

ANNUAL REPORT 2018



**NOTHING TOO HEAVY,
NOTHING TOO HIGH.**



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GENERAL
INFORMATION

AT SARENS, WE HAVE THE NOBLE MISSION TO BE THE GLOBAL REFERENCE IN CRANE RENTAL SERVICES, HEAVY LIFTING, AND ENGINEERED TRANSPORT FOR OUR CLIENTS.

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THIS COMING YEAR, OUR PLAN IS TO CARRY ON WITH THE DILIGENT WORK.

With zeal for excellence, love for tradition, brilliant solutions, and dedication to safety as our banner, we began 2018 by working hard on all fronts. Our mission to be the global leader and reference in crane rental services, heavy lifting, and engineered transport was more relevant than ever as we embarked on many firsts this year.

SAFETY, HEALTH, ENVIRONMENT, & QUALITY

Our dedication to safety is ongoing, and our vision is to achieve Zero Harm by 2020. We are well on our way to reaching this goal: in 2018, our frequency rate (EU) dropped by almost 60% while our severity rate (EU) decreased from 0,14 to 0,11.

At Sarens, we believe that every accident can be, must be, and will be avoided. This is why our policies aim to ensure that human lives, the environment, and assets are subject to no harm. For example, in 2017 we introduced the 10 Life-Saving Rules, our safety North Star. We were also the first in our industry to work with a true global multi-site certification on ISO 9001, ISO 14001, and OHSAS 18001, ensuring all business units worked according to our SHEQ standards. Finally, we stay true to “safety first” standards by applying the Plan-Do-Check-Act (PDCA) cycle, the Code of Conduct, and other tools.

We are proud of the steps we took to realise our global vision for safety In 2018:

- We inaugurated SHEQ training centers at HQ and in Kazakhstan for the Tengizchevroil (TCO) project.
- We implemented a program for waste reduction through better sorting. We undertook a large number of local initiatives to reduce electricity consumption.
- We published a staff gear manual to achieve Groupwide standardisation in workwear and Personal Protective Equipment.
- And last, but certainly not least, we included Mexico, India, Vietnam, and Poland in our integrated Group Certification.

COUNTERING CHALLENGES AND FOCUSING ON NEW OPPORTUNITIES

The market remained challenging in 2018, primarily due to continued project postponements in the oil & gas and metals & mining sectors. As such, our set course remains unchanged:

- We diversified and focused on the growing wind industry in Europe, Asia, and North America.
- We continued pursuing work in the nuclear sector and successfully executed jobs in both maintenance activities and new builds. Moving the massive SGC-250 crane to Hinkley Point C in the UK was our most visible success.
- We continued moving some of our assets towards new growth areas.
- We continued building complementary partnerships worldwide. We joined forces with Kesz in Hungary and won a waste-to-energy-plant project with our JV partner LAM in Turkey.
- We continued investing in a cutting-edge asset base. We built the brand new SGC-250 and added multiple new ATs to renew our telescopic crane rental fleet. This resulted in a total net investment of € 150,7 million.

These actions resulted in a steady top line of € 651,5 million as compared to € 634,8 million in 2018, and an improved EBITDA of €127.211 million versus €116.790 in 2017. With most cost reductions behind us, in 2018 we further focused on improving our top line by:

- Setting up new rental depots across Eastern Europe, South Africa, Canada, and Asia, gaining access to new customers and providing better service to existing clients.
- Rolling out a new CRM system to improve sales team management worldwide.
- Reinforcing our Global Projects team with more regional / local resources to improve client access and service.

SPECIAL PROJECTS AND INNOVATION

We have a proud history of innovation and brilliant client solutions,

and 2018 was no exception:

- Our largest project with TCO was in full swing with the SGC-140 and a large arsenal of cranes and equipment at our client's service.
- We finalised the construction of the largest crane in the world, the SGC-250. We named it “Big Carl” after Carl Sarens, Director Technical Solutions, Projects & Engineering, who was in charge of its development. The crane is now at Hinkley Point C in the UK, where it will remain for the coming four years to complete its mission of building one of the largest nuclear stations in the world. [Watch](#) how we celebrated the launch of this crane in what was a historic day not only for Sarens but for the entire global engineering community.
- We also developed the Sarens TP Handler (transition piece handler), a custom-made piece of equipment. The TP Handler reflects our commitment to creating new solutions when no off-the-shelf products can cater to clients' needs. Sarens is known for finding brilliant solutions to difficult problems, and this sets us apart as the one-stop-shop for solving heavy lifting conundrums.

KEY PROJECTS

In 2018, we advanced several key projects across the globe:

- In Hungary, we won a project for the new [Puskas Ferenc national stadium](#).
- In Jamaica, we installed HRSG modules for a [power plant at the old harbour](#).
- In San Sebastian, Spain, we finished a [spectacular lift at the Anoeta stadium](#).
- In Vietnam, we successfully executed a [gantry lift in a power plant](#).

For a full list of our projects, visit the [news](#) or [project section](#) of our website, and follow us on social media.

ACHIEVEMENT AND RECOGNITION

This year also brought several achievements, awards, and acknowledgements worth celebrating:

- The prestigious International Cranes and Specialized Transport Magazine listed us as the second-

largest crane-owning company.

- We accepted various global safety and quality awards for our achievement in upholding SHEQ standards, including the 2018 Covestro's Contractor Safety Award and a 2018 Safety Performance Award at BASF.
- The internationally-recognized reference organisation for achievement in heavy lifting, ESTA, handed us a two special awards: the Gino Koster Lifetime Achievement Award for Benny Sarens, and an award in the Combined Techniques category in recognition of our extraordinary work at the New Wear Crossing Bridge project in the UK. For more information on this project, watch our [#HowWeDoIt video](#).
- We were handed a prize by HPC Excellence Awards.
- In the UK, we were recipients of two Heavies Awards for Project of the Year and Job of the Year.

This coming year, our plan is to carry on with the diligent work and expand our reach both geographically and technically. We will continue to seek out the best solutions and to offer the most interesting technical and financial options to our rental clients. Finally, we will advance our commitment to safety through continuous improvement. I will personally not rest until all of us at Sarens embrace a culture of Zero Accidents.

Many thanks are due to all Sarens employees for their dedicated effort and commitment on projects across the globe. I would also like to sincerely thank our clients, suppliers, and business partners for their dedicated cooperation.

WIM SARENS
CHIEF EXECUTIVE OFFICER

Thousands EUR	2018	2017	2016
Consolidated balance sheet			
Fixed assets	1.077.362	1.036.193	883.334
Stocks and contracts in progress	20.840	19.126	19.607
Other current assets	237.489	223.562	222.952
Cash and cash equivalents	39.691	60.656	70.073
Total assets	1.375.382	1.339.537	1.195.966
Equity	231.680	269.542	208.373
Minority interests	7.554	4.794	4.674
Provisions and deferred taxes	97.696	113.444	123.496
Financial debts	788.616	714.411	677.265
Amounts payable within 1 year	249.836	237.346	182.158
Total liabilities	1.375.382	1.339.537	1.195.966
Statement of profit and loss			
Consolidated turnover	594.693	601.974	554.774
EBITDA	127.211	116.790	128.517
EBIT	30.328	25.640	25.570
Net result	-39.589	53.030	-31.219
Ratios and other key figures			
Workforce (FTE)	4.912	4.543	4.195
Cash flow from operating activities	115.030	115.182	109.141
Cash flow from investing activities	-150.655	-119.414	-61.777
Net financial debt	726.425	653.755	607.192
EBITDA margin	21,4%	19,4%	23,2%
EBIT margin	5,1%	4,3%	4,6%
Gearing	3,1	2,4	2,9
Liquidity	82,3%	81,2%	106,4%
Solvability	16,8%	20,1%	17,4%
Net financial debt \ EBITDA*	5,14	5,44	4,72
Net senior financial debt \ EBITDA*	3,37	3,36	2,78
Interest coverage ratio*	4,72	4,03	4,36



EBIT
Operational result (earnings before interests, taxes and non-recurring operating result)

EBITDA
Operational result (EBIT) + depreciations

NET WORKING CAPITAL
Current assets - current liabilities

NET FINANCIAL DEBT
Financial debts - cash and cash equivalents

NET SENIOR FINANCIAL DEBT
Financial debts excl. bonds - cash and cash equivalents

EBITDA MARGIN
EBITDA/turnover

GEARING
Net financial debt/equity

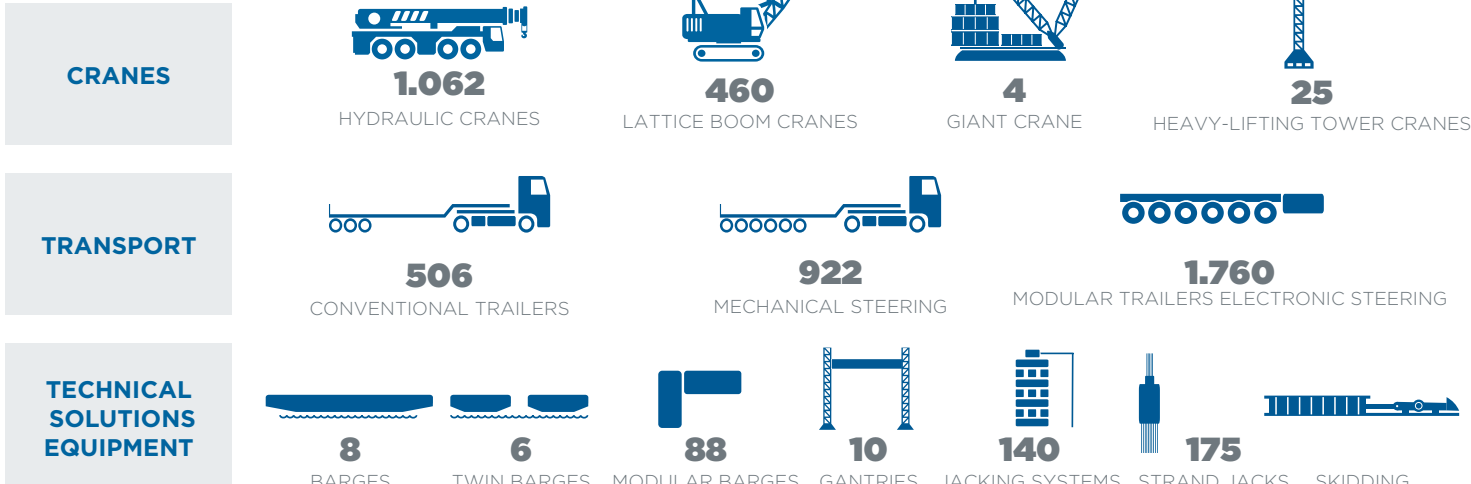
LIQUIDITY
Current assets/current liabilities

SOLVABILITY
Equity/balance sheet total

INTEREST COVERAGE RATIO:
EBITDA / (Debt charges excl. capitalised interests on bonds - income from current assets)

*Note: the ratio's calculated for the bank covenants are calculated based on adjusted EBITDA figures.

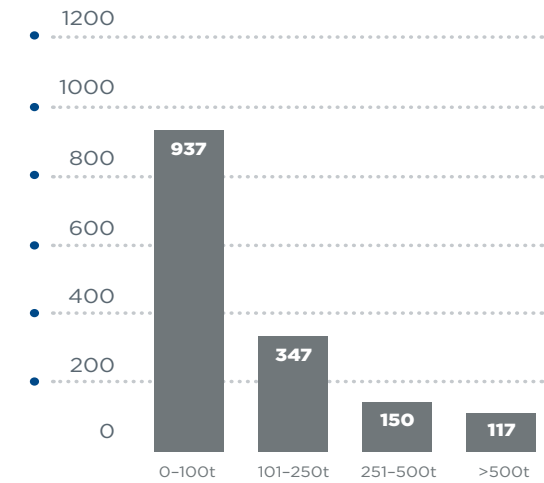
OVERVIEW
EQUIPMENT



OVERVIEW
IN SUMMARY



OVERVIEW
CRANES AND CAPACITY



“WE DID NOT COME TO FEAR THE FUTURE.
WE CAME HERE TO SHAPE IT”.
- BARACK H. OBAMA , CIRCA 2009

GLOBAL
PRESENCE



BELGIUM	ALGERIA	AUSTRALIA	BAHRAIN	BANGLADESH	BELARUS	BOTSWANA	BRAZIL	BULGARIA	CANADA	CHILE	CHINA	
COLOMBIA	CONGO	CZECH REPUBLIC	ECUADOR	EGYPT	ETHIOPIA	FINLAND	FRANCE	GERMANY	GREECE	HONG KONG	INDIA	
INDONESIA	IRAQ	IRELAND	ITALY	IVORY COAST	JAPAN	KAZAKHSTAN	KOREA	LITHUANIA	MALAYSIA	MEXICO	MOROCCO	
MOZAMBIQUE	NAMIBIA	THE NETHERLANDS	NEW CALEDONIA	NIGERIA	NORWAY	PANAMA	PERU	PHILIPPINES	POLAND			
RUSSIA	SAUDI ARABIA	SERBIA	SINGAPORE	SOUTH AFRICA	SPAIN	TANZANIA	THAILAND	TUNISIA	TURKEY	UK	UKRAINE	USA
UZBEKISTAN	VENEZUELA	VIETNAM	ZAMBIA									



WHEN A JOB REQUIRES SERVICE AT THE HIGHEST LEVEL, THEY CALL SARENS. ALWAYS.

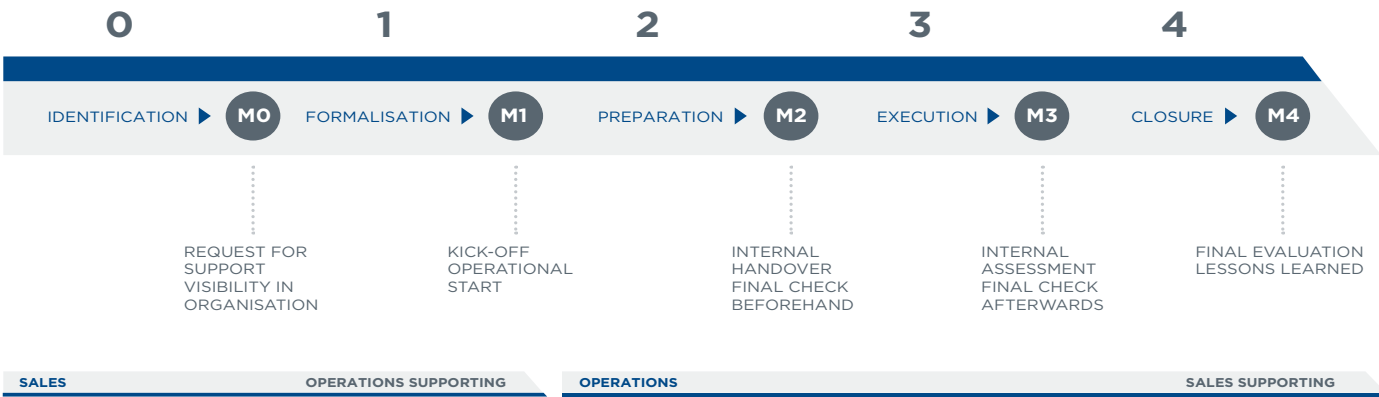
Sarens ensures efficient planning and excellent project management at every level. The Sarens Project Management methodology provides a clear view of roles and responsibilities at each stage, for full transparency and efficiency.

Sarens Project Management is built around five milestones that serve as a checklist for the project as it moves from one phase to the next.

- M0:** A project becomes visible within the organisation and the Sarens Sales team ask for support from their colleagues in Operations.
- M1:** Official launch and operational start of a project.
M2: Final check before the actual execution.
- M3:** Internal assessment of the project immediately after completing work on site.
- M4:** Final evaluation, including clear and structured communication of the lessons learned.

MINIMISING TIME

MAXIMISING EFFICIENCY



SARENS LAUNCHES THE LARGEST CRANE IN THE WORLD: THE SGC-250

THE LARGEST CRANE IN THE WORLD, SARENS' SGC-250, WAS LAUNCHED AT THE PORT OF GHENT IN BELGIUM ON NOVEMBER 9TH, 2018.

