintain the channel under a 25-year performance based concession contract. The deepening and maintenance of the system will be financed by Jan De Nul Group and recuperated by tolls.
- The offshore department signed the contract for the construction of the seventh wind farm off the Belgian coast, Northwester 2. With the signing of this contract, Jan De Nul enters for the third time into a partnership with wind farm developer Parkwind. Jan De Nul will be responsible for the design, construction and installation of 23 foundations, the transportation and installation of the cables and the transportation and installation of the wind turbines on top of the foundations. The Northwester 2 wind farm is located 48 kilometres off the coast and will have the largest and most powerful wind turbines currently available on the market. Jan De Nul Group will kick off the works in June 2019. It is an EPCI-contract, in which Jan De Nul will design the foundations and will be responsible for the purchase and installation of the foundations and for installing the cables and wind turbines.
- The Luxembourg Ministry of Sustainable Development and Infrastructure Works awarded Jan De Nul Group the contract for the extension of the viaduct La Passerelle. The nineteenth-century bridge is UNESCO World Heritage and is the southern entrance to the city center and train station. The viaduct has a strong historic character with 24 arches. The bridge is 290 meters long and 45 meters high at the deepest point of the valley. The project entails the widening of the road surface of the bridge. A platform will be attached on both sides, resting on supporting pillars anchored in the bridge piers.
- The Beninese Ministry of Living Environment and Sustainable Development awarded Jan De Nul Group for its in-house developed design of a submerged dike installed off the coast to protect the coastline against the impact of the Atlantic Ocean. Jan De Nul Group's design is a submerged dike at about 150 meters off the coast. The dike has a wave damping effect, which means that the waves of the Atlantic Ocean are broken before they reach the coast. A wave-free climate develops between the submerged dike and the coast. This will significantly reduce the impact on the beaches, as a result of which the sand will move less and the erosion will decrease. The works started in February 2018. In a first phase, a submerged dike of 2 kilometres will be installed. Another two rock installation campaigns of 2 kilometres each will follow, one in Avlékété and another in Djébadji. After the installation of the submerged dikes, Trailing Suction Hopper Dredgers of Jan De Nul Group will dredge and reclaim sand to restore the affected beaches. Works will be completed in 2021.

INVESTMENTS

Fleet

3,500 m³ TSHDs under construction at Keppel Singmarine in Nantong, China

The first of a serie of three, the *Afonso de Albuquerque*, was delivered in March 2019. The two sistervessels, *Diogo Cão* and *Tristão da Cunha* have been delivered in April 2019.

These vessels are the first to be granted a 'ULEv' notation, i.e. 'Ultra Low Emission Vessel', as they are equipped with exhaust gas treatment systems, lowering the emissions.

6,000 m³ TSHDs under construction at Keppel Offshore & Marine in Singapore

Construction of the two 6000 m³ TSHDs, to be named *Sanderus* and *Ortelius*, is progressing well. The vessels will be delivered by the end of 2019. As their smaller sisters, they are equipped with exhaust gas treatment systems.

18,000 m³ TSHD under construction at COSCO in Dalian, China

During 2018 the shipyard proceeded with design of and with procurement for the vessel and was able to start steel construction of the hull in January of 2019. Construction is progressing on schedule, and delivery is expected in 2020.

Water Injection Dredgers

In 2018 Jan De Nul Group purchased three PSVs (Platform Supply Vessels) from the Bourbon Offshore group. The vessels are being converted to Water Injection Dredgers. This type of dredger is used for levelling and/or lowering the seabed by injecting water in the bottom and thus moving the soil.

After conversion, these diesel-electric vessels, equipped with a Dynamic Positioning system will join the Jan De Nul Group fleet in 2019. They are re-named *Giovanni Venturi*, *Henry Darcy* and *Henri Pitot*.

First dancing lessons (test run and voyage) of the ULEv *Afonso de Albuquerque*.



ULEv notation

The exhaust gas treatment system is an in-house developed system by Jan De Nul resulting in the actual removal or elimination of toxic substances from exhaust gases. This is achieved by installing two filter systems on the vessels:

- a Selective Catalytic Reduction (SCR) system which reduces the NO_x (nitrogen oxide) emissions; and
- a Diesel Particulate Filter (DPF) which removes particulate matter from the exhaust.

The reduction of NO_x emissions reaches a level far below the level required by the maritime regulations (IMO Tier III). On top of that, the filters ensure the removal of other polluting substances (such as particulate matter, hydrocarbons and carbon oxide) which are currently not regulated by IMO. The vessels equipped with this exhaust gas treatment system are certified by the world known inspection and classification body Bureau Veritas, by assigning them with the ULEv (Ultra Low Emission vessels) notation.

Lloyd's List, a world leading online source of maritime insights, presented in November 2018 in Dubai the Lloyd's List South Asia, Middle East and Africa Environment Award to Jan De Nul Group for its innovative and green design of Ultra Low Emission Vessels.





Cutter Suction Dredger *Willem van Rubroeck*

Due to the continuing financial difficulties at the Uljanik shipyard in Pula, Croatia, the shipyard was not able to complete and deliver the *Willem van Rubroeck* in 2018 as planned.

Order for a large Wind Turbine Installation Vessel

Early April 2019, Jan De Nul Group signed a contract with COSCO Shipping Heavy Industry for the construction of a large Wind Turbine Installation Vessel. This jack-up vessel will be equipped with a crane with a capacity exceeding 3,000 tonne, and is capable of working in waterdepths of more than 80 m. The vessel is suitable for installation of the future very large offshore wind turbines.

Land Equipment

Jan De Nul Group continuously invests in extending and renewing its 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. Taking that into account Jan de Nul Group tries to make the shift from fossil fuels to the electrification of its fleet wherever it is possible.

Project-specific equipment

In 2018, Jan de Nul Group invested in several equipment that had to be renewed and added to its fleet. The focus in 2018 was mainly on the investment in 12 excavators of which all units comply with the latest and most stringent emission regulations. All of the excavators were equipped with a 3D-GPS system for a more accurate positioning and working control on the jobsites. On top of that, Jan de Nul Group also invested in several electric driven forklifts to assist in the logistics within the group. In that way the group wants to support the electrification of its fleet where possible. In 2018 Jan de Nul took delivery and commissioned successfully a sand processing plant as well as 2 soil and sediment washing plants for Envisan. In addition to the above, investments were made in articulated dumptrucks as well as in one telescopic crawler crane. Furthermore, one more foundation drill rig (Type Liebherr LRB 355) was acquired to support the operations of Soetaert.