In 2018, Sarens launched the massive SGC-250 crane, the largest in our fleet and the mightiest in the world in both size and capacity. This crane has a maximum load moment of 250.000 metric tonnes, allowing it to lift an astonishing 5.000 tonnes. Even at a larger radius of 100 metres, it can lift an amazing 2.000 tonnes.

The new crane was introduced to the world at a special launch event on November 9th, 2018, at the Port of Ghent in Belgium. Sarens crew demonstrated its slewing and hoisting capability, and guests had a special opportunity to see this mighty crane in action.

The SGC-250's notable features include:

- **Tremendous power.**
This massive crane has a maximum load moment of 250.000 metric tonnes and the ability to lift 5.000 tonnes. It's the strongest crane of its kind, with all the features and flexibility of a fully-mobile ring crane with winches and cables, hook blocks, and the ability to slew 360°.
- **Low ground pressure.**
Even at a greater radius, the SGC-250 never exceeds ground pressures of 25t/m², thanks to several wheel bogies on double ring beams and spreader mats.
- **Impressive flexibility.**
The crane's main boom can be extended from 118m to 160m, and the jib can be extended up to 100m. This combination provides an incredible height of about 250m, or an equally astonishing radius of 275m. This flexibility guarantees that whatever combination clients need, we can build it: all on a double-ring design with an outer diameter of no more than 48,5m.
- **Extensive coverage.**
The crane can operate on two hook blocks: one on the main boom and one on the jib. This allows it to cover each area of the job site while maintaining a combination of strong capacities and fast operations.
- **Exceptional safety standards.**
Sarens has invested tremendous effort

in the crane's safety and continuity. This reflects in the highest performance level (PL E) and full redundancy system on the hoisting and slewing system, achieved by intelligently connecting and steering all 12 engines with six power packs.

As with all the SGCs in Sarens' fleet, the design of the massive SGC-250 crane was done completely in-house. Construction work was then completed by specialists and certified manufacturers in Europe, and overseen by Sarens.

Conditions that led to the launch

This crane was inspired by the increasing trend towards modularisation and the move away from stick-built construction. Instead of putting a refinery together piece by piece, our clients now prefer to pre-assemble large portions, or modules, in a controlled environment and then transport and lift them into their final position. Because of their weight, these modules require higher lifting capacities. This trend, together with our in-house engineering expertise, led to the construction of this enormous crane.

Unique characteristics

The most unique feature of the SGC-250 is without a doubt its ability to relocate the fully-rigged crane on site from one lifting position to another. This is not only unique to Sarens, but to the entire global crane industry. The crane has two sets of wheels: one for slewing 360° and one for travelling. The second set is hydraulically retractable and is pushed out whenever the crane needs to travel.

Added value

This crane separates itself from all other cranes on the market with its unrivalled capacity and unique on-site relocation system, which means that it can easily perform lifts in several locations. This is a feature unseen in the industry. Additionally, its unmatched capacity allows our customers to lift even bigger and heavier loads while still benefiting from crane-specific flexibility.

Practically, the containerised design and the locally-sourced sand used as a counterweight make it easy and cost-efficient to mobilise this crane to any place on the planet. Empty counterweight boxes can be used to containerise the crane components and reduce transport costs.

The crane's commercial trajectory

In 2019, the SGC-250 crane will move to Hinkley Point C for about four years. There, it will perform all heavy lifts in the construction of this new nuclear power plant. Its unique on-site relocation system will also be used there, since the crane will need to lift from three different positions.

Hinkley Point C is only the first of many new nuclear power plants that will be built in the UK and abroad in the coming years, and we expect the SGC-250 to be vital to those projects. However, it is far from bound to the nuclear sector. As with our other SGCs, we're confident it will be used in all different sectors.

The SGC-250 and safety

The SGC-250 was constructed according to European and world standards and is CE-certified. The hoisting and slewing control system consists of the highest quality components and meets the highest performance level (PLE). Finally, the control system is completely redundant. The design of the crane has been reviewed completely and all functionality and overload tests witnessed by a third party inspection company.

Operating and maintaining the crane

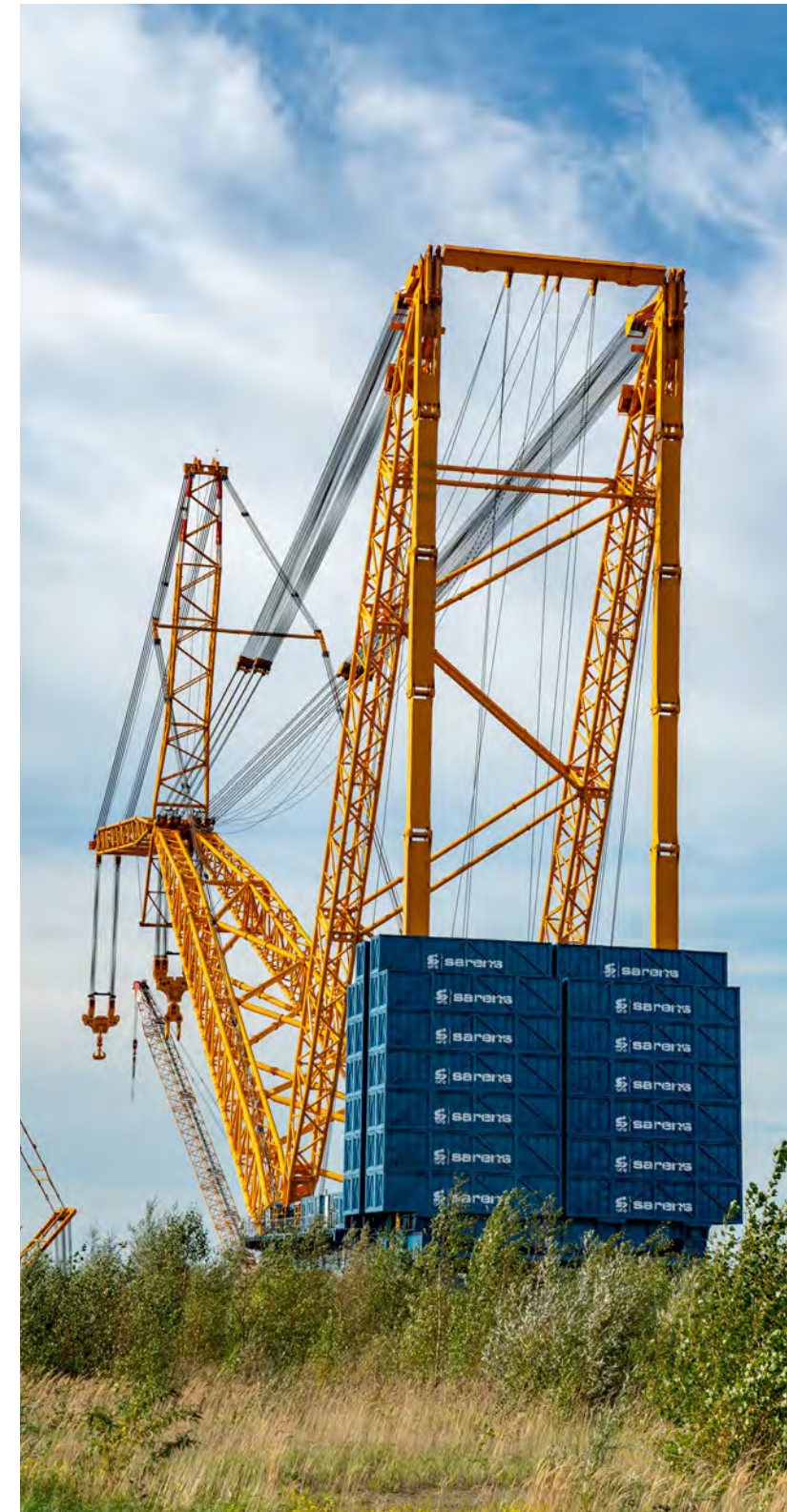
Sarens has a team of riggers and crane operators who are specially trained on the assembly and specific control system of the SGC. In terms of maintenance, redundant power pack operations allow maintenance to be executed on one engine while the other one is operational. This reduces the overall downtime for maintenance.

SGC-250
THE WORLD'S LARGEST CRANE



WHEN IT COMES
TO CRANES,
**SIZE DOES
MATTER.**

AND WE HAVE
**THE BIGGEST
ON PLANET
EARTH.**



**SARENS' MAINTENANCE
DEPARTMENT
COMPRISES 400 PEOPLE
WORLDWIDE WHO
MAINTAIN A GLOBAL
FLEET SPANNING MORE
THAN 50 COUNTRIES.**

**TO KEEP OUR FLEET IN TOP CONDITION, WE
INVEST IN BOTH TECHNOLOGICAL SOLUTIONS AND
EXTENSIVE TRAINING FOR OUR EMPLOYEES. WE ARE
INCORPORATING NEW TECHNOLOGIES AND ADVANCING
OUR TRAINING GOALS IN THE FOLLOWING WAYS:**

TECHNOLOGICAL SOLUTIONS

Sophisticated technology helps us keep the fleet in excellent working condition and minimises the potential for damage due to operator or system error. Currently, each piece of rolling equipment comes with a black box that captures important telematics data to help us plan preventative maintenance. These black boxes also monitor crane safety systems and alert us to potential problems. Much of this data is captured live by the Sarens ERP system and translated into KPI performance reports.

In 2019, we'll be expanding this system with a new type of black box that electronically identifies the operator sitting in the crane cabin and can measure and control driver behaviour. This system is expected to reduce the number of incidents caused by operator error, and companies who have already implemented it report incident reductions by as much as 87%. While our Fleet, Operations, SHEQ and HR personnel currently conduct a post-incident follow-up any time equipment damage occurs, this new system will allow us to act proactively to prevent incidents before they happen.

In addition to these technological solutions, our weekly planning process is undergoing an important update in 2019 as we move from Excel to the new AX Dynamics system that is integrated with sales and operations, and that includes a brand new maintenance database. We're looking forward to the efficiency and increased productivity that this new system promises to bring.

EMPLOYEE TRAINING

We believe that investing in the right technology is just as important as investing in the right training for our global workforce. Our worldwide training programs ensure that every new technician or fleet manager who joins Sarens is well prepared for their responsibilities.

As of October 2018, 85% of our 270 technicians worldwide have been tested as part of our competence management program, and about 20% have received adapted training to improve their technical skills. Additionally, fleet managers have been tested on soft skills and will soon be assessed on their technical abilities. We are also standardising workshops across the globe to increase their effectiveness and efficiency.

Sarens is proud of our service network and aims to continuously improve its quality. We continue to invest in our people and our technological solutions with the firm belief that when we undertake such initiatives ourselves, the results tend to be better, faster, and more cost-effective.

GUY FREDERICKX
GROUP FLEET DIRECTOR



OUR CRANES WORKING FOR
THE SAPPHIRE WIND FARM IN
AUSTRALIA

OUR MARKETS



FORWARDING

PARTNER OF CHOICE

With a vast array of global projects, Sarens has been a business partner of choice for land and marine forwarding since almost our very first steps as a Group.

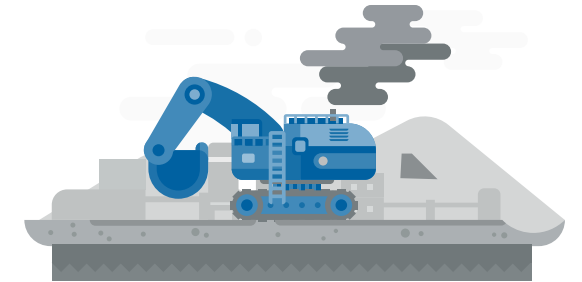


MINING

FULL-SCOPE PROJECT MANAGEMENT

Today's large-scale metallurgic refineries are built from modules manufactured and shipped from around the world. Sarens provides module handling and load-in services at the manufacturing yard, load-out and inland transport services to often remote regions, and heavy lifting and installation works on site.

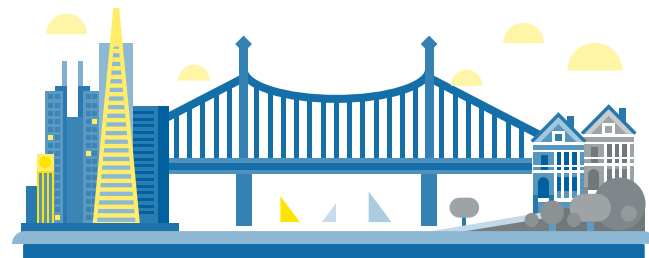
Sarens engineers work closely with the client during the pre-design and engineering execution phases of the project, ensuring the most optimal approach and safeguards. During project execution, Sarens provides on-site management, engineering and drawing capabilities, operators and installation teams, equipment maintenance, and spare part logistics. Besides modularisation, Sarens also takes care of the mechanical maintenance of mining installations.



CIVIL WORKS

RAPID MOBILISATION, MINIMAL DISRUPTION

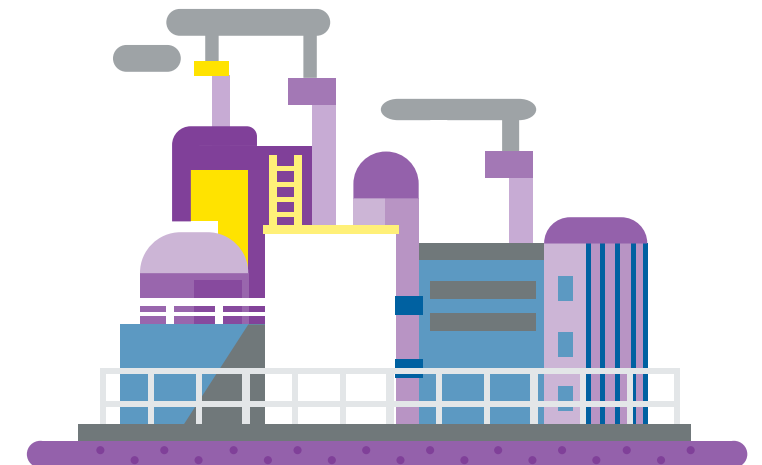
Over the past decade, Sarens has been involved in civil construction projects worldwide, providing transport and lifting activities for steel assembly work and complex roof installations for soccer stadiums, event arenas, and industrial buildings. Sarens also has a long history in accelerated bridge replacement and installation using rapid replacement technologies. Quick mobilisation and minimal disruption are our primary goals, and our flexibility and speed make us a partner of choice.



GENERAL INDUSTRY

GLOBAL EXPERIENCE

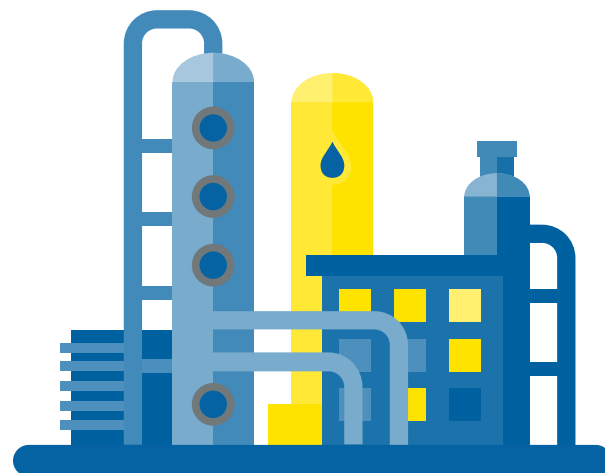
Our broad expertise across all sectors makes us the ideal partner for heavy lifting and engineered transport in the general industry.



OIL AND GAS

MINIMISING DOWNTIME

The oil and gas sector is one of our core markets. It involves the construction, refurbishment, and maintenance of oil and gas plants and refineries, as well as the modularisation and assembly of heavier components. Site conditions often vary so whether it's installing a 1.300-tonne reactor, lifting a 125-metre splitter column, or transporting a 15.000-tonne topside module, we always provide efficient, tailor-made solutions. Our innovation in the technical development of lifting and transportation equipment enable us to further minimise plant downtime.