EQUIPMENT OF JAN DE NUL GROUP AS AT 31.12.2018

103

dumpers with carrying capacity from 25 to 100 tonnes

144

hydraulic excavators, of weight classification between 8 and 250 tonnes

28

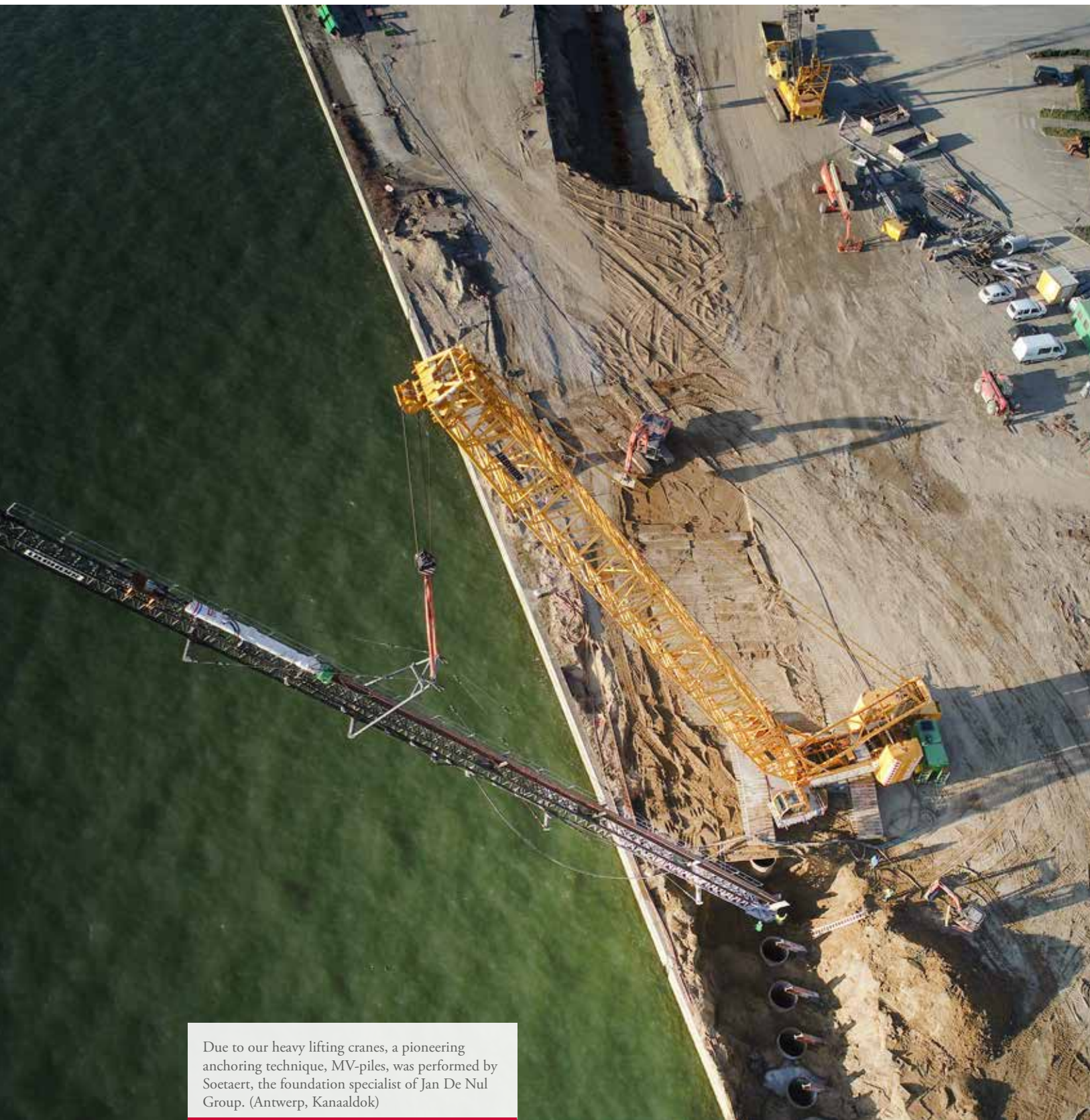
tower cranes

62

bulldozers

54

wheel loaders



Due to our heavy lifting cranes, a pioneering anchoring technique, MV-piles, was performed by Soetaert, the foundation specialist of Jan De Nul Group. (Antwerp, Kanaaldok)

37

crawler cranes
from 50 to 600 tonnes

48

hydraulic
telescopic cranes

33

telescopic
handlers

10

pile drilling
machines

CONSOLIDATED AUDIT REPORT

Opinion

We have audited the consolidated Financial Statements of JAN DE NUL GROUP*, which comprise the consolidated balance sheet as at December 31, 2018, 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, 2018, 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.

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 26, 2019



Thierry REMACLE
Réviseur d'Entreprises Agréé



CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2018

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

ASSETS	2018	2017
FIXED ASSETS	2,122,392,800.13	2,111,878,146.82
Intangible assets	1,958,980.64	5,366,752.45
Concessions, patents, licences, trademarks & similar rights and assets, if they were acquired for valuable consideration and need not be shown under goodwill (Note 4)	1,958,980.64	709,494.57
Goodwill, to the extent that it was acquired for valuable consideration (Note 5)	0.00	4,657,257.88
Tangible assets (Note 6)	2,072,671,437.44	2,057,358,729.46
Land and buildings	97,952,537.11	95,302,223.85
Plant and machinery	1,623,418,334.09	1,723,573,918.98
Other fixtures and fittings, tools and equipment	21,378,736.17	19,613,288.81
Payments on account and tangible assets in the course of construction	329,921,830.07	218,869,297.82
Financial assets (Note 7)	39,365,604.62	42,266,532.80
Loans to undertakings with which the undertaking is linked by virtue of participating interests	0.00	0.00
Investments held as fixed assets	1,501,077.16	1,524,893.66
Other loans	37,864,527.46	40,741,639.14
Companies consolidated by net equity method (Note 8)	8,396,777.43	6,886,132.11
CURRENT ASSETS	1,781,290,812.53	1,612,948,426.73
Stocks (Note 9)	333,105,776.95	242,572,696.41
Raw materials and consumables	225,954,011.98	197,542,494.49
Work in progress	96,355,952.33	36,176,838.99
Finished goods and goods for resale	10,795,812.64	8,853,362.93
Payments on account	0.00	0.00
Debtors	774,111,199.97	778,507,090.44
Trade debtors (Note 10)	649,777,662.34	686,155,187.46
<i>becoming due and payable within one year</i>	<i>647,999,662.36</i>	<i>684,377,187.49</i>
<i>becoming due and payable after more than one year</i>	<i>1,777,999.98</i>	<i>1,777,999.97</i>
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests (Note 11)	7,064,175.07	19,790,142.93
<i>becoming due and payable within one year</i>	<i>7,064,175.07</i>	<i>19,790,142.93</i>
Other debtors (Note 12)	117,269,362.56	72,561,760.05
<i>becoming due and payable within one year</i>	<i>117,269,362.56</i>	<i>69,274,158.73</i>
<i>becoming due and payable after more than one year</i>	<i>0.00</i>	<i>3,287,601.32</i>
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	614,073,835.61	531,868,639.88
PREPAYMENTS	14,010,785.79	14,356,200.70
TOTAL (ASSETS)	3,917,694,398.45	3,739,182,774.25

The accompanying notes form an integral part of these consolidated accounts.

(Expressed in Euro)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2018

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

CAPITAL, RESERVES AND LIABILITIES	2018	2017
CAPITAL AND RESERVES	2,723,971,673.03	2,687,842,282.78
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	6,455,980.26	1,532,275.55
<i>Legal reserve (Note 16)</i>	51,650,025.53	47,441,677.53
<i>Other reserves, including the fair value reserve (Note 17)</i>	(45,194,045.27)	(45,909,401.98)
Profit or loss brought forward (Note 18)	2,328,774,445.57	2,264,362,824.53
Profit or loss for the financial year	31,288,083.55	69,825,612.78
Capital investment subsidies	327,435.89	346,510.53
Minority interests	19,739,069.27	18,451,369.93
Translation differences (Note 19)	(221,357,247.84)	(225,420,216.87)
PROVISIONS	173,201,572.11	268,176,682.51
Provisions for pensions and similar obligations	1,442,712.84	2,079,047.33
Provisions for taxation (Note 20)	27,266,453.57	36,038,515.07
Other provisions (Note 21)	144,492,405.70	230,059,120.11
CREDITORS	969,172,320.57	708,601,064.41
Amounts owed to credit institutions (Note 22)	313,017,863.47	262,192,666.21
<i>becoming due and payable within one year</i>	191,051,497.10	117,451,097.75
<i>becoming due and payable after more than one year</i>	121,966,366.37	144,741,568.46
Payments received on accounts of orders as far as they are shown separately as deductions from stocks (Note 23)	160,799,713.09	51,802,678.81
<i>becoming due and payable within one year</i>	160,799,713.09	51,802,678.81
Trade creditors (Note 24)	321,696,558.41	229,000,468.14
<i>becoming due and payable within one year</i>	321,696,558.41	229,000,468.14
<i>becoming due and payable after more than one year</i>	0.00	0.00
Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	28,048.31	2,937,344.46
<i>becoming due and payable within one year</i>	28,048.31	2,937,344.46
Other creditors (Note 25)	173,630,137.29	162,667,906.79
Tax authorities	58,921,627.61	47,429,778.71
Social security authorities	8,185,966.62	8,931,343.29
Other creditors	106,522,543.06	106,306,784.79
<i>becoming due and payable within one year</i>	45,674,181.65	46,138,900.79
<i>becoming due and payable after more than one year</i>	60,848,361.41	60,167,884.00
DEFERRED INCOME (NOTE 26)	51,348,832.74	74,562,744.55
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	3,917,694,398.45	3,739,182,774.25

The accompanying notes form an integral part of these consolidated accounts.

(Expressed in Euro)

*JAN DE NUL GROUP is the trade name for Sofidra S.A.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

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

	2018	2017
NET OPERATING RESULT	77,690,569.08	140,268,197.87
Net turnover (Note 23 and 27)	1,707,744,890.77	1,757,508,623.06
Variation in stocks of finished goods and in work in progress (Note 9)	7,335,864.58	[24,582,365.42]
Work performed by the undertaking for its own purposes and capitalised	521,481.16	21,402,123.99
Other operating income (Note 28)	105,676,189.39	87,288,922.21
Raw materials and consumables and other external expenses	(1,144,486,819.29)	(1,047,572,446.63)
<i>Raw materials and consumables</i>	(611,223,518.20)	(523,067,819.38)
<i>Other external expenses</i>	(533,263,301.09)	(524,504,627.25)
Staff costs (Note 29)	(351,442,430.05)	(361,632,735.58)
<i>Wages and salaries</i>	(250,411,302.86)	(263,502,401.86)
<i>Social security costs</i>	(69,460,905.39)	(70,173,407.75)
<i>Other staff costs</i>	(31,570,221.80)	(27,956,925.97)
Value adjustments	(198,859,644.53)	(225,227,644.07)
<i>in respect of formation expenses and of tangible and intangible fixed assets (Notes 4, 5 and 6)</i>	(201,640,563.13)	(207,765,177.60)
<i>in respect of current assets (Note 30)</i>	2,780,918.60	(17,462,466.47)
Other operating expenses (Note 31)	(48,798,962.95)	(66,916,279.69)
NET FINANCIAL RESULT	(5,016,306.62)	(14,707,828.81)
Income from participating interests	2.05	10,046,584.98
<i>derived from affiliated undertakings</i>	0.00	0.00
<i>other income from participating interests</i>	2.05	10,046,584.98
Income from other investments and loans forming part of the fixed assets	0.00	0.00
<i>derived from affiliated undertakings</i>	0.00	0.00
<i>other income</i>	0.00	0.00
Other interest receivable and similar income (Note 32)	26,124,801.55	35,863,268.66
<i>derived from affiliated undertakings</i>	0.00	0.00
<i>other interest and similar income</i>	26,124,801.55	35,863,268.66
Share of profit or loss of undertakings accounted for under the equity method (Note 8)	86,626,212.13	17,945,022.83
Value adjustments in respect of financial assets and of investments held as current assets (Note 7)	(108,019,817.56)	(32,401,823.80)
Interest payable and similar expenses (Note 33)	(9,747,504.79)	(46,160,881.48)
<i>concerning affiliated undertakings</i>	0.00	0.00
<i>other interest and similar expenses</i>	(9,747,504.79)	(46,160,881.48)
TAXES AND RESULT OF THE FINANCIAL YEAR		
Tax on profit or loss (Note 34)	(22,556,093.16)	(39,605,593.45)
Profit or loss after taxation	50,118,169.30	85,954,775.61
Other taxes not shown above (Note 35)	(17,782,998.04)	(15,282,975.68)
Profit or loss for the financial year before minority interests	32,335,171.26	70,671,799.93
Minority interests	(1,047,087.71)	(846,187.15)
PROFIT OR LOSS FOR THE FINANCIAL YEAR	31,288,083.55	69,825,612.78

The accompanying notes form an integral part of these consolidated accounts.

(Expressed in Euro)

CONSOLIDATED CASH FLOW ANALYSIS

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

	2018	2017
CASH AT BANK AND IN HAND & INVESTMENTS AT BEGINNING OF PERIOD	531,868,639.88	506,514,758.06
+ Operational Cash Flow	234,483,784.42	330,087,997.77
+ Change in Working Capital	180,839,501.55	(187,955,187.10)
+ Cash Flow Investments	(311,024,202.66)	(137,056,702.40)
+ Cash Flow Financial Operations	(22,093,887.58)	20,277,773.55
CASH AT BANK AND IN HAND & INVESTMENTS AT END OF PERIOD	614,073,835.61	531,868,639.88
+ Result of the year	31,288,083.55	69,825,612.78
- Minority Interests	1,047,087.71	846,187.15
- Share in result of companies consolidated using the equity method	(81,729,987.65)	(23,910,434.63)
+ Depreciation and amounts written off on intangible and tangible fixed assets	197,138,418.30	200,968,030.02
+ Depreciation and amounts written off on current assets	(6,498,730.27)	15,854,982.95
+ Depreciation and amounts written off on financial assets	107,994,680.85	32,496,188.58
+ Changes in Provisions	(14,755,768.07)	34,007,430.92
OPERATIONAL CASH FLOW	234,483,784.42	330,087,997.77
+ Change in Short-term Debt	283,346,458.25	(144,807,448.82)
+ Change in Deferred income	(23,213,911.81)	(20,970,358.64)
- Change in Short-term Receivables	12,521,065.96	(3,385,939.15)
- Change in Deferred Charges	345,414.91	(8,221,658.49)
- Change in Stock	(92,159,525.76)	(10,569,782.00)
CHANGE IN WORKING CAPITAL	180,839,501.55	(187,955,187.10)
- Investments in Intangible Fixed Assets	(503,018.90)	(42,533.70)
- Investments in Tangible Fixed Assets	(247,333,130.83)	(192,802,861.81)
+ Disuse of Tangible Fixed Assets & Exchange Rate Differences	41,905,699.74	54,318,463.05
- Change in Financial Assets	(105,093,752.67)	1,470,230.06
- Increase in Participations of Companies consolidated by net Equity method	0.00	0.00
- Acquisition of subsidiaries net of cash acquired	0.00	0.00
- Regularisations and other Transactions	0.00	0.00
CASH FLOW INVESTMENTS	(311,024,202.66)	(137,056,702.40)
+ Change in Consolidation and Conversion differences	681,314.51	(14,204,726.95)
+ Change in Long-term Debt	(22,775,202.09)	34,482,500.50
- Change in Long-term Receivables	0.00	0.00
CASH FLOW FINANCIAL OPERATIONS	(22,093,887.58)	20,277,773.55

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

(Expressed in Euro)

*JAN DE NUL GROUP is the trade name for Sofidra S.A.

NOTES TO THE CONSOLIDATED ACCOUNTS AS OF DECEMBER 31, 2018

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 S.A. (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 S.A. 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: Capellen - R.C.S. Luxembourg: B 73.723

THE HOLD INTERESTS OF THE GROUP IN CONSOLIDATED SUBSIDIARIES ARE:

2018 2017

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	99.07 %	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 %	0.00 %
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 %	0.00 %
Payra Dredging Company Ltd, Bangladesh	99.07 %	0.00 %
Vasco S.A., Luxembourg	100.00 %	100.00 %
Dragalux S.A., Luxembourg	100.00 %	100.00 %
Letimar S.A. (ex. Caboto S.A.), Luxembourg	0.00 %	100.00 %
Dias S.A., Luxembourg	100.00 %	100.00 %
Dracomar S.A., Luxembourg	100.00 %	100.00 %
Vole au Vent S.A.S., Luxembourg	100.00 %	100.00 %
Adhémair & Bernoulli S.A., Luxembourg	100.00 %	100.00 %
Vlaamse Bagger Maatschappij N.V., Belgium	100.00 %	100.00 %
PSR Brownfield Developpers 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 %
Decor Oyenbrug B.V.B.A., Belgium	0.00 %	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 %
Cabarez S.A., Luxembourg	0.00 %	100.00 %[*]
Machiavelli S.A., Luxembourg	0.00 %	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	100.00 %	100.00 %
Al-Idrisi S.A., Luxembourg	100.00 %	100.00 %
Magalhaes S.A., Luxembourg	100.00 %[*]	100.00 %[*]
Taillevent S.A., Luxembourg	100.00 %	0.00 %
Albuquerque S.A., Luxembourg	100.00 %	0.00 %
Jan De Nul Dredging Middle East FZE, UAE	100.00 %	100.00 %
Siam Dredging and Reclamation Ltd, Thailand	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 %

[*] 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 %	0.00 %
Circul 2020 N.V., Belgium	24.77 %	0.00 %
Meurop 2020 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 %	0.00 %

[**] The consolidation method applied to these companies has changed in 2017.