OFFSHORE & MODULE YARDS

OVERSIZED AND HEAVY WEIGHT LIFTS

Sarens has partnered with the offshore and module yards industry for many years. Our activities cover the load-in, load-out, and assembly of oversized and heavyweight modules, including general lifting services on offshore construction yards and for the FPSO (floating, production, storage and offloading) industry.



THERMAL AND NUCLEAR POWER PLANTS

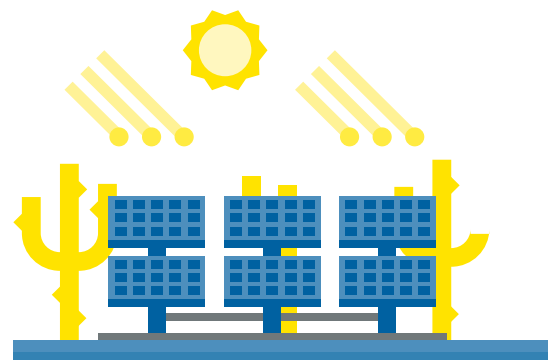
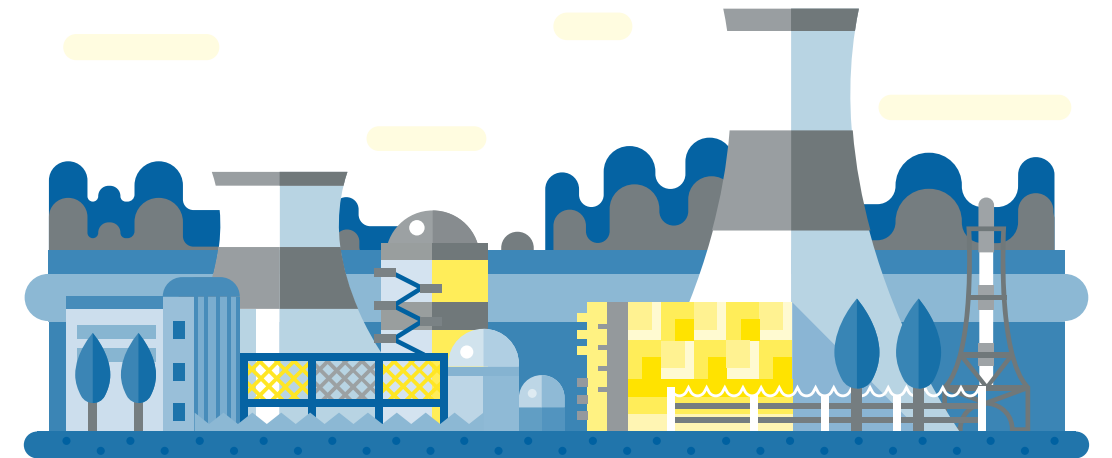
MAXIMISING SAFETY, MINIMISING RISK

NUCLEAR POWER

For nearly 40 years, Sarens has been a valued partner of nuclear power plant owners and operators around the world, supporting contractors and critical plant component manufacturers throughout plant life cycle activities. From new construction to major component replacements, plant upgrades to facility decommissioning, Sarens has safely executed the most challenging projects. With industry-leading engineering expertise, specialised rigging equipment, and a highly-skilled workforce, Sarens continues to offer the nuclear power sector creative and cost-effective solutions, delivering high-quality results under demanding time and operational constraints.

THERMAL POWER

For many years, Sarens has provided a total concept approach for gas- and coal-fired power plant projects, including heavy lifting, engineered transport, and maintenance services. New lifting and transport techniques are constantly being introduced to enable the transportation, removal, assembly, and installation of large and heavy components. Sarens is also experienced in the installation of rotating equipment such as turbines, generators, and transformers.



SOLAR

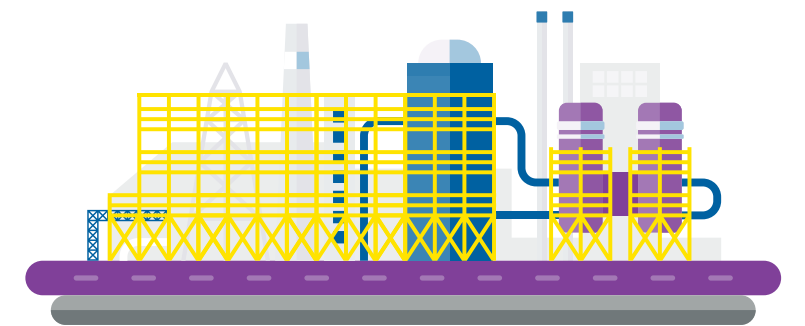
INCREASED HEIGHT, REDUCED GROUND AREA

Although the solar industry is still in development, Sarens has already gained profound experience in the construction of solar towers. To build them, Sarens uses its heavy luffing tower cranes with modular systems that can reach considerable freestanding heights with different jib lengths. As these types of cranes only require a small ground area, it makes them an ideal solution for solar projects.

MAINTENANCE AND ASSEMBLY

A CRANE FOR EVERY JOB

A large volume of our business comes from the maintenance and montage industry. We serve all sectors on all continents with the varied capacities of our different cranes and special trailers.



ONSHORE AND OFFSHORE WIND

INCREASED HEIGHT, REDUCED GROUND AREA

OFFSHORE WIND

Sarens Offshore Wind participates in the development and continuous growth of the renewable energy industry. Our cranes are continuously working at sea, installing offshore wind farms on board jack-up barges. For the offshore wind industry, we complement our full-scope project management with onshore and offshore logistics such as the loading and unloading of extremely heavy wind turbine parts, logistics management, and timely delivery of different parts to offshore sites.

ONSHORE WIND

Sarens' global presence, large fleet, and broad experience in the transportation, lifting and installation of wind turbine generators make it a valuable partner of the onshore and offshore wind industry. Onshore, Sarens provides all levels of lifting solutions, from pure crane rental to turnkey projects with an all-in TCI (Transport, Craning, Installation) service coverage.



**IT TAKES EXCELLENT
LEADERSHIP TO IMPROVE
A SAFETY, HEALTH,
ENVIRONMENT AND
QUALITY SYSTEM.**

WE ARE PROUD OF THE EMPLOYEES WHO HAVE HELPED MAKE THIS POSSIBLE, AND ESPECIALLY OF OUR MANAGEMENT FOR ENCOURAGING THEM, SHOWING REAL INVOLVEMENT, AND WORKING EXCEPTIONALLY HARD TO REDUCE ACCIDENTS AND INCIDENTS IN 2018.

Our vision for the future is ambitious: we aim to achieve Zero Harm by 2020, and are already well on our way. From 2017 to 2018, the frequency rate of incidents (EU) decreased from 5,72 to 3,50 and the severity rate decreased from 0,13 to 0,11. Despite these results, we still have work to do if we are to achieve Zero Harm within the next two years.

We are already taking steps in the right direction, however. Management's decision in 2017 to shift from being reactive to proactive is starting to pay off. For example, we are seeing the benefits of having a digital reporting system that alerts supervisors to unsafe situations and near misses by crane operators and riggers.

Furthermore, our 10 Life-Saving Rules have now been fully implemented and each employee knows them well. More than ever before, our people are acutely aware of how important it is to perform their jobs in a safe and healthy way, with care and respect for the environment. We believe that this approach can only lead to quality work, and that it has a direct impact on the level of satisfaction experienced by our customers, stakeholders, and wider organisation—as well as by my colleagues and myself.

We have also been making progress towards our goal of including all business units in one Group Certification, and are pleased to announce that Sarens India, Mexico, Vietnam and Poland successfully joined this initiative in 2018. Additionally, our internal web system, SharePoint, is being updated daily with new information from different departments, creating standardisation and uniformity across the “Sarens World”.

Finally, this year we have been working hard to reduce residual waste and electricity consumption across all business units. Preventing engines from idling has become a top priority for reducing petrol consumption and CO2 emissions.

We are looking forward to more improvements in 2019, including:

- Finalising our project of one Group Certification for all business units worldwide
- Distributing a brand new safety manual to serve as a practical guide for employees
- Further implementing digital reporting for unsafe situations and near misses
- Continuing to reduce residual waste through better sorting, recycling, and proactive use of environmentally-friendly chemicals and products
- Introducing a digital customer satisfaction survey to improve our level of service

We are excited for the upcoming year as we make progress towards our goal of Zero Harm by 2020. Some time ago, a colleague asked me, “Do you really believe in the concept of zero harm?” I responded that nothing is impossible, just as our slogan reminds us that there is nothing too heavy, nothing too high.

JORIS MAREELS
GROUP SHEQ MANAGER

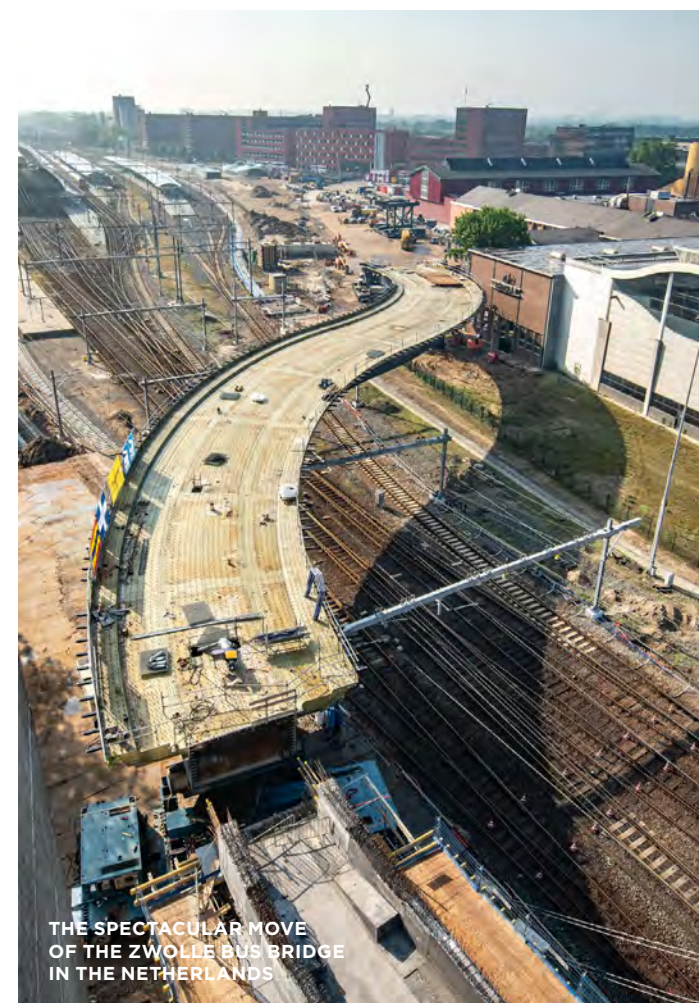


WITH OVER 2,500 FIELD PEOPLE
ACROSS THE WORLD, OUR
OPERATORS ARE AT THE HEART
OF OUR BUSINESS.



OUR BUSINESS LINES

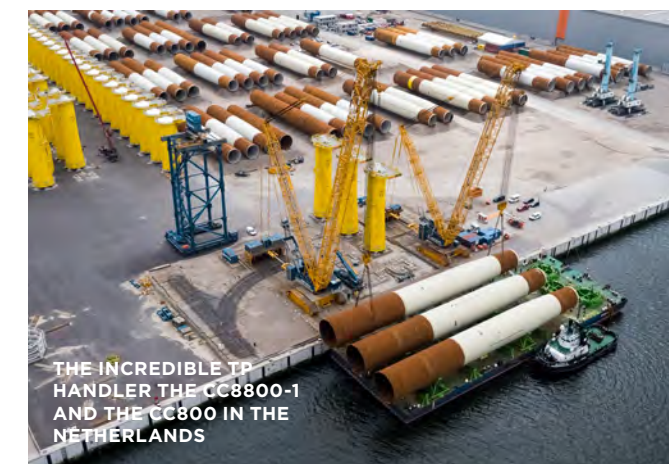
**LAST YEAR, WE
EMBARKED ON ONE OF
OUR MOST AMBITIOUS
PROJECTS TO DATE:
THE BUILDING OF
THE MASSIVE
SGC-250 CRANE.**



After an intensive engineering and building program, the SGC-250 has been completely tested and certified in 2018 and will be deployed on major projects globally, including the construction of the Hinkley Point nuclear power plant in the UK.

At Sarens we are proud of our long history of innovation, especially when it comes to developing new solutions for client challenges. For example, when our Netherlands-based client, SIF, needed an efficient way to transport offshore wind farm modules, we developed the Sarens TP Handler (transition piece handler) specifically for their needs. This special handling device could overcome the tight space constraints and challenging timelines inherent in loading and unloading transition pieces for a North Sea wind farm.

We strive to meet each client's needs with that same level of innovation, global expertise, and technical experience that have been the hallmarks of the Sarens brand for generations. This year we allocated a significant number of Sarens assets to the biggest operation in the Group's history: the Tengizchevroil (TCO) project. When the TCO project became fully operational this year, Sarens assets on-site included the CC 8800-1, 4x CC 2800-1, CC 2500-1, LR-1300, SGC-140, over 1.500 axles, several barges, and more than 400 qualified full-time employees hailing from over 25 different nationalities.



AS THE LARGEST HEAVY-LIFT CRANE IN OUR FLEET, THE SGC-250 HAS A CAPACITY OF 250.000T/M AND IS DESIGNED FOR A MAXIMUM LOAD OF 3.000T. ITS LOAD CHARTS ARE SETTING NEW STANDARDS IN LAND-BASED HEAVY LIFT CRANES AND WILL CERTAINLY HAVE AN IMPACT ON THE FUTURE OF HEAVY LIFT PROJECTS AS BOUNDARIES CONTINUE TO SHIFT.

We know that these major projects and breakthrough innovations would not be possible without the brilliant people who work to make them happen day in and day out. This is why we put a premium on training and educating our global workforce. We have been working through the RDT's department to use e-learning as a tool for technical training and have been making use of new online functionalities within the Sarplan platform to support project operations with intelligent resource planning, asset follow-up, and more.

As in past years, we continue to perform multiple challenging projects in both vertical and horizontal transport, and these projects continue to garner special attention and media exposure due to their complexity. Notable projects in 2018 have included SGC-120 lifts at the Aberdeen Bay offshore wind farm, the Zwolle Bridge installation project, lifts and equipment rotation at a Hong Kong power plant, and countless others.

We look forward to the year ahead and to the many ways we will continue to redefine what's possible, always living up to our motto, "Nothing too heavy, nothing too high".

CARL SARENS
DIRECTOR OF TECHNICAL SOLUTIONS,
PROJECTS & ENGINEERING, SARENS
PROJECTS.



FIND OUR FINE SELECTION
OF CRANES FOR SALE ON OUR
"FOR SALE" PAGE ONLINE.

Because Sarens continuously invests in new equipment to maintain a state-of-the-art fleet, we regularly provide used equipment to interested buyers.

When you purchase Sarens equipment, you benefit from:

- Access to an enormous global fleet and equipment available all around the world
- Well-organised and safe transport options

- Help with training and rigging when required
- The ability to do business directly with the end-owner. Our trading method makes mediators obsolete

If you are interested in purchasing Sarens equipment, please contact jls@sarens.com.

OUR LARGE GLOBAL ASSET BASE MEANS WE CAN OFFER CLIENTS A WIDE RANGE OF USED EQUIPMENT.



OUR VAST FLEET AND EQUIPMENT
FOR RENT ARE AVAILABLE
PRACTICALLY EVERYWHERE
AROUND THE GLOBE.

SARENS HAS THE BIGGEST FLEET OF CRANES AND TRANSPORT TRAILERS FOR RENT ON THE MARKET.

If you have a project that requires heavy lifting, Sarens has the solution. Our cranes can quickly be deployed all over the world and are available with or without an operator and for short- or long-term durations.

Sarens will take care of everything from maintenance to certification so you can perform your heavy lifting with the best equipment, ready to go.

CUSTOMERS KNOW THEY CAN RELY ON US.