COMPANIES EXCLUDED FROM THE CONSOLIDATION AREA

One company has been excluded from the consolidation area as the Management considers that it does not exert nor control nor significant influence while it owns more than 20% of the voting shares of this subsidiary. This subsidiary has 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) has been omitted.

MODIFICATION IN THE CONSOLIDATION AREA – CURRENT 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 has 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, have 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 have been liquidated.

MODIFICATION IN THE CONSOLIDATION AREA – PRIOR YEAR

During the year 2017, the following modifications have been performed in the consolidation area:

- The participation in the entities Via Brugge N.V., Belgium, Zenneveen N.V., Belgium, Zennebroeck N.V., Belgium, Immo Vilvo N.V., Belgium and Vilvoorde Development N.V., Belgium have been sold to third parties.
- The companies Envisan International S.A., Belgium and Sol & Val S.A., Belgium were absorbed by Envisan N.V., Belgium. The company Eraerts Dragages et Entreprises S.A., Belgium was absorbed by Jan De Nul N.V., Belgium. The companies PSR 2830.01 N.V., Belgium and Liras N.V., Belgium and Sportief N.V., Belgium were absorbed by PSR Brownfield Developers N.V., Belgium.
- Adhémar & Bernoulli S.A., Luxembourg, Jan De Nul Denizcilik Ve Altyapi Hizmetleri A.S., Turkey, Jan De Nul Bénin S.A., Benin, Jan De Nul (Mozambique) Ltda, Mozambique and Jan De Nul Kazakhstan LLP, Kazakhstan had been incorporated during the year by group's subsidiaries.

Also, the method of consolidation of the companies Grupo Unidos Por El Canal S.A., Panama and Normalux Maritime S.A., Luxembourg had been changed from the proportional integration method to the net equity method. The reason for such a change was related to the development of decision-making related to the activities of these entities, over which the Group had no effective control in 2017. This change of method has been applied starting from January 1, 2017 onwards.

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 N.V., 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 N.V. and subsidiaries, 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, 2018 and 2017.

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 reserves* 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. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

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 other tangible assets are recognized at acquisition 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.

In 2018, the method of revenue recognition used has been changed and is now the percentage of completion method based on cost to cost (in 2017: progress billing – see note 3.3).

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 concomitantly 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 concomitant 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.

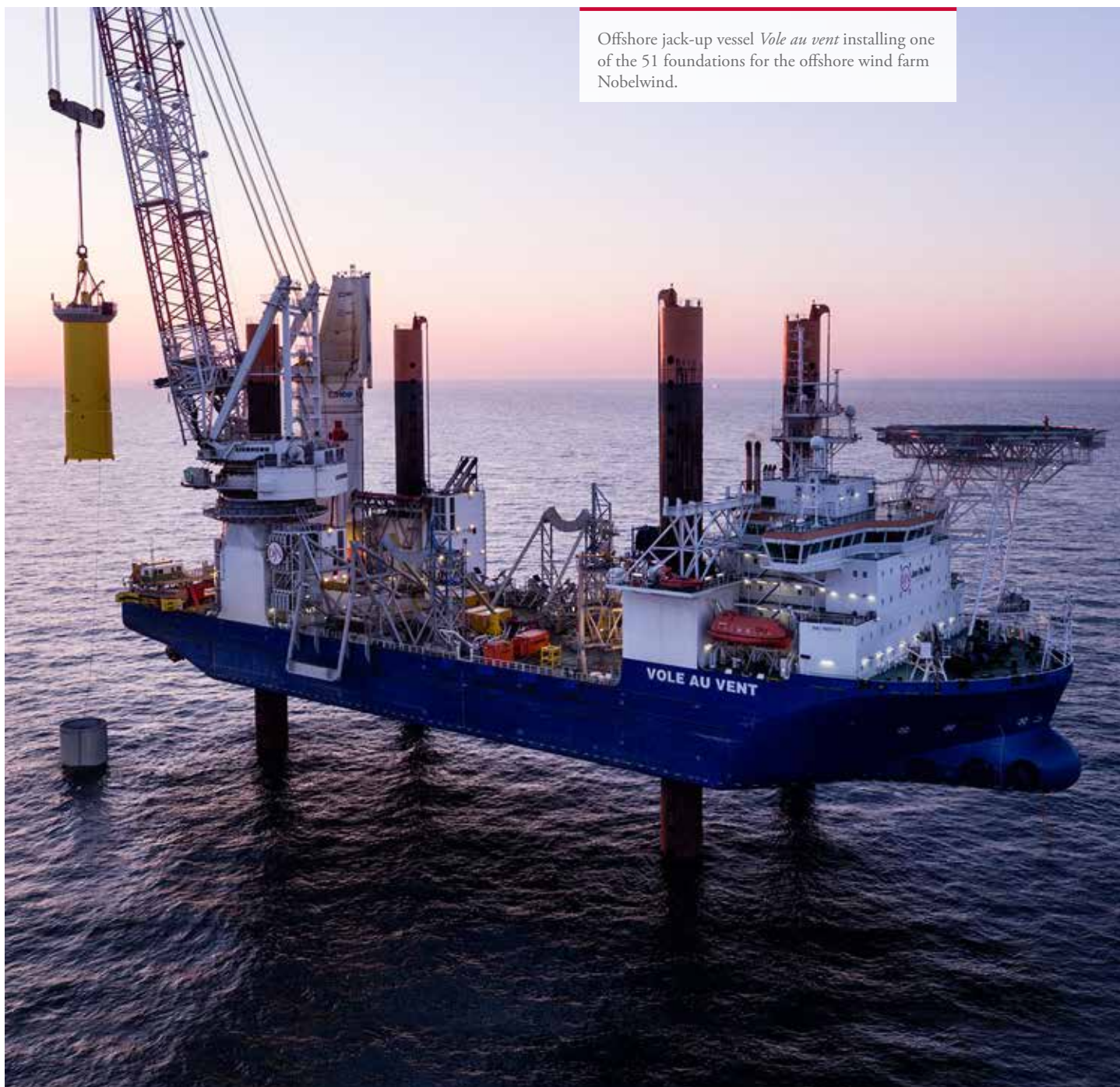
This principle has been applied to the consolidation method applied to certain subsidiaries which are – based on the voting rights - controlled by a third party but whose effective control is exercised by the Group.

3.3 Change of accounting principle

As disclosed in Note 3.2, the method of revenue recognition has changed to adopt the percentage of completion method based on cost to cost whereas in 2017 the Management of the Group used progress billing. The Management of the Group decided to change the method of the revenue recognition in order to adopt the method used by the majority of its subsidiaries in charge of long term projects.

The impact of this change of accounting principle is detailed as follows (excluding tax effects):

- The *Deferred income* has been decreased with an amount of 5,096,522.38 EUR
- The *Other operating income* has been decreased with an amount of 5,096,522.38 EUR
- The *Work in progress* has been increased with an amount of 86,748,598.01 EUR
- The *Trade debtors* has been decreased with an amount of 73,236,556.72 EUR
- The *Payment received on accounts* has been increased with an amount of 11,117,660.08 EUR
- The *Net Turnover* has been decreased with an amount of 84,354,216.80 EUR
- The *Variation in stocks of finished goods and in work in progress* has been increased with an amount of 86,748,598.01 EUR
- The *Other Provisions* have been increased with an amount of 8,044,267.23 EUR
- The *Other operating expenses* have been increased with an amount of 8,044,267.23 EUR.



Offshore jack-up vessel *Vole au vent* installing one of the 51 foundations for the offshore wind farm Nobelwind.

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

THE EVOLUTION OF CONCESSIONS, PATENTS, LICENCES, TRADEMARKS & SIMILAR RIGHTS AND ASSETS IS AS FOLLOWS:	2018	2017
ACQUISITION COST		
Begin of the year	3,000,046.31	3,582,821.04
Impact of foreign exchange	11,388,030.05	(445,130.37)
Change of consolidation perimeter	0.00	0.00
Increase of the year	503,018.99	42,533.70
Decrease of the year	(582,831.69)	(180,178.06)
ACQUISITION COST – END OF THE YEAR	14,308,263.66	3,000,046.31
VALUE CORRECTION		
Begin of the year	(2,290,551.74)	(2,604,173.52)
Impact of foreign exchange	(10,209,529.30)	280,586.56
Change of consolidation perimeter	0.00	0.00
Increase of the year	(244,599.38)	(147,142.84)
Decrease of the year	395,397.40	180,178.06
VALUE CORRECTION – END OF THE YEAR	(12,349,283.02)	(2,290,551.74)
NET BOOK VALUE – END OF THE YEAR	1,958,980.64	709,494.57

5. Goodwill

THE EVOLUTION OF GOODWILL IS AS FOLLOWS:	2018	2017
ACQUISITION COST		
Begin 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		
Begin of the year	(8,088,795.62)	(5,548,380.84)
Impact of foreign exchange	0.00	0.00
Increase of the year	(4,657,257.88)	(2,540,414.78)
Decrease of the year	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	(12,746,053.50)	(8,088,795.62)
NET BOOK VALUE – END OF THE YEAR	0.00	4,657,257.88

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:			2018	2017
ACQUISITION COST				
Begin of the year		4,463,844,965.29		4,448,545,360.58
Impact of foreign exchange		8,514,111.42		(18,681,210.11)
Change of consolidation perimeter		(2,381.23)		(58,147,469.98)
Increase of the year		247,333,130.83		192,802,861.81
Decrease of the year		(106,589,347.63)		(100,674,576.39)
Transfer		0.00		(0.62)
ACQUISITION COST – END OF THE YEAR		4,613,100,478.68		4,463,844,965.29
VALUE CORRECTION				
Begin of the year		(2,406,486,235.83)		(2,294,037,786.49)
Impact of foreign exchange		(6,579,707.74)		12,641,153.13
Change of consolidation perimeter		2,381.23		26,834,756.38
Increase of the year		(192,236,560.88)		(198,280,472.40)
Decrease of the year		64,871,082.18		46,356,113.34
Transfer		(0.20)		0.00
VALUE CORRECTION – END OF THE YEAR		(2,540,429,041.24)		(2,406,486,235.83)
NET BOOK VALUE – END OF THE YEAR		2,072,671,437.44		2,057,358,729.46

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF LAND & BUILDINGS IS AS FOLLOWS:			2018	2017
ACQUISITION COST				
Begin of the year		150,416,159.40		131,354,932.82
Impact of foreign exchange		408,589.47		(790,532.34)
Change of consolidation perimeter		0.00		(2,461,673.62)
Increase of the year		9,198,089.97		22,804,726.48
Decrease of the year		(1,775,398.75)		(491,293.94)
Transfer		0.00		0.00
ACQUISITION COST – END OF THE YEAR		158,247,440.09		150,416,159.40
VALUE CORRECTION				
Begin of the year		(55,113,935.55)		(54,411,848.74)
Impact of foreign exchange		(210,830.94)		247,214.20
Change of consolidation perimeter		0.00		2,154,148.40
Increase of the year		(5,569,989.25)		(3,437,526.82)
Decrease of the year		599,852.76		334,077.41
Transfer		0.00		0.00
VALUE CORRECTION – END OF THE YEAR		(60,294,902.98)		(55,113,935.55)
NET BOOK VALUE – END OF THE YEAR		97,952,537.11		95,302,223.85

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF PLANT & MACHINERY IS AS FOLLOWS:

2018

2017

ACQUISITION COST

Begin of the year	4,037,099,227.09	4,039,330,258.15
Impact of foreign exchange	2,435,943.26	(17,040,249.26)
Change of consolidation perimeter	(2,381.23)	(22,472,083.10)
Increase of the year	117,017,203.66	56,992,398.92
Decrease of the year	(93,074,983.42)	(89,144,548.48)
Transfer	0.00	69,433,450.85

ACQUISITION COST – END OF THE YEAR

4,063,475,009.36

4,037,099,227.09

VALUE CORRECTION

Begin of the year	(2,313,525,308.11)	(2,195,391,320.92)
Impact of foreign exchange	(5,674,469.90)	11,900,033.06
Change of consolidation perimeter	2,381.23	16,940,047.91
Increase of the year	(181,571,407.95)	(187,801,464.94)
Decrease of the year	60,712,129.67	40,827,396.78
Transfer	(0.21)	0.00

VALUE CORRECTION – END OF THE YEAR

(2,440,056,675.27)

(2,313,525,308.11)

NET BOOK VALUE – END OF THE YEAR

1,623,418,334.09

1,723,573,918.98

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF OTHER FIXTURES AND FITTINGS, TOOLS AND EQUIPMENT IS AS FOLLOWS:

2018

2017

ACQUISITION COST

Begin of the year	57,460,281.31	64,468,689.46
Impact of foreign exchange	765,655.95	(680,520.45)
Change of consolidation perimeter	0.00	(9,214,031.66)
Increase of the year	8,720,548.62	9,610,511.41
Decrease of the year	(5,490,286.82)	(6,724,367.45)
Transfer	0.00	0.00

ACQUISITION COST – END OF THE YEAR

61,456,199.06

57,460,281.31

VALUE CORRECTION

Begin of the year	(37,846,992.51)	(44,234,616.85)
Impact of foreign exchange	(694,406.45)	493,905.87
Change of consolidation perimeter	0.00	7,740,560.08
Increase of the year	(5,095,163.68)	(7,041,480.64)
Decrease of the year	3,559,099.75	5,194,639.03
Transfer	0.00	0.00

VALUE CORRECTION – END OF THE YEAR

(40,077,462.89)

(37,846,992.51)

NET BOOK VALUE – END OF THE YEAR

21,378,736.17

19,613,288.81

AMONG THE TANGIBLE ASSETS, THE EVOLUTION OF PAYMENTS ON ACCOUNT AND TANGIBLE ASSETS IN THE COURSE OF CONSTRUCTION IS AS FOLLOWS:

2018

2017

ACQUISITION COST

Begin of the year	218,869,297.82	213,391,480.17
Impact of foreign exchange	4,903,922.33	(169,907.93)
Change of consolidation perimeter	0.00	(23,999,681.60)
Increase of the year	112,397,288.56	103,395,225.00
Decrease of the year	(6,248,678.64)	(4,314,366.52)
Transfer	0.00	(69,433,451.29)

ACQUISITION COST – END OF THE YEAR

329,921,830.07

218,869,297.82

VALUE CORRECTION

Begin 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

329,921,830.07

218,869,297.82

AMONG THE PLANT & MACHINERY, THE EVOLUTION OF SHIPS IN SERVICE IS AS FOLLOWS:

2018

2017

ACQUISITION COST

Begin of the year	3,522,394,365.41	3,452,960,914.42
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	0.00	0.00
Increase of the year	64,476,398.00	0.00
Decrease of the year	(14,603,929.60)	0.00
Transfer/Other	0.00	69,433,450.99

ACQUISITION COST – END OF THE YEAR

3,572,266,833.81

3,522,394,365.41

VALUE CORRECTION

Begin of the year	(1,963,116,689.94)	(1,820,627,202.04)
Impact of foreign exchange	0.00	0.00
Change of consolidation perimeter	0.00	0.00
Increase of the year	(140,638,816.23)	(142,489,494.00)
Decrease of the year	14,603,929.60	0.00
Transfer/Other	0.00	6.10

VALUE CORRECTION – END OF THE YEAR

(2,089,151,576.57)

(1,963,116,689.94)

NET BOOK VALUE – END OF THE YEAR

1,483,115,257.24

1,559,277,675.47

In 2018, the vessel *Taillevent* has been acquired by the group from a third party and the vessels *Ortelius*, *DN 52*, *DN 53*, *DN 61*, *James Ensor* and *Galilei* have been sold to a third party. In 2017, the vessels *Daniel Bernoulli* and *Adhémar de Saint Venant* have been commissioned.