SAMOCO IS OUR TECHNICAL “PARAMEDIC”.

Samoco, a Belgian-based Sarens subsidiary, is a full-service assembly company with multidisciplinary expertise. It provides a wide range of services to companies in need of technical expertise in assembly, disassembly, maintenance and shutdowns

of factory installations and industrial equipment, as well as the mechanical maintenance and refurbishment of port and overhead cranes. Samoco has extended this range of activities with the introduction of industrial relocation services.

Flexibility and quality is what we are renowned for.

Many companies no longer have in-house technical specialists. They prefer to work with an external partner like Samoco to provide them with creative, efficient and qualitative technical solutions. Our profound customer focus, combined with a skilled, versatile and safety-conscious workforce, is what earns us customer trust. Clients appreciate our flexibility, accessibility and availability. They rely on us because they know we continue until the job is done, no matter where or when.

Our multidisciplinary employees are unique.

Versatility is our guiding principle. Throughout their Samoco career, our employees work in different industries, on different sites, performing different tasks. As a result, they are able to cover multiple disciplines. A Samoco worker who can perform both crane lifts and rigging and maintenance activities is not an exception, but, on the contrary, the standard.

Continuous training is an essential part of our success.

Skilled employees require skilled training. At Samoco, we've developed an in-house factory simulator where our employees receive both technical and safety training from experienced project leaders.

THERE IS A GOOD REASON WHY
SAMOCO'S MOTTO IS "SOLVE IT
WITH SKILL. TACKLE IT WITH PASSION".





AT SARENS, OUR LONG HISTORY AND GLOBAL EXPERIENCE IN THE NUCLEAR SEGMENT, IN NEW BUILD, AND IN MAINTENANCE AND DECOMMISSIONING HAVE LED TO SEVERAL SUCCESSES AROUND THE WORLD.

Building on our success and looking towards the future, we are hiring and training more sales people to focus on nuclear-related businesses, which we believe will be a relevant segment for us in the coming decades.

To that end, we have expanded our sales team with a pool of young talent hired fresh out of school, and these young potentials are undergoing profound training in both sales and operations to become the best sales managers in their class. We are also investing in training our existing workforce, and continue to roll out e-learning modules that were developed and implemented by our colleagues in the RDTS department. These modules are helping us centrally steer the training of sales teams across several different regions.

As 2019 approaches, we are working hard to acquire new projects and expand

our presence in all sectors globally. Because the nuclear segment is a major focus for us, we continue to invest our sales efforts in this area. Despite a slowdown in offshore wind growth in the second half of 2018, this sector is now picking up with substantial opportunities in Europe as well as Taiwan, Vietnam and USA. Finally, although EPC and Oil & Gas have not yet picked up as we expected in 2018, several major projects are still in the process of receiving, or have already received, their FID (Final Investment Decision) and we are hopeful for what the future may hold as final decisions are made.

We are excited to continue expanding our efforts across different sectors as the market evolves, and are dedicated to training our new and current sales team so that they're prepared to make the most of these opportunities as they emerge.

GERT HENDRICKX
SALES DIRECTOR



THE BEST MARKETING ALWAYS STARTS WITH A STORY.

THE BEST MARKETING ALWAYS STARTS WITH A STORY, AND AT SARENS WE ARE FORTUNATE TO HAVE MANY EXCEPTIONAL STORIES TO SHARE WITH THE WORLD, FROM HOW WE ENGINEERED THE PLANET'S MIGHTIEST CRANE TO HOW WE LIFTED BRIDGES TO NEW HEIGHTS AND HELPED BUILD A FOOTBALL STADIUM THAT WILL ONE DAY HOST THE WORLD CUP.

As a brand, we are proud to be the industry's creators and explorers, always discovering new possibilities, blazing the way forward with breathtaking solutions, and expressing our unique vision in a way that captures the world's imagination.

This year's launch of the SCG-250, the biggest crane in the world, was also the biggest gift a marketer could receive. Not only has it attracted a flurry of media attention, it has also given Sarens the opportunity to shine in new ways. In November of 2018, we hosted a special event in Ghent, Belgium to introduce this majestic new crane to the world. The event was thoroughly planned and perfected by the Marketing & Communications department, which arranged everything from the content of the presentations to the welcome reception, lunch and entertainment, and event logistics and security.

In 2018, we also launched a series of 10 special #Howwedoit videos that highlight everything from how the world's biggest crane works to how we installed the spectacular Zwolle Bridge. These videos not only tell the story of #Howwedoit, but of our commitment to educating and expanding our industry, always pushing it forward. We believe that taking the lead as educators not only elevates the Sarens brand, but our entire industry. #Howwedoit captures the incredible talent of Sarens creators and explorers worldwide, reminding us of everything we have achieved and daring us to dream of what's to come.

This year, we also collaborated with crane rental management to ensure that clients know they can count on us for all jobs, large and small. While we have a reputation as owners, operators, and builders of giant cranes, we also have a responsibility to all the clients who trust in our expertise and our

equipment for smaller projects. We worked together to communicate this to our social media audience, ensuring that our followers know all the facets of the services we offer.

We are thankful for all of the press coverage and accolades we have received this year and owe a standing ovation to all the Sarens women and men across the world who are part of our greater story. It is because of the work that you do that we have been able to publish articles on extraordinary projects that the international press has loved to re-post!

Sarens is an inspiration not only to our clients, but also to the many people around the world who follow and look forward to the stories we share. We are so fortunate to be able to highlight our achievements, insights, and incredible feats of engineering day in and day out and still not have enough time to communicate them all. What a blessing!

KLEOPATRA KYRIMI
GROUP MARKETING &
COMMUNICATIONS MANAGER

THE MISSION OF THE STRATEGY, PROJECT MANAGEMENT OFFICE (PMO) & BUSINESS ANALYSIS TEAM IS TO HELP SARENS MANAGEMENT ACHIEVE ITS STRATEGIC GOALS. WE APPLY A STRUCTURED APPROACH TO MANAGE THE PORTFOLIO OF INTERNAL IMPROVEMENT PROJECTS ALIGNED WITH THE GROUP'S STRATEGY.

Digitisation has been a cornerstone of our strategy and has allowed us to initiate, continue and realise digital improvement projects. We introduced several such initiatives in 2017 and have continued to fine-tune and implement them throughout 2018. These initiatives include our online Learning Management System (LMS), our new cloud-based CRM system, and the web-based planning tool we developed in-house, Sarplan.

In addition to these ongoing projects, this year we introduced several new initiatives:

- Our Belgian business unit began to pilot ISA (Improvement Sarens Application), a user-friendly mobile application that allows both office and

field staff to exchange data in real-time, eliminating the need for paper processing. Employees can use this tool to make observations, perform inspections, fill in checklists and act on the data in a digital way. The results of the initial pilot have been promising, and we are looking into further rollouts for 2019.

- We launched Sarplan Mobile to expand the capabilities of Sarplan. Employees can now use the Sarplan app on their Android smartphone or tablet to scan the QR stickers located on our equipment. This allows us to track equipment that does not have a black box. Each time a QR code is scanned, the equipment's position is sent directly to our central database. This is the first step in our plan to continue developing and expanding the Sarplan Mobile app in the future.

- We continued introducing tools to facilitate the day-to-day work of our engineering department. For example, our in-house team developed a CAD plug-in for AutoCAD, Inventor and Vault to make it possible to deliver more qualitative project and equipment drawings. We also started making use of SharePoint Online to instantaneously serve changes and/or additions to equipment libraries worldwide, reducing errors and improving standardisation throughout the Group.

In 2019, we will move towards greater digitisation with initiatives that empower employees worldwide to act with greater efficiency, quality, and uniformity as they serve our clients at the highest levels.

ASTRID DE WITTE
GROUP MANAGER STRATEGY,
PMO & BUSINESS ANALYSIS

WE ANALYSE, IDENTIFY, ARTICULATE, AND FACILITATE SOLUTIONS TO BUSINESS PROBLEMS AND OPPORTUNITIES.



One of our department's main priorities is translating the Sarens mission into a number of Key People Pillars that support it. These Pillars can be divided into three main areas: organisation, work experience, and effective processes and systems.

- **Organisation.** We focus on accurate workforce planning, flexible organisational design, and organisational continuity. We achieve this through strong succession planning, fed by a great talent pipeline, as well as the development of key organisational capabilities.
- **Work Experience.** We invest in strong leadership skills, well-tuned talent

programs, and various improvement initiatives that engage the entire workforce. Because of the nature of our business, it's essential for us to continue developing the technical knowledge and skills of our operational and engineering workforce, and to ensure that we have worldwide visibility of the availability of these skills at any moment in time.

- **Effective Process and Systems.** Our employees and managers expect access to effective, state-of-the-art HR solutions, and increasingly demand easy-to-use mobile tools. This is why it is so important for us to make the right decisions when selecting systems that are fit for purpose

and have a global footprint. It's also important to ensure that these systems contain accurate information at all times.

The HR organisation fully endorses these three pillars, which continue to guide our vision and our actions. For example, we have begun to limit the number of central HR functions to make sure we have sufficient and competent feet on the ground to guide our workforce as we roll out new processes and transform organisations. In this way, our HR professionals stay closely connected to the people they serve in what is an ever-changing business environment.

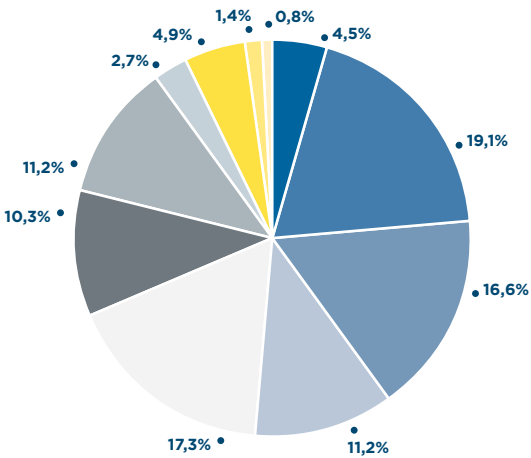
MARC DE BOOM
GROUP BUSINESS SUPPORT
DIRECTOR



FTE EVOLUTION

FTE EMPLOYED BY REGION

	2017	2018
Group Overhead	116	222
Sarens projects	263	939
Western Europe	823	814
Eastern Europe	662	550
Middle East	816	848
Asia	739	506
Northern Africa	522	549
Southern Africa	132	134
North America	146	243
Latin America	241	67
Oceania	83	40
Grand Total	4.543	4.912



**WATCH
#HOWWEDOIT
VIDEO**



TWO OF THE WORLD'S BIGGEST CRAWLER
CRANES WORKING IN TANDEM AT THE
PORT OF ROTTERDAM

**“DON’T FOLLOW THE CROWD.
LET THE CROWD FOLLOW YOU”.**

**– MARGARET THATCHER,
CIRCA 1967**



WIM SARENS
CEO

RUTGER KOUWENHOVEN
Regional Director Western Europe

CARL SARENS
Director Technical Solutions, Projects, & Engineering

JAMES SUH
*Regional Director APAC
& Africa*

LUDO VERRIJKEN
CFO

EXECUTIVE BOARD MEMBERS

The Board of Directors is composed of nine members of the Group. Supported by various advisory committees, the Board meets on a quarterly basis — in practice, it meets monthly — to discuss the operational and financial situation of the Group and to monitor the execution of the Strategic Business Plan.

LUDO SARENS

Is Chairman of the Board of Directors. He joined the company in 1979 as Head of Accounting and was later Assistant to the General Manager. He was CEO of the Group from 1987 until 2009.



HENDRIK SARENS

Joined in 1973 with the dispatch of cranes and transport at Sarens. Subsequently, he became responsible for HR, sales and heavy-lifting operations. At present, he is still active within the sales department, where he has a worldwide advisory role.



MARC SARENS

Joined the Group in 1978 in the Maintenance Department, responsible for repairs to the crane and transport fleet. In 1992, he became Maintenance Director and then Director of Fleet Management in 2002. Today, Marc has an advisory role in purchasing equipment, fleet assets and assisting the subsidiaries with specific technical issues.



CARL SARENS

Director Technical Solutions, Projects, & Engineering, joined the Group in 1995. He holds a Master's Degree in Industrial Engineering (Electromechanics) and started as Project Engineer, becoming Director of Technical Solutions in 2008. In 2011 he was appointed Group Technical Solutions and Engineering Director. He has carried out more than 100 complex projects for Sarens, in all regions of the world.



GUIDO SEGERS

Started his career at Kredietbank in 1974 as a Financial Analyst. From 1986 to 2002, he was active in the Belgian and international credit sector as Director of Risk and Compliance, Commercial Representative for small and medium-sized enterprises, and as Member of the Accounting Committee. In 2003 he joined the Executive Committee of the KBC, where, until 2009, he was responsible for corporate and market activities. Since July 2010 Guido Segers has had an Advisory Role to the Sarens Board and in May 2013 he was appointed Board Member.

HENRI VAN CANNEYT

Is Investment Manager at Waterland Private Equity in Belgium. He joined Waterland in 2009 and was responsible for investments in P. Lemmens Company, Arseus (re-named Fagron) and Ipcom. Prior to joining Waterland, he gained experience at Gilde Buy Out Partners, Subhkam Ventures (India) and Bank Degroef Petercam. He studied business engineering at Solvay Brussels School and at Darden Business School (VA, USA).

CEDRIC VAN CAUWENBERGHE

Is Managing Partner at Waterland Private Equity in Belgium. Prior to joining Waterland, Cedric was Investment Director at Rendex Partners, head of business development at ChemResult, and co-founder/CFO of FastBidder. He started his career as management consultant with Roland Berger Strategy Consultants for their Brussels, Frankfurt and Barcelona offices and studied business engineering at Solvay Brussels School.

NON-EXECUTIVE BOARD MEMBERS

ALAIN BERNARD

Alain Bernard trajectory with DEME-group dates back to 1980 when he began working as Project Engineer and evolved to Project Manager and Area Director. From 2006 to 2018, he was Chief Executive Officer. Today, he is Director within the Board of Directors of the DEME-group and Chairman of the Board of Directors of both DEME Concessions NV and Global Sea Mineral Resources NV. He holds various directorships outside the DEME-group (Flanders Investment & Trade and AQUAFIN).

LUC STERCKX

Luc Sterckx holds a MSc and a PhD in Chemical Engineering, as well as a post-graduate in Business Administration and several other training certificates. He is equally a certified International Director from Insead. He started his career with several years at Exxon, then became the start-up CEO of Indaver before joining for a decade the executive committee of PetroFina (now Total) in which capacity he served as Managing Director of Fina Holding Deutschland and as Group Senior Vice President for all HSEQ matters worldwide. As the CEO he completed subsequently the MBO of Oleon and held after that the position of CEO of Luminus, the second largest power & gas company in Belgium. He is actually an active Board member/president and company consultant in well over a dozen of companies. He has sat on over 25 different Boards of Directors of various nature, structure and origin – including listed companies, international boards, federations and charity work and this over a period of more than 30 years. He is a part-time Professor at the KULeuven and an expert on internal governance. He is a member of the Audit Committee Institute and a Fellow of the International Academy of Management.

NOMINATION AND
REMUNERATION COMMITTEE

The Charter of the Nomination and Remuneration Committee was formally approved during the meeting of the Board of Directors on 30 April 2014. The members of the Committee are Hendrik Sarens, Guido Segers, Cedric Van Cauwenberghe and MTJA Bvba (Luc Sterkx).

The Nomination and Remuneration Committee advises the Board of Directors on the following matters:

- Proposing and supervising the nomination procedures for Board Members and Senior Managemen
- Proposing adequate rewards and benefits packages for Senior Management and compensation for Board Members
- Advising the Board about the yearly assessment of Senior Managers and proposed bonus packages

AUDIT COMMITTEE

The Audit Committee, as enacted in the Corporate Governance Charter of the Audit Committee of 30 April 2014, has four board members and the Chief Financial Officer. The Chief Executive, the Internal Audit Manager and the Statutory Auditor may be invited to attend meetings of the Audit Committee. The Audit Committee assists the Board of Directors in fulfilling its supervisory duty with a view to control in the broadest sense. This entails advising on internal financial reporting, monitoring the effectiveness of the Group's internal control and risk management, advising on the internal audit and its effectiveness, monitoring the statutory audit of the financial statements and annual reports of the Group, and assessing and monitoring the independence of the Statutory Auditor.

GERT HENDRICKX

With a Master's in Industrial Engineering, an MBA, and a post-academic degree in Marketing Management, Gert has over 20 years of professional experience leading organisations like OTIS. He began as Key Account Manager in 2003 and was progressively promoted to Sarens Projects Sales Director, including a four-year Regional Director role in Australia. He has successfully led sales strategies while heading major joint ventures, acquisitions, and the setup of new offices globally.



WIM SARENS

CEO, is a Belgian national. After his studies in Electronic Engineering and Business Economics at the University of Leuven, he joined the consultancy firm McKinsey in 2003. In 2006, he completed an MBA at INSEAD and continued his career as Associate Management Consultant at McKinsey until 2008. In the same year he became Head of Business Development at Sarens and in 2009, he was appointed CEO of Sarens Group.



LUDO VERRIJKEN

Chief Financial Officer, joined the company in 1988. He holds a BA in Accounting from Thomas More University College and a postgraduate in Corporate Finance from the University of Louvain. In 2008, he formed the treasury function at Sarens, focusing on cash management and corporate finance. He was appointed CFO in January 2017.



GROUP DIRECTORS

Group Directors lead various business units across the Group and manage Human Resources, our Fleet, Purchasing, ICT, and SHEQ matters. They report to the Executive Committee and the Executive Board.



GUY FREDERICKX

Group Fleet Director, is a Belgian national who joined Sarens in 2008 as Director of Fleet Services. After completing his Master's in Industrial Engineering in 1982, Guy joined Sundstrand International as Service and Sales Manager. In 2001, he became Global Account Manager at Asea Brown Boveri. In 2007, he became Director of Oil and Gas at Egemin, before joining Sarens.



JAMES SUH

James was born in South Korea and studied in the USA. After positions at PepsiCo Inc., Suntory Inc., and Site Operation Service, he joined Sarens in 1997. He is now Regional Director APAC & Africa.



RUTGER KOUWENHOVEN

Rutger is a Dutch national who started his career in the transport and heavy-lifting industry with Smit. In 2006, he made the move to Sarens, first as a Commercial Manager for Sarens Netherlands, and later as Country Manager. Since 2012, Rutger has been a Regional Director with responsibility for Western Europe.

EXECUTIVE COMMITTEE

Sarens is managed through the combination of an Executive Committee and a team of Regional Directors. The Executive Committee controls all operational and financial aspects of the Group and meets monthly.

MALIK MASROOR

Malik was born in India, where he received his BA and MA Degrees in Political Science and a Postgraduate Degree in Management. He worked for British Transport Corp., Patel Group of Companies, and Al Suwaidi before joining Sarens Nass Middle East and becoming Regional Director for the Middle East.



GRANT MITCHELL

Grant is a British national with over 40 years' experience in the crane rental and heavy lifting industry. In 2009, he joined Sarens as Sales Director in the UK and was promoted to Country Manager in 2013. Since May 2018, Grant has been Regional Director of North America.



JOLANTA MIRKOWICZ

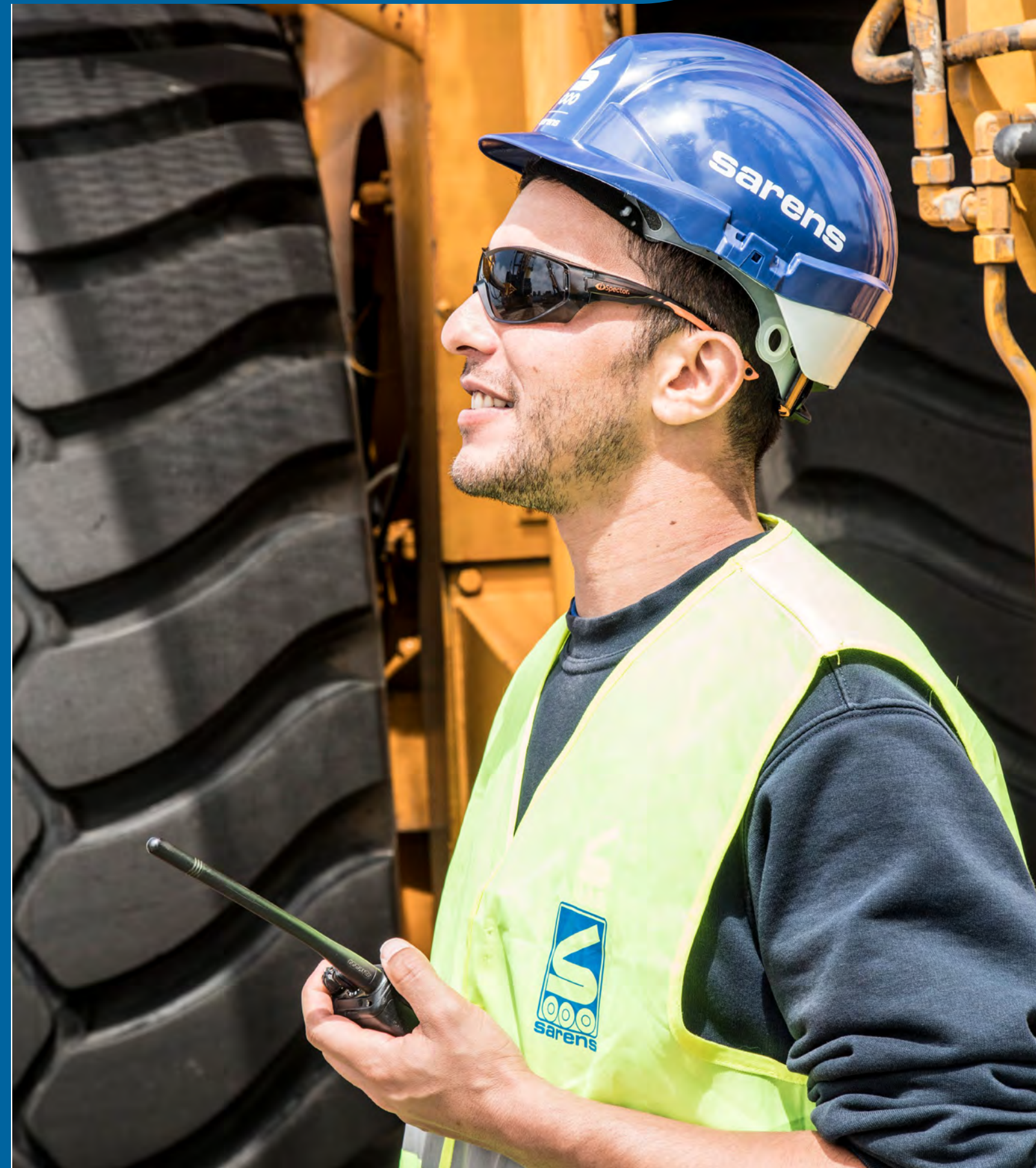
Jolanta is a Polish national and holds a Master's Degree in Engineering. She started her career as a purchasing manager before creating her own business. In 1997, she became Director of Sarens Polska and since 2011 she has been Regional Director for Eastern Europe.



STATUTORY AUDITOR

Sarens Bestuur NV's annual accounts are audited by KPMG Bedrijfsrevisoren, 24d Prins Boudewijnlaan, 2550 Kontich, Belgium, represented by Filip De Bock. The statutory auditor was appointed by the General Meeting of Shareholders for a period of four years, ending with the presentation of its report to the Annual General Meeting for the financial year ending 31 December 2019.

FINANCIAL REPORT 2018



2018 FINANCIAL RESULTS HAVE STARTED
TO REFLECT THE BENEFICIAL IMPACT
OF OUR RESTRUCTURING EFFORTS.

INCOME STATEMENT

Despite challenging market conditions, Sarens' operating income increased by 2.6% from €634.8 million in 2017 to €651.5 million in 2018.

The revenue growth mainly resulted from the further ramp-up of the TCO project in Kazakhstan. However, this was partly counter-balanced by weaker performance in Western Europe, Africa and Oceania, and perpetuated project delays in the worldwide oil, gas, and mining industries.

Our Own Turnover (defined as, Turnover minus Subcontracting) increased from €410.4 million in 2017 to €439.2 million in 2018 as the company started deploying more of its own equipment on the project in Kazakhstan.

The reported EBITDA amounted to €127.2 million in 2018, compared to €116.8 million in 2017, an increase of about 8.9%, on the back of close cost control.

The increase in the operating charges mainly relates to the ramp-up of the TCO Project, which will be at its peak in 2019 and 2020.

Depreciation increased from €84.9 million in 2017 to €92.3 million in 2018 as a result of expansion capex during the last two years.

The Earnings Before Interest and Taxes (EBIT) improved from 25.6 million in 2017 to €30.3 million in 2018.

The Net Financial Result was significantly impacted by unfavorable short-term currency fluctuations, both realized and unrealized, of €12.6 million.

The net Extraordinary result mainly relates to additional depreciation charges resulting from the updated valuation rules (€19.2 million).

Income tax expenses decreased to €2.8 million, mainly as a result of the

adjustments of the deferred taxes.

The net result of the company over the last three years has been significantly impacted by:

- the costs related to the restructuring of some regions (LATAM, SAFR, AU in 2016-2017);
- FX results (to a large extend non-realized translation through P&L); and
- the underperformance on a few wind farm projects in Oceania.

BALANCE SHEET

The balance sheet was highly impacted by the front loaded capex of a few projects that have not fully contributed to the results in 2018, which explains the increase of the financial liabilities and the high leverage of the company.

The Current Liabilities are impacted by some capex suppliers payable at 1 year, and some advances on contracts that will be consumed over the duration of the underlying contracts.

Taking into account the duration of these liabilities, the current ratio is $\pm 1.0x$.

At the start of 2019, the company has successfully amended and extended its global facilities agreement with its relationship bankers which resulted in an increase of the facility amount and improved headroom on financial covenants, which embed a strong commitment of the company to deleverage.

CASH FLOW STATEMENT

The cash flow statement demonstrates a continuous improvement of the cash flow from the operating activities from €109.1 million in 2016 to €115.2 million in 2017 and €115.0 million in 2018.

The company has continued to expand its fleet resulting in capital expenditures of €61.8 million in 2016, €119.4 million in 2017 and €150.7 million in 2018.

The capex of the last two years was exceptionally high as a result of expansion capex. The capital expenditures for the coming years are expected to be significantly lower, which will put the company in a position to generate positive free cash flows in view of deleveraging the balance sheet.

Despite the important capital expenditures of the last two years, the additional cash from financing activities remained relatively modest.

The company maintained a healthy cash balance of €39.7 million at the end of 2018.

LUDO VERRIJKEN
CHIEF FINANCIAL OFFICER



**“ENGINEERING IS A
CREATIVE PRACTICE”.**

- CORY ARCANGEL, CIRCA 2010

1. CONSOLIDATED BALANCE SHEET

Thousands EUR	2018	2017	2016
FIXED ASSETS			
Goodwill and intangible fixed assets	13.189	13.762	18.898
Positive consolidation differences	839	1.556	2.545
Tangible fixed assets	1.058.917	1.016.978	856.892
Financial fixed assets	4.417	3.897	4.999
Total fixed assets	1.077.362	1.036.193	883.334
CURRENT ASSETS			
Other amounts receivable after more than 1 year	8.998	4.237	6.493
Stocks and contracts in progress	20.840	19.126	19.607
Trade debtors	182.886	177.596	162.759
Other amounts receivable within 1 year	37.121	36.105	43.108
Cash and cash equivalents	39.691	60.656	70.073
Deferred charges and accrued income	8.484	5.624	10.592
Total current assets	298.020	303.344	312.632
Total assets	1.375.382	1.339.537	1.195.966

Thousands EUR	2018	2017	2016
EQUITY			
Share capital	80.000	80.000	80.000
Changes in revaluation surplus	5.307	6.722	7.135
Retained earnings	125.325	166.596	114.540
Consolidation badwill	2.151	2.151	2.151
Currency translation reserve	18.897	14.073	4.547
Total equity	231.680	269.542	208.373
Minority interests	7.554	4.794	4.674
PROVISIONS AND DEFERRED TAXES			
Provisions for liabilities and charges	5.341	14.230	17.207
Deferred taxes	92.355	99.214	106.289
Total provisions and deferred taxes	97.696	113.444	123.496
AMOUNTS PAYABLE OVER 1 YEAR			
Bonds	250.000	250.000	250.000
Leasing and other similar obligations	243.521	164.427	186.115
Credit institutions	160.274	163.968	127.761
Other loans	0	0	1.796
Advances received on contracts in progress	22.500	0	0
Total financial debts	676.295	578.395	565.672
AMOUNTS PAYABLE WITHIN 1 YEAR			
Financial debts - credit institutions	112.321	136.016	111.593
Bonds	0	0	0
Trade debts	173.006	130.838	86.831
Other amounts payable	39.379	43.647	36.839
Advances received on contracts in progress	23.255	52.481	45.781
Accruals and deferred income	14.196	10.380	12.707
Total current liabilities	362.157	373.362	293.751
Total liabilities	1.375.382	1.339.537	1.195.966

2. CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Thousands EUR	2018	2017	2016
Turnover	594.693	601.974	554.774
Stocks of finished goods and contracts in progress	-1.558	-4.037	6.328
Own work capitalised	46.908	26.978	6.067
Other operating income	11.483	9.928	16.920
Total operating income	651.526	634.843	584.089
Raw materials and consumables	-89.345	-54.182	-40.010
Services and other goods	-248.705	-278.235	-239.697
Renumeration, social security costs and pensions	-179.078	-175.811	-169.233
Depreciations and amounts written off on fixed assets	-92.348	-84.948	-98.032
Amounts written off stocks, contracts in progress and trade debtors	-8.217	-8.004	-1.919
Provisions for liabilities and charges	3.682	1.802	-2.996
Other operating charges	-7.187	-9.825	-6.632
Total operating charges	-621.198	-609.203	-558.519
Operating profit (EBIT)	30.328	25.640	25.570
Income from financial fixed assets	0	4	0
Income from current assets	3.779	4.127	3.872
Other financial income	52.955	54.364	45.278
Financial income	56.734	58.495	49.150
Debt charges	-33.718	-34.000	-34.690
Other financial charges	-68.642	-86.692	-41.686
Financial charges	-102.360	-120.692	-76.376
Profit on ordinary activities before taxes	-15.298	-36.557	-1.656
Non-recurring operating income	4.011	124.666	478
Non-recurring operating charges	-25.592	-14.305	-11.643
Non-recurring financial income	928	0	0
Non-recurring financial charges	-1.154	-10.033	0
Profit for the period before taxes	-37.105	63.771	-12.821
Transfer to/from deferred taxes	7.042	6.594	-11.956
Income taxes	-9.879	-17.587	-6.618
Income tax expenses	-2.837	-10.993	-18.574
Profit of the period	-39.942	52.778	-31.395
Share in result of the companies using the equity method	353	252	176
Consolidated net result for the period	-39.589	53.030	-31.219
Share of the group	-42.505	51.967	-31.494
Share of third parties	2.916	1.063	275

3. CONSOLIDATED CASH FLOW STATEMENT

Thousands EUR	2018	2017	2016
Operating profit	30.328	25.640	25.570
Depreciation, amortisation and impairment	92.348	84.948	98.032
Write-offs on inventories and trade debtors	8.217	8.004	1.919
Provisions for liabilities and charges	-3.682	-1.802	2.996
EBITDA	127.211	116.790	128.517
Net result from disposals	-5.141	-1.117	-9.978
Non-cash adjustments	0	0	0
Changes in working capital	2.839	11.167	881
Income tax paid	-9.879	-11.658	-10.279
Cash flow from operating activities	115.030	115.182	109.141
Net investments in intangible fixed assets	-939	0	-2.432
Net investments in tangible fixed assets	-149.550	-119.414	-56.684
Net investments in financial fixed assets	-166	0	-2.661
Cash flow from investing activities	-150.655	-119.414	-61.777
Net cash used in extraordinary activities	-6.244	-12.358	-11.165
Consolidated free cash flow	-41.869	-16.590	36.199
Capital increase	0	0	0
Financial results	-30.800	-29.974	-26.993
Debt issuance costs	0	0	-4.298
Net debt movements	51.704	37.147	-15.399
Cash flow from financing activities	20.904	7.173	-46.690
Net change in cash and cash equivalents	-20.965	-9.417	-10.491
Cash and cash equivalents at the beginning of the year	60.656	70.073	80.564
Cash and cash equivalents at the end of the year	39.691	60.656	70.073

64	64	64
GENERAL	BASIS OF PREPARATION	BASIS OF CONSOLIDATION
65	76	77
ACCOUNTING POLICIES	TURNOVER BY SEGMENT	GOODWILL AND INTANGIBLE FIXED ASSETS
78	80	80
TANGIBLE FIXED ASSETS	FINANCIAL FIXED ASSETS	STOCKS AND CONTRACTS IN PROGRESS
81	81	82
TRADE AND OTHER RECEIVABLES	PROVISIONS FOR LIABILITIES AND CHARGES	STATEMENT OF CHANGES IN EQUITY
83	83	85
FINANCIAL DEBTS	TRADE AND OTHER PAYABLES	RISKS, UNCERTAINTIES AND CONTINGENCIES
85	85	85
FINANCIAL INSTRUMENTS	FINANCE AND LEASE AGREEMENTS	COMMITMENTS
86		
EVENTS AFTER BALANCE SHEET DATE		

1. GENERAL

Sarens Bestuur NV is a company with limited liability incorporated under Belgian Law. The company has its registered offices at Autoweg 10, 1861 Meise/Wolvertem and was incorporated on the 10th of November 1993 with registration number 0451.416.125. The company's share capital is 80.000.000 EUR, represented by 12.244 shares.