7. Financial assets

Loans to undertakings with which the undertaking is linked by virtue of participating interests

THE EVOLUTION OF LOANS TO UNDERTAKINGS WITH WHICH THE UNDERTAKING IS LINKED BY VIRTUE OF PARTICIPATING INTERESTS IS AS FOLLOWS:	2018	2017
ACQUISITION COST		
Begin of the year	0.00	20,228,881.29
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	(20,228,881.29)
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	0.00	0.00
VALUE CORRECTION		
Begin of the year	0.00	0.00
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	0.00	0.00
NET BOOK VALUE – END OF THE YEAR	0.00	0.00

Backhoe dredger *Gian Lorenzo Bernini* and split hopper barge *L'Etoile* in Lindo, Denmark.

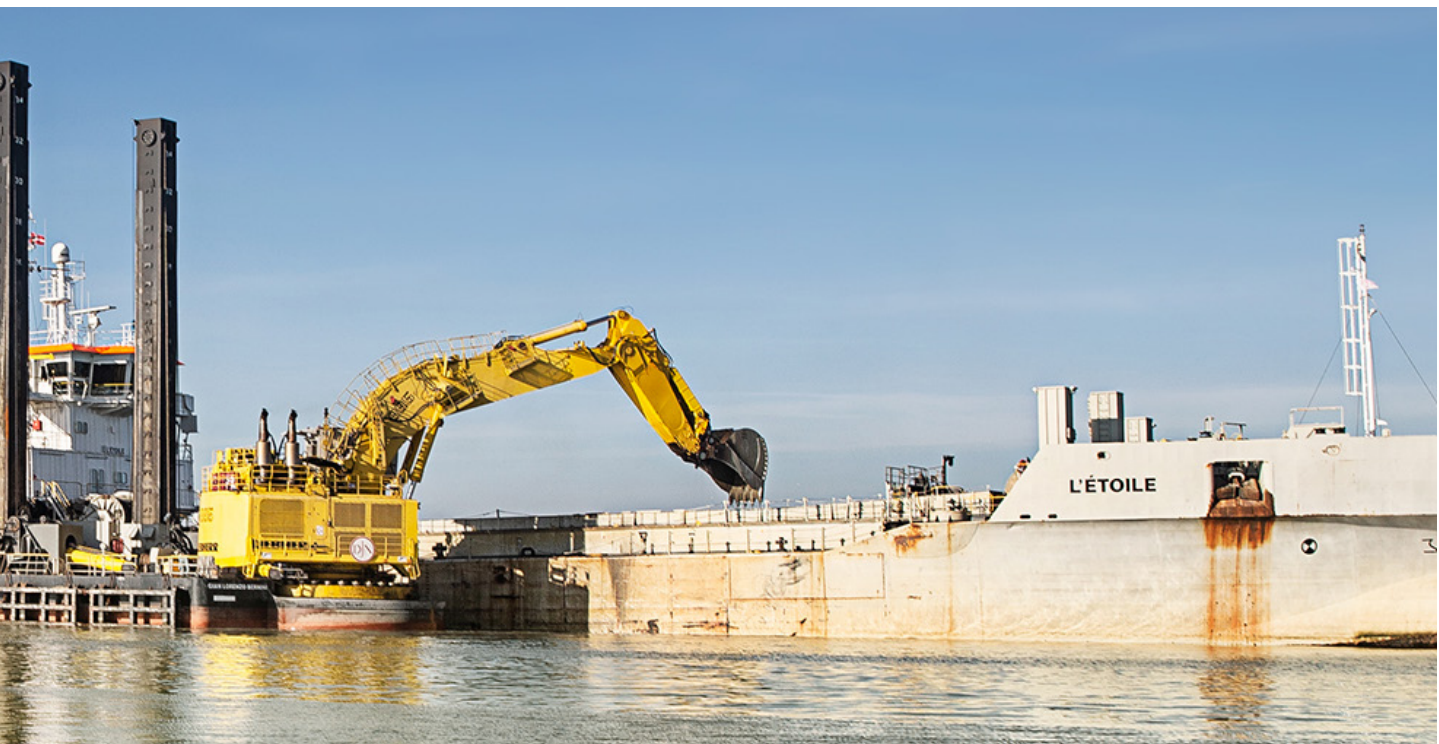


Investments held as fixed assets

THE EVOLUTION OF INVESTMENTS HELD AS FIXED ASSETS IS AS FOLLOWS:

	2018	2017
ACQUISITION COST		
Begin of the year	2,749,893.66	2,731,041.37
Impact of foreign exchange	0.00	0.00
Variation of consolidation scope	0.00	0.00
Increase of the year	0.00	18,852.29
Decrease of the year	(23,816.50)	0.00
Transfer	0.00	0.00
ACQUISITION COST – END OF THE YEAR	2,726,077.16	2,749,893.66
VALUE CORRECTION		
Begin 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	1,501,077.16	1,524,893.66

These amounts represent participations held in non-consolidated companies.



Other loans

THE EVOLUTION OF OTHER LOANS IS AS FOLLOWS:	2018	2017
ACQUISITION COST		
Begin of the year	142,249,673.29	113,606,173.02
Net increase of the year	105,117,569.17	28,643,500.27
Net decrease of the year	0.00	0.00
ACQUISITION COST – END OF THE YEAR	247,367,242.46	142,249,673.29
VALUE CORRECTION		
Begin of the year	(101,508,034.15)	(69,011,845.57)
Net increase of the year	(107,994,680.85)	(32,496,188.58)
Net decrease of the year	0.00	0.00
VALUE CORRECTION – END OF THE YEAR	(209,502,715.00)	(101,508,034.15)
NET BOOK VALUE – END OF THE YEAR	37,864,527.46	40,741,639.14

In 2018 and 2017, 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.

8. Companies consolidated by net equity method

	ACQUISITION COST	SHARE IN NET EQUITY
Southern Peninsula Dredging Sdn Bhd	127,871.51	35,106.75
Normalux Maritime S.A., Luxembourg	7,500,000.00	8,272,541.98
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
		8,396,777.43

In 2018 and 2017, application of net equity method to Grupo Unidos Por El Canal S.A., Panama 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 77,266,174.87 EUR (2017: 157,497,623.12 EUR).

In 2018, 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* for an amount of 86,626,212.13 EUR (2017: 17,945,022.83 EUR).

9. Stocks

In 2018, the *Work and contracts in progress* gross value amounts to 96,355,952.33 EUR (2017: 36,176,838.99 EUR).

In 2018 and 2017, no value correction has been deducted to take into account the current loss on certain projects.

10. Trade debtors

THE TRADE DEBTORS ARE COMPOSED AS FOLLOWS:	2018	2017
Customer accounts	387,922,213.58	432,824,943.64
Accruals	286,758,432.27	286,358,403.64
Value corrections	(24,902,983.51)	(33,028,159.82)
	649,777,662.34	686,155,187.46

THE TRADE DEBTORS' TERM IS AS FOLLOWS:	2018	2017
Less than one year	647,999,662.36	684,377,187.49
Between one and four years	1,777,999.98	1,777,999.97
Five years and more	0.00	0.00
	649,777,662.34	686,155,187.46

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 by various

companies which are consolidated following the proportional integration method.

12. Other debtors

THE OTHER DEBTORS ARE COMPOSED AS FOLLOWS:	2018	2017
Prepayments to creditors	9,729,208.36	9,987,708.11
Accrued income (incl. interests to receive)	1,215,011.48	1,424,321.48
Advance payments to staff	825,443.14	603,955.51
Joint ventures & Partners current accounts	10,559,345.46	5,452,918.22
VAT receivables	25,513,056.98	18,273,483.09
Tax receivables	26,540,187.23	19,639,211.25
Deferred tax assets - net	0.00	3,287,601.32
Others	42,887,109.91	13,892,561.07
	117,269,362.56	72,561,760.05

A provision for non-recoverability risks on VAT, income tax and withholding tax debtors amounting to 4,502,115.70 EUR (2017: 5,085,768.18 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 S.A., 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 2018 and 2017, there has been no transaction on *Own shares*.