The company's financial year begins on January the 1st and ends on December the 31st of each year.

Sarens Bestuur NV is the ultimate parent company of the Sarens Group and the consolidating entity.

2. BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with Belgian Generally Accepted Accounting Principles (BGAAP) and the specifications of Chapter III, Title II of the Royal Decree of the 30th January 2001 with respect to the consolidated accounts of the trading companies.

The consolidated financial statements are presented in thousand EUR, which is the company's functional and presentation currency.

According to Belgian Generally Accepted Accounting Principles (BGAAP), the historical cost principle is applied as measurement basis.

Unless explicitly stated, the accounting policies are applied consistently from year to year.

The consolidated companies themselves undertake the necessary consolidation revisions, applying the valuation rules of the Group and ensuring they are consistent with accounting regulations applicable in Belgium.

The following adjustments were primarily undertaken for this purpose: recalculation of depreciation as a result of the expected economic lifespan of assets; inclusion of off-balance leasing agreements; and inclusion of off-balance employee benefit-related obligations.

3. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial data of the company and its subsidiaries, jointly controlled entities, and associates.

a. Subsidiaries

Subsidiaries are all entities over which the company has the power, directly or indirectly, to govern the financial and operating policies so as to obtain a benefit, generally implying 50% + 1 of the voting rights. Subsidiary financial statements are included in the consolidated financial statements from the date the Group acquires control to the date control ceases. Subsidiaries are consolidated by use of the full consolidation method.

Intercompany transactions, balances, and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless such losses are lasting.

b. Investments in jointly controlled entities

Jointly controlled entities are all those over which the company has, directly or indirectly, joint control. This means that strategic, financial, and operating decisions relating to its activities require the unanimous consent of the parties sharing control. The proportionate consolidation method is applied to all jointly controlled entities. This method combines, line by line, the company's share of each of the jointly controlled entity's assets, liabilities, income, and expenses with similar items in the company's consolidated financial statements.

Intercompany transactions, balances, and unrealized gains on transactions between the jointly controlled entity and other group entities are eliminated to the extent of the interests held by the group. Unrealized losses are also eliminated unless such losses are permanent.

c. Investments in associates

Associates are all entities over which the company has, directly or indirectly, a significant influence and which are neither subsidiaries nor jointly controlled entities. This is presumed if the company holds at least 20% of the voting rights. Associates are consolidated by application of the equity method. The equity method is a method whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the group's share of the net assets of the associate.

4. ACCOUNTING POLICIES

a. General

The accounting information disclosed in the consolidated financial statements of Sarens Bestuur NV provides a true and fair view of its statement of financial position and income statement, in conformity with BGAAP. However, financial statements do not provide all the information that users may need to make economic decisions since they represent the financial effects of past events and do not necessarily present non-financial information.

Assets are recognized in the statement of financial position when it is considered sufficiently certain that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Liabilities are recognized in the statement of financial position when it is probable that the settlement of the liability will result in an outflow of resources embodying economic benefits, and the amount at which the settlement will take place can be measured reliably. In both circumstances probably means more likely than not.

Income is recognized in the income statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably. Expenses are recognized in the income statement when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

If a transaction results in the termination of future economic benefits or when all risks relating to an asset or a liability are transferred to a third party, the asset or liability is derecognized in the statement of financial position.

b. Use of estimates

The principle of substance over form is applied, whereby the ultimate goal is to include all details which are of any importance to forming an opinion on the assets, the financial position, and the results of the company.

During the period of the financial statements, management is required to form judgments, assumptions, and estimates, about the carrying amounts of assets and liabilities. The judgments, estimates and assumptions are reviewed on an on-going basis. Changes in estimates, are recognized in the period in which the revision is made and in future periods for which the revision has consequences. However, the resulting estimates will not always be equal to the actual results.

c. Foreign currencies

c.i. Foreign currency translation

Each entity of the Group reports in its own functional currency which is the currency, of the primary economic environment in which the entity operates. If a foreign operation reports in a functional currency different from the Group's reporting currency, the financial statements of the foreign operation are translated as follows:

- Assets and liabilities are translated at the closing exchange rate published by the European Central Bank;
- Income and expenses are translated at the average exchange rate for the year;
- Shareholder's equity and its components, consolidation goodwill, and participations are translated at the historical exchange rate.

The resulting translation adjustments are recorded in shareholder's equity under the caption "Translation Differences". When a foreign operation is partially disposed of or

sold, exchange differences that were recorded under the caption "currency translation reserve" are recognized in the income statement as part of the gain or loss on sale.

c.ii. Foreign currency transactions

Foreign currency transactions are recognized during the period in the functional currency of each entity at the exchange rate applicable at the date of the transaction. The transaction date is the date at which the transaction first qualifies for recognition.

Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets (see above) are recognized in the income statement as a financial result.

From 2013 onwards, the Group presents unrealized exchange differences on intercompany loans of a permanent nature and for which the group has the intention to incorporate in the capital of the subsidiary (quasi-equity), no longer as a financial result but directly under the heading "currency translation reserve" in equity. The accumulated effect of this rule amounts to -10,1 million EUR per December 2018 and is recorded within the currency translation reserve. All relevant capital increases have been executed. The decrease of this amount compared to 2017 is explained by the cancellation of the unrealized exchange differences for Mexico.

Non-monetary assets and liabilities which are carried in terms of historical cost denominated in a foreign currency are measured using the exchange rate at the date of the transaction.

d. Consolidation differences

d.i. Negative consolidation differences (liabilities)/badwill

The negative difference between the

purchase price of a new participating interest and the net book value of the net assets obtained upon the acquisition (the negative price when it comes to the acquisition of shares) is included under this heading.

The initial consolidation differences with respect to existing participating interests are compensated as long as a negative balance remains for the liabilities on the balance sheet.

The negative consolidation differences in the consolidated annual accounts amount to 2,15 million EUR.

d.ii. Positive consolidation differences/goodwill

The positive difference between the purchase price of a new participating interest and the net book value of the net assets obtained upon the acquisition (the additional price when it comes to the acquisition of shares) is included under this heading.

The positive consolidation differences are amortized on a straight-line basis over a period of 5 years. Positive consolidation differences are subject to impairment if economic conditions or technological developments have a negative impact on the entity's future business.

e. Formation expenses

Formation expenses are recorded at cost and depreciated at 100%.

Specific transaction-related costs on debt issuance are capitalized at cost and depreciated on a straight-line basis over the period of the loan agreement.

f. Intangible fixed assets

Intangible fixed assets comprise research and development costs, patents, and other similar rights as well as customer lists and other intangible commercial assets such as brand names.

Intangible assets are recognized if and only if:

- the asset is identifiable;
- the Group has control over the asset;
- it is probable that future economic benefits attributable to the asset will flow to the entity and;
- the cost of the asset can be measured reliably.

Intangible assets are initially measured at their purchase price, including any import duties and non-refundable purchase taxes and any directly-attributable expenditure related to preparing the assets for their intended use.

The cost of intangible assets acquired through a business combination is the fair value of the acquired asset on the acquisition date. Internally-generated intangible assets are measured as the sum of expenditures incurred from the date when the intangible assets meet the recognition criteria.

After initial recognition, an intangible asset is carried at its costs less any accumulated amortization and impairment loss.

Intangible assets are amortized over their useful estimated economic life using a straight-line method.

The Group has determined the following annual depreciation rates for intangible assets:

- Research and development costs: 20%
- Concessions, patents, and other similar rights: 20% - 33,33%
- Customer lists and other intangible commercial assets: 20%

An impairment loss will be recorded if the carrying amount, of the intangible asset exceeds its recoverable amount which is the higher of its value in use or its sales value.

g. Property, plant and equipment

Property, plant, and equipment are recognized if and only if:

- the Group has control over the asset;
- it is probable that future economic benefits associated with the asset will flow to the entity;
- the cost of the item can be measured reliably.

Property, plant, and equipment are recognized initially at cost. Cost is defined as the amount of cash or cash equivalents paid, or the fair value of the consideration given, to acquire an asset at the time of its acquisition or construction.

Costs include all expenditures directly-attributable to bringing the asset to the location and condition necessary for its intended use (e.g. import duties and non-refundable purchase taxes, directly-attributable costs of bringing assets to the location, etc.)

Costs incurred to significantly upgrade the property, plant, and equipment or to extend their lifetime shall be capitalised up to the maximum market value and written off over the remaining lifetime of the asset.

Any costs in excess of market value of the equipment shall be expensed.

The cost of property, plant, and equipment with a limited useful life is reduced to its estimated residual value by the systematic allocation of depreciation over the asset's useful life.

Amortisation is applied on the grounds of linear economic percentages, calculated based on depreciation duration, and taking into account residual value.

In light of the change in depreciation rules for the tangible fixed assets that was done in 2017, an amount of 19,2 million EUR was recorded for additional depreciations under the non-recurring operating charges.

The depreciation rules are determined as follows:

	New amortised period	New residual value
Industrial buildings	10 years	0%
Barges	20 years	20%
Office buildings	33 years	0%
Plant, machinery, and equipment	5 years	0%
Furniture	5 – 10 years	0%
Vehicles		
- Mobile cranes and other cranes up to 199 tons	10 years	10%
- Mobile cranes and other cranes of 200 tons or more	12 years	20%
- Lattice boom cranes up to 199 tons	15 years	20%
- Lattice boom cranes of 200 tons or more	20 years	20%
- Hydraulic trailers	20 years	20%
- Other vehicles	5 years	5%
Leasing and similar rights	According to category	
Other tangible assets	5 years	0%

Assets held under finance lease are depreciated on the same basis as owned assets.

An impairment loss will be recorded if the carrying amount, of the tangible asset exceeds its recoverable amount which is the higher of its value in use or its sales value.

Gains and losses on disposal of equipment used in the ordinary course of business are included in operating results, whereas all other gains and losses on disposal are included in non-recurring operating results.

Additional expenses are debited against the same percentage as the principal sum.

All gains arising from an internal Group transaction in 2009 were eliminated. Losses arising from internal Group sales are eliminated and the value of the corresponding fixed asset is impaired. As from 2015 onwards the gains and losses arising from internal group transactions on fixed assets are no longer fully eliminated for gains and losses arising from transactions with entities which are included in the consolidation using the proportionate consolidation method or the full consolidation method with the application of minority interests. The gains and losses are included in the result of the year according to the applicable interest of the group on those entities.

h. Hoisting equipment

The purchase of hoisting equipment was expensed until the 31st of December, 2012.

In 2013, Sarens' ERP system was adapted to keep track of hoisting equipment and to improve related cost allocations for projects where it was being used, ensuring better cost control. Since the economic lifetime of this equipment is an average of 5 years, and the equipment is effectively being used over a period greater than one year, the purchase of new hoisting equipment is capitalised as "Plant, machinery, and equipment" and depreciated over a period of 5 years with a residual value of 0%.

i. Leasing

Rights-of-use on goods are classified as finance leases when the following conditions are met:

- The contractual agreed lease terms, increased by the amount to be paid upon exercising the purchase option, in addition to the interest and the costs of the transaction, should recover the full capital invested by the lessor;
- The amount of the purchase option may not exceed 15% of the invested capital;
- The agreement must stipulate the transfer of ownership and the purchase option.

The Group has rights-of-use only on movable assets.

Rights-of-use on movable assets under which substantially all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense.

j. Financial fixed assets

The Group classifies its financial assets into the following categories:

- investments in associates;
- participating interests in other entities;
- other financial fixed assets.

j.i. Investments in associates

Associates are all entities over which the Group has significant influence but no control over strategic, financial, and operating policies. This is presumed if the company holds at least 20% of the voting power. Investments in associates are accounted for using the equity method.

If the Group's share of associate losses equals or exceeds its interests, the Group will discontinue recognizing its share of further losses. After the Group's interest is reduced to nil, the Group recognizes a liability in cases where the Group incurred legal or constructive obligations or made payments on behalf of the associate.

The group's share in the yearly profit or loss of the associate is included in the income statement under the caption "share of results in associates".

j.ii. Participating interest in other entities

Participating interest in other entities refers to all entities over which the Group has no significant influence but with which it wants to hold or build a long-term relationship.

Participating interest in other entities are initially recorded at acquisition cost and are subsequently measured at the lowest of their acquisition value or fair value, which is the amount at which the interest could be bought or sold in a transaction between knowledgeable and willing parties in an arm's length transaction.

j.iii. Other financial assets

Other financial assets comprise mainly long-term paid guarantees. Other financial assets are measured at their nominal value. The Group does not discount any interest-free, long-term receivables included in other financial assets.

k. Inventories

The Group classifies its inventories into the following categories:

- raw materials and consumables, including tires, spare parts, fuel, consumables, and tools;
- goods purchased for resale, including all assets purchased with intent to resell;
- contracts in progress.

k.i. Raw materials, consumables and goods purchased

Raw materials, consumables, and goods purchased for resale are measured at the lower of cost of purchase, and net realizable value. Cost of purchase is based on the FIFO method, assuming that the goods purchased first are sold first. If the net realizable value is lower than the cost of purchase the Group immediately writes off the excess in profit or loss.

k.ii. Contracts in progress

Because of the nature of activities in which the group is involved, the date at which the contract activity is started and the date at which the activity is completed usually falls in a different accounting period. The Group uses the percentage of completion method in order to allocate contract revenue and contract costs to the accounting period in which the work is performed.

Therefore, the Group recognizes in inventories a gross amount, for all contracts in progress for which costs incurred plus recognized profits (or less recognized losses) exceed the progress billing. In case the estimated project outcome shows a loss, the Group recognizes a provision for the estimated future loss exceeding the project revenue.

l. Trade receivables

Trade receivables are measured at nominal value, less the appropriate impairments for amounts regarded as unrecoverable. At each reporting date

the Group assess whether there are indications that a trade receivable should be impaired. A trade receivable is impaired if it is probable that the entity will not, or will only partially, collect the amounts due.

m. Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

n. Prepayments and accrued income

The accrued income and deferred charges are reported pro rata temporis on the balance sheet date, based on the facts known.

o. Investment grants

Investment grants are reported after deduction of deferred taxes, which are included under the caption "Provisions and deferred taxes".

p. Revaluation surplus

Until 2008, gains realised on the sale of tangible fixed assets within the Group were not eliminated because these transactions took place at arm's length. The gains realized through these transactions were eliminated from the result of the year and reported as a revaluation surplus (included in equity). Despite the fact that these gains are taxed in the statutory accounts of the subsidiaries involved, no deferred tax asset was accounted for. At the moment fixed asset items are sold to a third party, the revaluation surplus will be released through the income statement.