14. Subscribed capital

Subscribed capital

THE EVOLUTION OF SUBSCRIBED CAPITAL IS AS FOLLOWS:	2018	2017
Begin 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, 2018 and 2017, 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 and 2017, the authorized capital amounts to 5,000,000,000.00 EUR divided into 12,500 shares with a nominal value of 400,000.00 EUR each. This

authorization is valid until 2019. The unused authorized capital amounts to 5,000,000,000.00 EUR as at December 31, 2018 and 2017.

15. Share premium account

THE EVOLUTION OF SHARE PREMIUM ACCOUNT IS AS FOLLOWS:	2018	2017
Begin 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:	2018	2017
Begin of the year	47,441,677.53	43,804,037.63
Allocation from previous year result	4,208,348.00	3,637,639.90
	51,650,025.53	47,441,677.53

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:	2018	2017
Begin of the year	(45,909,401.98)	(47,305,144.00)
Variation of first consolidation differences	715,356.71	1,395,742.02
	(45,194,045.27)	(45,909,401.98)

In 2018 and 2017, the variation of *Other reserves* during the year is 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:	2018	2017
Begin of the year	2,264,362,824.53	2,163,968,977.17
Result for the previous financial year	69,825,612.78	103,932,460.21
Allocation to the legal reserve	(4,208,348.00)	(3,637,639.90)
Other	(1,205,643.74)	99,027.05
	2,328,774,445.57	2,264,362,824.53

19. Translation differences

THE EVOLUTION OF TRANSLATION DIFFERENCES IS AS FOLLOWS:	2018	2017
Begin of the year	(225,420,216.87)	(205,077,357.40)
Translation variation of the year	4,062,969.03	(20,342,859.47)
	(221,357,247.84)	(225,420,216.87)

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 amounting to 2,820,322.75 EUR 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:	2018	2017
Provisions for taxes	25,774,425.61	36,038,515.07
Provisions for deferred taxes	1,492,027.96	0.00
	27,266,453.57	36,038,515.07

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

In 2017, the net position of deferred taxes was positive and the resulting net position of deferred tax asset had been recognized under *Other debtors*.

In 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:	2018	2017
Provisions for future losses	10,130,041.08	7,052,765.51
Provisions for non recoverable VAT & tax debtors	4,502,115.70	5,085,768.18
Provisions for maintenance and repairs	21,505,842.45	26,735,517.69
Provisions for negative net equity method	77,278,280.87	157,497,623.12
Others	31,076,125.60	33,687,445.61
	144,492,405.70	230,059,120.11

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.

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.

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.

Others

These provisions are mainly related to brownfield projects and cover the expected future land rehabilitation costs. Due to its 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.

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:**

	2018	2017
Grupo Unidos Por El Canal S.A., Panama	77,266,174.87	157,497,623.12
Neo Legia S.A., Belgium	12,106.00	0.00
	77,278,280.87	157,497,623.12

By the end of 2018 and early 2019 some relevant events occurred within the GUPC which are summarised in this note 21 and note 40 (Subsequent Events).

- 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, November 23, 2009). GUPC was established for the sole purpose of development, implementing and completion of the works in connection with the contract related with the design and construction of the third set of locks of the Panama Canal. Jan De Nul NV has an economic interest of 15% in the shareholding of GUPC. Until December 31, 2016, GUPC was consolidated through proportional integration method; since 2017, GUPC is consolidated through net equity method.
- Following a by the contractor given notice to suspend by end of the year 2013, negotiations on the different aspects of the completion of the works (financing of cost overruns, completion date, new milestones, etc...), led to the signing of a Memorandum of Understanding (MOU) between the Contractor (GUPC) and the Employer (Autoridad del Canal de Panamá - ACP) addressing these issues as well as the handling of disputes through Dispute Adjudication Board and ICC Arbitration.
- During the year 2016, the construction phase of the Panamean project has finally been completed.
- However, at this stage different arbitrations (ICC Miami) as convened in the MOU and discussions around variation orders to the contract are still ongoing. It should be noted that since 2014 and as of today GUPC received a total awarded amount of 301.0 million USD. Some awards were granted in 2017 (8.2 million USD).
- Referring to the MOU agreement and relevant variation orders, the remaining outstanding financial debt of GUPC net after above awards, was by EOY 2017 as follows:
 1. Employer advances up to 848 million USD of which:
 - 548 million USD have a due date set at December 31, 2018 ;
 - 300 million USD have a due date set at December 31, 2016, which could be prolonged till December 31, 2018 on the condition that letters of credit were issued with the same end date. This condition

has not been fulfilled and the Employer and the Contractor (with its shareholders) were under dispute whether and when these advance payments were to be repaid (The "Advanced Payments Arbitration").

2. The GUPC financing banks have outstanding loans for 254 million USD (compared to the original 2014 amount of 400 million USD), these loans came at a due date on March 15, 2019.
- A negative award by the arbitration panel on December 12, 2018 lead to the obligation to repay the advance payments (of respectively 548 mio USD and 300 mio USD) independent from the ongoing "matter" arbitrations.

Given that decision the Advance Payments were settled

- 548 mio USD have been paid by the GUPC's shareholders in December 2018.
- 288 mio USD (remaining debt out of the 300 mio USD original advances) were paid by the same shareholders in Q1 2019.

As the financial exposure of JDN Group in relation to the above was covered by its provisions, there was no impact on the EOY 2018 figures (except for the cash disbursement related to its economic share) and Q1 2019 (again except for the cash disbursement in line with its economic share).

- The (ECA-covered) loans to GUPC (cfr 254 mio USD) were prolonged by its banks and ECA's for another period of 3 years with (bullet) due date March 15, 2022. 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 – 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:	2018	2017
Long term loans and financing	187,265,651.53	122,777,198.68
Bank overdraft and short term loans	19,135.78	1,020,337.61
Commercial paper	125,000,000.00	137,150,000.00
Leasing debts	733,076.16	1,245,129.92
	313,017,863.47	262,192,666.21

THE AMOUNTS OWED TO CREDIT INSTITUTIONS TERM IS AS FOLLOWS:	2018	2017
Less than one year	191,051,497.10	117,451,097.75
Between one and four years	119,550,285.70	144,341,568.46
Five years or more	2,416,080.67	400,000.00
	313,017,863.47	262,192,666.21

In 2018, the *Long term loans and financing* include a subordinated loan for an amount of 75,000,000.00 EUR (2017: 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 2018, the *Payments received on accounts of orders as far as they are shown separately as deductions from stocks* include prepayments from customers amounting to 154,520,471.01 EUR (2017: 50,905,347.70 EUR). The increase is due to the change of accounting principle (see Note 3.3).

24. Trade creditors

THE TRADE CREDITORS ARE COMPOSED AS FOLLOWS:	2018	2017
Supplier accounts	212,817,667.71	147,776,807.44
Accruals	108,878,890.70	81,223,660.69
	321,696,558.41	229,000,468.14

THE TRADE CREDITORS' TERM IS AS FOLLOWS:	2018	2017
Less than one year	321,696,558.41	229,000,468.14
Between one and four years	0.00	0.00
Five years and more	0.00	0.00
	321,696,558.41	229,000,468.14

25. Other creditors

Tax authorities

THE TAX AUTHORITIES CREDITORS ARE COMPOSED AS FOLLOWS:	2018	2017
Tax on salaries	41,108,690.84	35,676,080.11
VAT payables	9,400,704.37	3,171,039.81
Withholding and other tax payables	8,412,232.40	8,582,658.79
	58,921,627.61	47,429,778.71

Social security authorities

THE SOCIAL SECURITY AUTHORITIES CREDITORS ARE COMPOSED AS FOLLOWS:	2018	2017
Social security creditors	8,185,966.62	8,931,343.29
	8,185,966.62	8,931,343.29

Other creditors

THE OTHER CREDITORS ARE COMPOSED AS FOLLOWS:	2018	2017
Wages payables	24,607,762.63	22,763,883.87
Unrealized gains on forex positions	3,568,181.25	2,236,431.29
Interest payables	5,267,774.27	7,011,998.65
Other creditors	12,910,940.91	14,126,586.98
Other financing	60,167,884.00	60,167,884.00
	106,522,543.06	106,306,784.79

THE OTHER CREDITORS TERM IS AS FOLLOWS:	2018	2017
Less than one year	45,674,181.65	46,138,900.79
Between one and four years	680,477.41	0.00
Five years or more	60,167,884.00	60,167,884.00
	106,522,543.06	106,306,784.79

In 2018, the *Other financing* position includes subordinated loans for an amount of 60,167,884.00 EUR (2017: 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:	2018	2017
Deferred profit on Joint Ventures and projects	0.00	20,270,365.21
Deferred profit on ODS	13,618,201.64	11,016,700.25
Deferred profit in relation with ships	29,503,687.54	29,751,426.88
Intercompany profit on stock disposals	5,783,247.79	9,495,482.34
Others	2,443,695.77	4,028,769.87
	51,348,832.74	74,562,744.55

In 2018, due to the change in accounting policy (see Note 3.3) the *Deferred profit on Joint Ventures and projects* are not any more recognized under this caption. This income has been recognized as an operating result.

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).

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 2018, gains amounting to 5,244,689.96 EUR (2017: 4,900,142.15 EUR) have been recognized under the profit and loss caption *Other operating income*.

27. Net turnover

NET TURNOVER IS BROKEN DOWN AS FOLLOWS:	2018	2017
Maritime, dredging and offshore works	75.28 %	72.27 %
Civil works	20.62 %	23.71 %
Environmental	4.10 %	4.02 %
	100.00%	100.00 %

NET TURNOVER IS BROKEN DOWN AS FOLLOWS:	2018	2017
Africa	6.99 %	9.31 %
America	17.37 %	26.25 %
Australia	1.18 %	2.35 %
Asia & Middle East	18.46 %	15.94 %
Europa	56.00 %	46.15 %
	100.00%	100.00 %

28. Other operating income

OTHER OPERATING INCOME IS BROKEN DOWN AS FOLLOWS:	2018	2017
Insurance indemnification	5,848,953.41	12,002,831.68
Income from Joint Venture	20,270,371.03	23,159,848.12
Reversal of operating provisions	23,056,325.62	11,866,602.62
Deferred income recognition – ships	2,893,023.50	2,895,756.52
Deferred income recognition – interco. disposals	5,244,689.90	4,976,936.95
Gain on disposal of tangible assets	24,049,600.62	6,062,832.70
Other	24,313,225.31	26,324,113.62
	105,676,189.39	87,288,922.21

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

29. Staff costs

During the year 2018, average staff employed by Group entities consolidated through the global integration method is 6,041 (2017: 6,125) among these 1,783 (2017: 1,775) are employed through third party crewing agencies.

During the year 2018, average staff employed by Group entities consolidated through the proportional integration method is 417 (2017: 684).

30. Value adjustments in respect of current assets

VALUE ADJUSTMENTS IN RESPECT OF CURRENT ASSETS ARE BROKEN DOWN AS FOLLOWS:	2018	2017
Value adjustments on stock	(1,634,055.20)	(2,110,834.72)
Value adjustments on receivables	4,414,973.80	(15,351,631.75)
	2,780,918.60	(17,462,466.47)

The *Value adjustments on stocks* represent in 2018 an allocation to the value correction on *Raw materials and*

consumables for an amount of 1,634,055.20 EUR (2017: 2,110,834.72 EUR).

31. Other operating expenses

OTHER OPERATING EXPENSES ARE BROKEN DOWN AS FOLLOWS:	2018	2017
Joint-Venture revenue recognition	6.12	0.00
Net allocation to operating provisions	22,738,412.84	26,701,689.18
Losses on disposal of tangible assets	1,439,250.28	4,858,946.58
Others	24,621,293.71	35,355,643.93
	48,798,962.95	66,916,279.69

The *Net allocation to operating provisions* includes the allocation to the other provisions (including provisions for land depollution and for ships maintenance and repairs) for an amount of 22,738,412.84 EUR (2017: 26,701,689.18 EUR).

Losses on disposal of tangible assets are to be as well considered as extraordinary charges.

32. Other interest receivable and similar income

OTHER INTEREST RECEIVABLE AND SIMILAR INCOME IS BROKEN DOWN AS FOLLOWS:	2018	2017
Interest income	11,988,250.34	26,450,841.76
Exchange differences – net	6,085,525.76	0.00
Deferred income recognition	8,045,637.84	9,412,016.87
Other financial income	5,387.61	410.03
	26,124,801.55	35,863,268.66

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:	2018	2017
Interest charges	3,758,715.59	7,537,592.30
Exchange differences – net	0.00	22,118,250.90
Other financial charges	5,988,789.20	16,505,038.28
	9,747,504.79	46,160,881.48

34. Tax on profit or loss

TAX ON PROFIT OR LOSS IS BROKEN DOWN AS FOLLOWS:	2018	2017
Income tax	21,202,967.90	44,761,103.05
Deferred taxes	1,353,125.26	(5,155,509.60)
	22,556,093.16	39,605,593.45

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:

	2018	2017
Administrative and managerial bodies	3,078,610.74	2,930,084.00
Supervisory bodies	0.00	0.00

37. Audit fees

Audit fees incurred during the year 2018 amount to 1,297,717.00 EUR (2017: 1,272,138.00 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:

	2018	2017
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, 2018, the Group has issued guarantees for operations for an amount of 805,048,961.09 EUR (2017: 762,270,404.40 EUR). As at December 31, 2018, the Group

had received guarantees for operations for an amount of 351,776,748.23 EUR (2017: 283,246,950.79 EUR).

Hedging derivatives

Mark to Market potential loss on total derivative portfolio as at December 31, 2018 is 6,288,646.88 EUR (2017: gain of 9,731,159.07 EUR). Based on these, no accruals have been included through *Other provisions* or as a deduction from *Trade debtors*.

No deduction from *Trade debtors* has been made to take into account the hedging effect of open positions at year end. No provision has been provided for in connection with hedging contracts on future debtors and creditors positions.

The Group's commitment in derivatives consists of:

1. Forward exchange contracts on different currencies for a total amount of over 108 million USD (2017: 20 million USD), 0 million AUD (2017: 11 million AUD), 6 million BRL (2017: 0 million BRL), 35,000 million COP (2017: 44,758 million COP), 786 million INR (2017: 6,346 million INR), 75 million SEK (2017: 75 million SEK), 10,547 million TWD (2017: 1,897 million TWD), 29,323 million IDR (2017: 241 million IDR), 199 million MXN (2017: 180 million MXN), 0 million TRY (2017: 3 million TRY), 8 million SGD (2017: 0 million SGD), 6 million CAD (2017: 0 million CAD), 24 million CNY (2017: 0 million CNY) and 16 million EGP (2017: 0 million EGP). The term of the forex deals is up to September 2019 (2017: up to August 2018). Mark to Market loss on Forex contracts amounts to 4,011,889.39 EUR (2017: a gain of 10,701,298.90 EUR).
2. Interest Rate Swaps contracts in order to cover its long term funding interest risk. Global notional amounts to 122 million EUR (2017: 300 million EUR). Due dates are up to February 2026 (2017: to January 2018). Mark to Market loss on IRS and IRC contracts amounts to 3,556,677.65 EUR (2017: a loss of 2,105,027.98 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 27,218 MT. Their expiration date is up to December 2019. The valuation of these contracts as at December 31, 2018 leads to a potential gain amounting to 1,279,920.16 EUR (in 2017: gain of 1,134,888.05 EUR). As these contracts are hedging purpose, no accrual has been provided for.

Commitments to purchase tangible assets

As at December 31, 2018, commitments related to forward purchases of vessels within *Tangible assets* amount approximately to 107.3 million EUR (2017: 159.1 million EUR).

40. Subsequent events

We refer to note 21 where it is described that JDN paid its share of the 288 mio USD advances, increased with interests during Q1 2019 out of its liquidity, having no impact on the P&L account given the constituted provisions for GUPC.

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