As from 2009 all gains realized on the sale of tangible fixed assets have been eliminated on the income statement.

q. Amounts payable

These liabilities are valued at nominal value.

r. Accrued charges and deferred income

The accrued charges and deferred income are reported pro rata on the balance sheet date, based on the facts known.

s. Non-controlling interests

Non-controlling interests represent the

share of minority shareholders in the equity of subsidiaries that are not fully owned by the Group. Non-controlling interests are initially measured at the non-controlling shareholders proportion in the net assets of the acquired subsidiary. Subsequently, they are adjusted by the appropriate non-controlling interest share of profits or losses.

Minority interests represent the portion of the equity of the consolidated company that does not belong to the Group, but to third party shareholders. In case of losses, the loss assigned to the minority shareholder is limited to the initial contribution of the minority shareholder.

t. Provisions

Provisions are systematically created on the basis of the principles of prudence, honesty, and good faith.

Provisions are recognized when and only when:

- the Group has a current legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the best estimate of the minimum expenditure required to settle the present obligation.

u. Deferred taxes

Deferred taxes are the amount of income tax recoverable or payable in future periods with respect to:

- deductible or taxable temporary differences;
- the carry-forward of unused tax losses; and
- the carry-forward of unused tax credits.

The Group recognizes only deferred tax liabilities in accordance with the prudence principle from BGAAP.

Deferred tax assets and liabilities are measured at the tax rate the Group's company is subject to.

If a Group's company has deferred tax assets and deferred tax liabilities, it

offsets the deferred tax assets to the extent of the deferred tax liabilities and derecognizes any remaining deferred tax asset.

v. Pensions

The Group has various post-employment benefits schemes in accordance with the practices of the countries in which it operates.

v.i. Defined contribution plans

The majority of the Group's pension plans are defined contribution plans whereby the Group pays fixed contributions to a separate fund (e.g. insurance fund). Obligations with respect to fund contributions are recognized as an expense in the income statement as they fall due.

Supplementary pension plans in Belgium should legally guarantee a minimum return to the employee and hence are accounted for as defined contribution plans since the minimum legally required return is sufficiently guaranteed by the insurance company.

v.ii. Defined benefit plans

In case of early retirement the Group records a provision for the expected cost of early retirement. The expected cost is measured as the sum of the possible future payments the Group has to make in order to comply with local legislation. The provision for early retirement is not based on actuarial calculations.

w. Recognition of income

If the outcome of a project can be estimated reliably, the operating income from such a project is recognized using the percentage of completion method. Progress is measured for each contract on the proportion of the expected total cost for the contract incurred to date, excluding cost of subcontracted work. An expected loss on a project is recognized immediately in the income statement. Crane rental income is recognized over the rental period. Profits on trading of equipment and profits on sale of fixed assets are accounted for at the time of transfer of economic ownership.

x. Non-recurring operating charges

In 2015, the Board of Directors further defined the elements to be included under non-recurring operating charges. Expenses incurred for activities that are not related to the ordinary course of business are classified under the heading "other non-recurring operating charges".

Expenses to which this classification applies are (non-limitative list):

- expenses related to the close down of business units, yards, or other locations;
- expenses that are non-recurring by nature, such as settlements paid to non business-related disputes outside the normal course of business, etc.
- redundancy fees related to major downsizing of activities or closing down of departments. This does not include redundancy fees related to non-performance;
- costs of acquiring new entities;
- costs related to the strategic reallocation of cranes within the Group;
- etc.

In 2018 the non-recurring operating charges amount to 25,6 million EUR, of which 19,2 million was recorded as additional depreciation under this topic. In 2017 non-recurring operating charges amounted to 14,3 million EUR.

The non-recurring operating income amounted to 124,7 million in 2017. The vast majority of this amount, i.e. 122,6 million EUR, was attributable to the write-back of depreciations from the past as a result of the changed depreciation rules for tangible fixed assets.

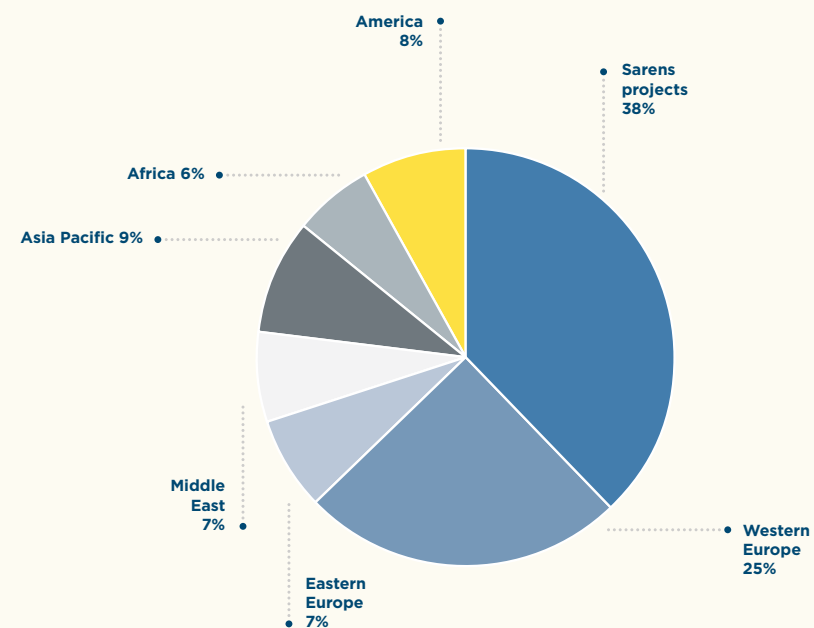
Sarens Entity	Country of Incorporation	% of Ownership in 2018	% of Ownership in 2017	Consolidation Method
ALGERIA FACILITY LOGISTICS AND TRANSPORT	ALGERIA	25	25	E
SARL ALGERIA FACILITY LOGISTICS & TRANSIT	ALGERIA	27	27	E
EOLE OVERSEAS NV	BELGIUM	33	33	E
TAGI LOGISTICS	VIETNAM	49	49	E
PT SARENS HEAVY LIFTING AND TRANSPORTATION INDONESIA	INDONESIA	49	49	E
ESCAPE OVERSEAS LTD.	BANGLADESH	49	49	E
SARENS SIBA (PTY) LTD	SOUTH AFRICA	49	49	E
SARENS FLEET AND RENTAL SERVICES NV	BELGIUM	100	0	G
SARENS PROJECTS NV	BELGIUM	100	0	G
SARENS BANGLADESH PRIVATE LTD	BANGLADESH	100	0	G
SARENS SPAIN SL BRANCH	DOMINICAN REPUBLIC	100	0	G
SARENS ALGERIE S.A.R.L.	ALGERIA	60	60	G
PT SARENS HEAVY EQUIPMENT RENTAL INDONESIA	INDONESIA	67	67	G
SARENS CONGO SARL	CONGO	70	70	G
SARENS COTE D'IVOIRE SARL	IVORY COAST	70	70	G
SARENS TUNISIE SARL	TUNISIA	70	70	G
SARENS JWS (M) SDN. BHD.	MALAYSIA	75	75	G
U.E.S. LOGISTICS (MALAYSIA) SDN BHD	MALAYSIA	75	75	G
SARENS JWS (S) PTE LTD	SINGAPORE	75	75	G
SARENS FOR GENERAL TRADING AND CONTRACTING WLL	IRAQ	85	85	G
SARENS FOR GENERAL TRADING LLC	IRAQ	85	85	G
SARENS HEAVY LIFT EGYPT LLC	EGYPT	95	95	G
SARENS CANADA INC.	CANADA	100	98	G
SARENS BESTUUR NV	BELGIUM	100	100	G
SARENS NV	BELGIUM	100	100	G
SARENS BE NV	BELGIUM	100	100	G
SARKRAN NV	BELGIUM	100	100	G
SAMOCO NV	BELGIUM	100	100	G
SARENS FINANCE COMPANY NV	BELGIUM	100	100	G
SARENS NEDERLAND BV	NETHERLANDS	100	100	G
SARENS STEEL ENGINEERING B.V.	NETHERLANDS	100	100	G
HOLDING SARENS NEDERLAND	NETHERLANDS	100	100	G
SARENS FRANCE SAS	FRANCE	100	100	G
SARENS NORMANDIE SARL	FRANCE	100	100	G
BRANCHE NOUVELLE-CALEDONIE	NEW CALEDONIA	100	100	G
GE CURTIS LTD	UNITED KINGDOM	100	100	G
SARENS UK LTD	UNITED KINGDOM	100	100	G

Sarens Entity	Country of Incorporation	% of Ownership in 2018	% of Ownership in 2017	Consolidation Method
SARENS GMBH	GERMANY	100	100	G
SARENS CRANES LTD	IRELAND	100	100	G
SARENS ITALIA S.R.L.	ITALY	100	100	G
SARENS A/S	NORWAY	100	100	G
ZURAW GDANSK	POLAND	100	100	G
SARENS POLSKA SP.Z.O.O.	POLAND	100	100	G
SARENS POLSKA SHARED SERVICE CENTRE	POLAND	100	100	G
SARENS GMBH ATYRAU BRANCH	KAZAKHSTAN	100	100	G
SARENS KAZAKHSTAN LLP	KAZAKHSTAN	100	100	G
SARENS NV BRANCH BULGARIA	BULGARIA	100	100	G
SARENS NV - OGRANAK (BRANCH)	SERBIA	100	100	G
SARENS TRANSPORT AND HEAVY LIFT DOO	SERBIA	100	100	G
SARENS GREECE	GREECE	100	100	G
SARENS RUSSIA	RUSSIA	100	100	G
SARENS KM LTD	RUSSIA	100	100	G
UAB SARENS BALTICUM	LITHUANIA	100	100	G
SARENS UKRAINE LLC	UKRAINE	100	100	G
SARENS SPAIN, S.L.	SPAIN	100	100	G
SARENS NV BRANCH FINLAND	FINLAND	100	100	G
SARENS N. MIDDLE EAST (HOLDING)	BAHREIN	100	100	G
EPEQUIP SPC	BAHREIN	100	100	G
SARENS SAUDI ARABIA LTD	SAUDI ARABIA	100	100	G
SARENS (IRAQI BRANCH)	IRAQ	100	100	G
SARENS THAILAND CO. LTD.	THAILAND	100	100	G
SARENS ASIA (ROH) LTD.	THAILAND	100	100	G
SARENS KOREA	KOREA	100	100	G
SARENS KOREA LTD.	KOREA	100	100	G
SARENS INDIA	INDIA	100	100	G
SARENS MALAYSIA SDN BHD	MALAYSIA	100	100	G
SARENS VIETNAM	VIETNAM	100	100	G
SARENS PROJECTS PHILIPPINES INC	PHILIPPINES	100	100	G
SARENS NORTH AMERICA HOLDING INC.	UNITED STATES	100	100	G
SARENS USA	UNITED STATES	100	100	G
SERV CORP LATINO-AMERICANOS	MEXICO	100	100	G
SRNS LATINOAMÉRICA	MEXICO	100	100	G
SARENS DO BRAZIL	BRAZIL	100	100	G
SARENS HEAVY LIFT CANADA	CANADA	100	100	G
SARENS DE COLOMBIA	COLOMBIA	100	100	G
SARENS PANAMA SA	PANAMA	100	100	G
SARENSECUADOR SA	ECUADOR	100	100	G
SARENS CHILE SA	CHILE	100	100	G
SERVICIOS PARA MAQUINARIA SA	CHILE	100	100	G
SARENS BOLIVIA S.A.	BOLIVIA	100	100	G

Sarens Entity	Country of Incorporation	% of Ownership in 2018	% of Ownership in 2017	Consolidation Method
SARENS PERU S.A.C.	PERU	100	100	G
SARENS SA - P.E. ALGERIA	ALGERIA	100	100	G
SARENS BOTSWANA (PTY) LTD	BOTSWANA	100	100	G
SARENS TANZANIA LTD	TANZANIA	100	100	G
SARENS FRANCE (ETHIOPIAN BRANCH)	ETHIOPIA	100	100	G
SARENS SOUTH AFRICA	SOUTH AFRICA	100	100	G
SARENS TRANSPORT (PTY) LTD	SOUTH AFRICA	100	100	G
SARENS MAROC	MOROCCO	100	100	G
SARENS HEAVY LIFT NAMIBIA	NAMIBIA	100	100	G
SARENS MOZAMBIQUE LDA	MOZAMBIQUE	100	100	G
SARENS CRANES SERVICES NIGERIA	NIGERIA	100	100	G
SARENS ZAMBIA LTD.	ZAMBIA	100	100	G
SARENS AUSTRALIA PTY LTD	AUSTRALIA	100	100	G
SARENS POLSKA SPZOO ODDZIAŁ W GDANSKU (BRANCH)	POLAND	100	100	G
SARENS NV (BRANCH KAZAKHSTAN)	KAZAKHSTAN	100	100	G
KÉSZ & SARENS TECHNOLOGIES KFT	HUNGARY	50	0	P
OMEGA MORGAN SARENS, LLC	UNITED STATES	50	0	P
SARBRA 1750 NV	BELGIUM	50	50	P
NEBEM BV	NETHERLANDS	50	50	P
SARENS NASS UK	UNITED KINGDOM	50	50	P
ALVIAN MOST S.R.O.	CZECH REPUBLIC	50	50	P
SARENS BEL LLC	BELARUS	50	50	P
SARENS NASS MIDDLE EAST W.L.L.	BAHREIN	50	50	P
SINOTRANS SARENS LOGISTICS CO	CHINA	50	50	P
SARENS BUILDWELL NIGERIA LTD	NIGERIA	50	50	P
SARENS MAKZUME AGIR YÜK KALDIRMA TIC. LTD. STI	TURKEY	50	100	P
BLUE LAKE SARENS LLC	UNITED STATES	49	0	N
SARENS GULF FOR TRADING, CONTRACTING, SERVICES	QATAR	100	0	N
SARENS TAIWAN	TAIWAN	51	0	N
SARENS UGANDA SMC LTD	UGANDA	100	0	N
SARENS NASS SMET INDUSTRIES WLL	BAHREIN	26	26	N
PT SARENS OCS INDONESIA	INDONESIA	49	49	N
SUNGDO SARENS LIMITED	HONGKONG	50	50	N
SARENS KRAN LLC	UZBEKISTAN	100	100	N
SRNS CARGO SA DE CV	MEXICO	100	100	N

TURNOVER INCLUDING WORK IN PROGRESS BY SEGMENT

Segments	2018	2017
Sarens projects	226.505	123.478
Western Europe	149.892	190.238
Eastern Europe	39.689	58.522
Middle East	42.562	40.695
Asia Pacific	54.084	57.463
Africa	32.036	40.746
America	48.367	86.795



GOODWILL AND INTANGIBLE FIXED ASSETS

Thousands EUR	Positive consolidation differences	Research & development	Concessions, patents and similar rights	Customer lists and other intangible commercial assets	Formation expenses and loan issue expenses	Total intangible fixed assets
Acquisition value						
Balance on 1 January 2017	31.034	500	9.255	2.351	30.778	42.884
Additions	0	0	163		170	333
Disposals and retirements		0	-106			-106
Effect of foreign currency exchange differences		-16	-156	7	-166	-331
Other movements					-555	-555
Transfer to other asset categories		-10	10			0
Balance at 31 December 2017	31.034	474	9.166	2.358	30.227	42.225
Additions	26	1	407		531	939
Disposals and retirements						0
Effect of foreign currency exchange differences		5	46	-1	31	81
Other movements			2.481			2.481
Transfer to other asset categories		-96	443		-347	
Balance on 31 December 2018	31.060	384	12.543	2.357	30.442	45.726
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 January 2017	-28.488	-437	-7.615	-2.072	-13.863	-23.987
Depreciation expense recorded	-957	-1	-878	-52	-3.816	-4.747
Disposals and retirements			106			106
Effect of foreign currency exchange differences	-33	17	154	-7	-3	161
Other movements					4	4
Transfer to other asset categories			-45	45		0
Balance at 31 December 2017	-29.478	-421	-8.278	-2.086	-17.678	-28.463
Depreciation expense recorded	-432	-1	-587	-38	-3.398	-4.024
Disposals and retirements						0
Effect of foreign currency exchange differences	-312	-3	-49	1	1	-50
Other movements						0
Transfer to other asset categories		94	-161		67	0
Balance at 31 December 2018	-30.222	-331	-9.075	-2.123	-21.008	-32.537
CARRYING AMOUNT						
At 31 December 2017	1.556	53	888	272	12.549	13.762
At 31 December 2018	838	53	3.468	234	9.434	13.189

TANGIBLE FIXED ASSETS

Thousands EUR	Land and buildings	Plant, machinery and equipment	Cranes & rolling equipment	Cranes under capital lease	Other leasings and similar rights	Other tangible fixed assets	Assets under construction and advance payments	Total tangible fixed assets
ACQUISITION VALUE								
Balance at 1 January 2017	10.864	93.193	747.212	591.496	95.702	8.709	10.082	1.557.258
Additions	2.550	7.299	86.903	29.390	21.008	48	27.081	174.279
Disposals and retirements	-237	-1.070	-20.675	-10.996	-497	-1.591	-19.750	-54.816
Effect of foreign currency exchange differences	-470	-3.118	-32.898	-2.272	-871	-363	-35	-40.027
Transfer to other asset categories	0	-134	3.044	3.883	-978	-332	-5.483	0
Other movements								0
Balance at 31 December 2017	12.707	96.170	783.586	611.501	114.364	6.471	11.895	1.636.694
Additions	4.333	5.550	87.686	48.361	2.981	4.839	19.104	172.854
Disposals and retirements	-387	-7.560	-25.497	-1.315	-194	-181	-8.541	-43.675
Effect of foreign currency exchange differences	-8	411	5.681	479	76	-92	-17	6.530
Transfer to other asset categories	209	1.160	-42.631	11.088	41.218	-87	-10.957	0
Other movements		6.612	105				-2.246	4.471
Balance on 31 December 2018	16.854	102.343	808.930	670.114	158.445	10.950	9.238	1.776.874
CHANGES IN REVALUATION SURPLUS								
Balance at 1 January 2017	0	0	3.893	0	0	0	0	3.893
Additions								
Disposals and retirements			-377					-377
Effect of foreign currency exchange differences			-162					-162
Transfer to other asset categories								0
Other movements								0
Balance at 31 December 2017	0	0	3.354	0	0		0	3.354
								0
Additions								
Disposals and retirements			-177					-177
Effect of foreign currency exchange differences			26					26
Transfer to other asset categories			-111					-111
Other movements								0
Balance on 31 December 2018	0	0	3.092	0	0		0	3.092

Thousands EUR	Land and buildings	Plant, machinery and equipment	Cranes & rolling equipment	Cranes under capital lease	Other leasings and similar rights	Other tangible fixed assets	Assets under construction and advance payments	Total tangible fixed assets
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
Balance on 1 January 2017	-4.689	-62.141	-399.735	-204.443	-29.779	-3.472	0	-704.259
Depreciation expense recorded	-552	-8.468	-29.502	-36.961	-6.589	-977	0	-83.049
Written back because superfluous			122.603				0	122.603
Acquisitions from third parties							0	0
Disposals and retirements	78	904	11.719	5.040	294	69	0	18.104
Transfer to other assets categories		30	-1.717	546	1.031	110	0	0
Effect of foreign currency exchange differences	172	2.165	19.607	822	554	211	0	23.531
Other movements							0	0
Balance on 31 December 2017	-4.991	-67.510	-277.025	-234.996	-34.489	-4.059	0	-623.070
Depreciation expense recorded	-873	-8.963	-44.644	-28.810	-6.291	-1.720	0	-91.301
Written back because superfluous	-7	7.723	-75.175	43.703	4.496	23		-19.237
Acquisitions from third parties								0
Disposals and retirements	12	7.219	14.439	586	153	134		22.543
Transfer to other assets categories	-4	1.492	-11.615	11.049	-981	59		0
Effect of foreign currency exchange differences	-20	-456	-2.752	-182	-70	213		-3.267
Changes in revaluation surplus		-6.612	-105					-6.717
Balance on 31 December 2018	-5.883	-67.107	-396.877	-208.650	-37.182	-5.350	0	-721.049
CARRYING AMOUNT								
At 31 December 2017	7.716	28.660	509.915	376.505	79.875	2.412	11.895	1.016.978
At 31 December 2018	10.971	35.236	415.145	461.464	121.263	5.600	9.238	1.058.917

FINANCIAL FIXED ASSETS

Thousands EUR	Investments in associates	Participating interests in other entities	Other financial fixed assets	Total financial fixed assets
Balance at 1 January 2017	1.787	556	2.656	4.999
Acquisitions			291	291
Disposals and retirements			-116	-116
Changes in consolidation scope				0
Repayments			-746	-746
Effect of foreign currency exchange differences	-592	-31	-160	-783
Other movements	4	-4		0
Share in the result of the period	252			252
Balance at 31 December 2017	1.451	521	1.925	3.897
Acquisitions		72	253	325
Disposals and retirements			-79	-79
Changes in consolidation scope				0
Repayments				0
Effect of foreign currency exchange differences	57	10	44	111
Other movements	-190			-190
Share in the result of the period	353			353
Balance at 31 December 2018	1.671	603	2.143	4.417

STOCKS AND CONTRACTS IN PROGRESS

Thousands EUR	2018	2017
Raw materials and consumables	18.145	15.000
Goods purchased for resale	471	0
Contracts in progress	2.224	4.126
Stocks and contracts in progress	20.840	19.126

TRADE AND OTHER RECEIVABLES

Thousands EUR	2018	2017
Trade debtors	228.241	216.751
Write-off trade receivables	-45.355	-39.155
Total trade debtors	182.886	177.596
VAT and other tax receivables	25.167	23.182
Other amounts receivable within 1 year	11.954	12.923
Other amounts receivable after more than 1 year	8.998	4.237
Total other amounts receivable	46.119	40.342

PROVISIONS FOR LIABILITIES AND CHARGES

Thousands EUR	2018	2017
Provisions for post-employment benefits	2.976	2.520
Provisions for claims and major repairs	2.087	2.348
Other provisions	278	9.362
Provisions for liabilities and charges	5.341	14.230

STATEMENT OF CHANGES IN EQUITY

Thousands EUR	Share capital	Changes in revaluation surplus	Retained earnings	Consolidation badwill	Currency translation reserve	Total equity
Balance on 1 January 2017	80.000	7.135	114.540	2.151	4.547	208.373
Profit of the period			51.968		2.273	54.241
Issue of capital						0
Changes in revaluation surplus		-411				-411
Acquisition of non-controlling interests						0
Changes in consolidation scope						0
Other movements		-2	87		7.253	7.338
Balance at 31 December 2017	80.000	6.722	166.595	2.151	14.073	269.541
Profit of the period			-42.505		2.009	-40.496
Issue of capital						0
Changes in revaluation surplus		-1.235	1.235			0
Changes in consolidation scope						0
Other movements		-180			2.815	2.635
Balance at 31 December 2018	80.000	5.307	125.325	2.151	18.897	231.680

FINANCIAL DEBTS

Thousands EUR	< 1 year	1 - 5 years	> 5 years	Total
31 December 2017				
Bonds		250.000		250.000
Leasing and other similar obligations	66.582	114.739	49.688	231.009
Credit institutions	46.375	161.186	2.782	210.343
Other loans	23.059			23.059
Advances received on contracts in progress				0
	136.016	525.925	52.470	714.411
31 December 2018				
Bonds		250.000		250.000
Leasing and other similar obligations	61.793	165.233	78.288	305.314
Credit institutions	42.593	158.050	2.224	202.867
Other loans	7.935			7.935
Advances received on contracts in progress		22.500		22.500
	112.321	595.783	80.512	788.616

TRADE AND OTHER PAYABLES

Thousands EUR	2018	2017
Trade debts	173.006	130.838
Advances received on contracts in progress	23.255	52.481
VAT and other tax payable	20.239	22.822
Remuneration and social security payable	15.594	15.145
Other amounts payable	3.546	5.680
Total other amounts payable	39.379	43.647

6. RISKS, UNCERTAINTIES AND CONTINGENCIES

Like any other company, Sarens is exposed to market, operational, and financial risks because of its activities. These risks are mitigated by the Group's business controls, organizational structure, management methods, and internal control systems.

Country risks

The Sarens Group is active worldwide and therefore subject to inherent market risks which may include economic, legal, political, labour, and tax risks in countries where the Sarens Group is active.

Competitive risks

Most Sarens Group activities are subject to competitive pressure from both local and international competitors. Development of new technologies or market entry by new or existing competitors may have a negative impact on turnover.

Activity risks

Since the Group is involved in complex construction work at industrial and other sites, often operating as a subcontractor, project revenue is accrued based on management's best estimate on the balance sheet date considering the status of work performed and the ability to charge variances under the existing contract. Due to the complexity of certain projects, this requires a high degree of judgement and a continuous review of the underlying estimates. Actual values may vary from the initial estimates.

Furthermore, the Sarens Group is subject to risks associated with the proper execution of its projects.

From time to time, Sarens is involved in legal actions in the ordinary course of business. In cases of known litigation or administrative proceedings, a provision is made according to management's best estimate. Sarens management is not aware of any pending or threatening litigation likely to have a material or adverse effect on its business. However, any litigation involves a risk and potentially significant litigation costs, and therefore Sarens can not give assurance that any currently-pending litigation or litigation which may arise in the future will not have a material adverse effect on our business or consolidated financial statements.

During project execution, incidents resulting in claims may arise. In the past, two larger incidents had occurred, and their outcomes are as yet uncertain. Any claims resulting from these incidents would, in principle, be covered through the global insurance policy.

Sarens maintains a coherent health and safety policy and organizes proper training for its personnel. The Group has insurance coverage for the operating risks associated with its activities, such as property insurance, property damage insurance, machinery breakdown, liability insurance, comprehensive third-party product liability insurance, D&O liability, fleet insurance, marine liability, etc.

Currency risks

Due to the worldwide activities that Sarens carries out, it is subject to currency risks, mainly on USD and USD-related currencies. Hedging instruments are in place when deemed necessary.

Liquidity risk

Sarens has entered into financial and leasing debt in order to finance its capital expenditure and operations. Due to these financial debts, Sarens is required to fulfill major financial obligations, which may lead to liquidity risks. These financial obligations and the capital expenditure plan are monitored on a monthly basis. The vast majority of the financial debts have a long-term nature and are covered by committed credit facilities.

Credit risk

The company's bad debt exposure depends on the solvability of its clients, which is dependent on the economic environment in which its customers operate. On each reporting date the Group assesses whether there are indications that a trade receivable should be impaired.

6. FINANCIAL INSTRUMENTS

The company uses financial instruments to hedge itself against unfavorable currency and interest movements. The financial instruments have a negative market-to-market value of 7,4 million EUR and have following maturities as of 31.12.2018.

7. FINANCE AND LEASE AGREEMENTS

Sarens has used financial and operating lease agreements to finance its fleet of cranes. These lease agreements are largely long term in nature and are recognized in accordance with Belgian GAAP. Because of the longevity of its cranes, the company is able to conclude sale and leaseback agreements on cranes which are free of lease obligations. This provides a great deal of flexibility for financing and refinancing.

8. COMMITMENTS

Operating leases

Long-term commitments in connection with rental and operating lease agreements for a total of 6,5 million EUR.

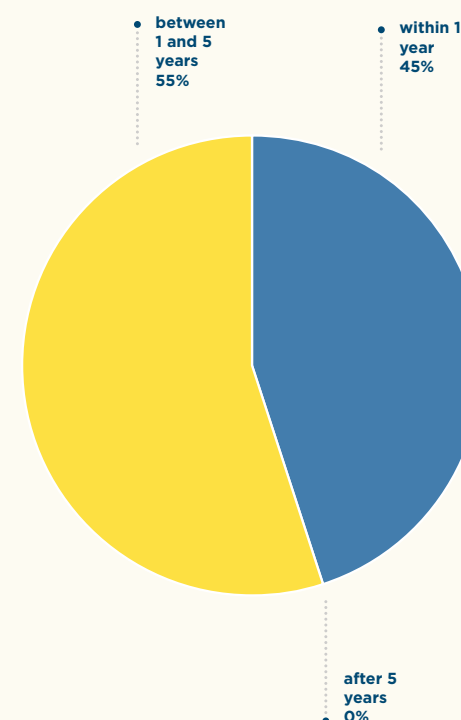
Guarantees

In the course of its business, Sarens is required to issue bank guarantees (performance bonds, etc.). As of 31.12.2018 the total value of these guarantees is 105,8 million EUR.

Claims

The company is not aware of any material litigation pending which is not adequately provided for in the balance.

Maturity financial instruments



GLOSSARY

9. EVENTS AFTER BALANCE SHEET DATE

- In February 2019 the revolving credit facility with the banks was renewed for a period of 3 years with an extension period of 2 x 1 year.
- In January 2019 a new company was founded in Russia with the name Sarens Kran RU LLC.
- In February 2019 a new company was acquired in Egypt with the name Sarens Construction & Trading LLC.
- Sarens acquired 25% extra of the shares of the entities Sarens JWS (M) SDN BHD and Sarens JWS (S) Pte Ltd., bringing the total interest of the Group to 100% as of April 2019.
- Sarens also acquired 18% extra of the share of PT Sarens Heavy Lifting and Transportation Indonesia, bringing the interest of the Group in this entity to 67%.
- The following entities will be liquidated in 2019: Sarens NV - Organak (Branch) and Sarens Nass UK Ltd.
- The following entities will be liquidated in 2019: Sarens France (Branch) Nouvelle Calédonie, Sarens NV (branch Kazakhstan), Sarens KM Ltd, Sarens Saudi Arabia Ltd, Sarens Asia (ROH) Ltd., SarensEcuador SA, Sarens Congo SARL, Sarens France (Ethiopian Branch) and SARENS BOLIVIA S.A. There is no significant impact expected on the consolidated numbers in relation to these liquidations. This also applies to entities that will be winded down.

AUDITOR’S REPORT

Sarens Bestuur NV has prepared consolidated financial statements in accordance with the Belgian Company’s Act and the Royal Decree of 30th of January 2001. Sarens publishes these consolidated financial statements under Belgian GAAP and they include a consolidated balance sheet and consolidated income statement.

The financial information included in the 2018 Annual Report has been extracted from the consolidated financial statements of Sarens Bestuur NV for the year ending 31 December 2018.

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d’Entreprises, represented by Filip De Bock, has issued an unqualified audit opinion on these financial statements. The audited consolidated financial statements will be filed within one month after the shareholders meeting of May 31st, 2019 and are available on the website of the National Bank (www.balanscentrale.be).

SARENS GROUP

A limited company under Belgian law, Sarens Bestuur NV and all its fully-consolidated subsidiaries

EBITDA

Earnings before interest, taxes, depreciation and amortisation

IFRS

International Financial Reporting Standards

NET SENIOR FINANCIAL DEBT

Non-subordinated financial debts - cash and cash equivalents

LIQUIDITY

Current assets/current liabilities

BE GAAP

Generally Accepted Accounting Principles in Belgium

NET WORKING CAPITAL

Current assets - current liabilities

EBITDA MARGIN

EBITDA/turnover

SOLVABILITY

Equity/balance sheet total

EBIT

Operational result (earnings before interests, taxes and non-recurring operating result)

NET FINANCIAL DEBT

Financial debts - cash and cash equivalents

GEARING

Net financial debt/equity



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