

ANNUAL REPORT 2019



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



07	10	12	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.
MESSAGE FROM THE CEO WIM SARENS	KEY FIGURES	KEY FACTS				
15	16	19				
PROJECT MANAGEMENT FIVE MILESTONES TO SUCCESS	SGC-250 THE WORLD'S LARGEST CRANE	MAINTAINING A TOP FLEET GUY FREDERICKX, GROUP FLEET DIRECTOR	FINANCIAL INFORMATION			
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OUR MARKETS	ACHIEVING ZERO HARM JORIS MAREELS, GROUP SHEQ DIRECTOR	OUR BUSINESS LINES				
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43	45	47	68	69	90	
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52	54	56	91			
BOARD OF DIRECTORS	REGIONAL DIRECTORS	CORPORATE MANAGEMENT	GLOSSARY			

IT HAS BEEN
A PLEASURE
TO LOOK BACK
ON A YEAR OF
PROGRESS ON SO
MANY FRONTS.

To get everyone home safely each night: at Sarens, that is our primary goal. While our mission is underscored by excellence, brilliant solutions, a global spirit, and a love of tradition, our core focus has always been safety. This year, we've celebrated many highlights, from safety improvements to greater market diversification. We have worked on outstanding projects and our standards of excellence have been recognised across the industry. As we look back at the year, we are grateful for these achievements and proud of our continual progress.

SAFETY

Our high SHEQ standards and systematic approach to operator training have led to declines in both frequency and severity rates this year. We had already seen significant decreases from 2017 to 2018, and by the end of 2019, we further reduced our frequency rate by 21% (1,92) and our severity rate by 36% (0,07) as compared to 2018.

Sarens was also the first company within the global crane and heavy transport sector to obtain a Group Certificate for our Integrated Management System (IMS), in compliance with ISO and OHSAS standards. This includes ISO 9001:2015 for Quality, ISO 14001:2015 for Environment and OHSAS 18001:2007 for Occupational Health and Safety Assessment Series. As a result, all business units worldwide are now included in one certificate. This achievement sends a clear message to clients that Sarens is committed to these standards everywhere in the world.

This was also the year that we began implementing the ISA system, a digital platform for registering and following up on all observations, unsafe situations or conditions, near misses, and incidents. We also use the system for toolboxes, weekly crane inspection reports, and workplace inspections. This has been a vital step in improving and solidifying our SHEQ management.

On an environmental level, we reviewed the use of dangerous products

for our equipment and in our workshops, replacing them with environmentally-friendly alternatives. We also invested in green energy, installing solar panels at our headquarters in November. This investment now fully supplies our headquarters and workshops with green energy, making us self-sufficient.

Last but not least, our SharePoint intranet system, developed in 2017, is now completely operational across all business units. This has standardised our procedures, instructions, and working documents so that our quality system is uniform across the board.

MARKETS

In response to market conditions, we have focused on diversifying our portfolio and growing our rental business. This has resulted in a steady top line of €663.6 million, yielding a modest growth of 11.9% over €593.1 million in 2018. We have also improved EBITDA, which was €165.8 million in 2019 versus €127.2 million in 2018. This focus on diversification and on our rental business have yielded valuable results.

Diversification

The project market remained largely unchanged in 2019, primarily due to continued postponements in the oil and gas and metals and mining sectors. As such, our set course remains unchanged for 2020. To ensure our long-term business prospects and to grow by design, we have increased our presence in the wind industry across Eastern & Northern Europe, Asia, and North America, installing over 500 wind turbines globally. We have also reinforced regional leadership in rental markets across North America, Asia, and the Middle East, establishing an operational network and fleet deployment to win large long-term rental contracts.

Rental

In 2019, rentals accounted for over 60% of our global business. Responding to market demand, we have moved assets towards growth areas in North America, scaling

up our depots in Ontario, Vancouver, and Fort McMurray as well as across Europe, including Lithuania, Belarus, Tyumin, Paris and Europort in the Netherlands. We have also established a depot in Dubai and entered prospective markets in Bangladesh and Sri Lanka. Additionally, as part of our Capex program, we began renewing and replacing over 30 telescopic cranes in Europe, most of them in the 55T-160T capacity range. We will continue this renewal over the coming years to maintain a state-of-the-art rental fleet.

PROJECTS

In 2019, we celebrated the launch of the world's largest crane, the SGC-250, and collaborated with clients on high-impact projects across the globe. From a major project with Tengizchevroil (TCO) to our multi-phase involvement replacing a railway bridge in Stockholm, we have much to be proud of:

- The TCO project, the largest in our history, was fully operational with the SGC-140 and a large arsenal of cranes and equipment at our client's service.
- We shipped the largest crane in the world, the SGC-250, to Hinkley Point C, where it completed its first move. You can watch it [here](#). The crane has spectacular upcoming lifts in 2020, and the adventures of "Big Carl" will be posted on our website and social media channels.
- As part of a multi-phase operation, we replaced a railway bridge in the Stockholm city centre—a fascinating project that had the entire Swedish capital in awe of what engineering can offer. Watch the operation [here](#).

For a full list of our projects, I invite you to visit the [news section](#) of our website, as well as our [YouTube channel](#), where we offer an anthology of all our large and small projects and rentals.

ACHIEVEMENT AND RECOGNITION

- Sarens earned widespread recognition in 2019, including notable safety awards and impressive industry rankings. We were proud to be recognised for our values, primary among them safety, as well as our innovative solutions and projects that have captured the world’s imagination.
- **Heavylift Awards:** Sarens received the Heavylift Innovation Award for our SGC-250 “Big Carl” crane, in addition to the Heavylift Safety Award.
 - **ESTA Awards:** The ESTA Awards recognised our work on the Maasvlakte 2 Terminal Project in Rotterdam, which won in the “Combined Techniques” category. We also earned an award in the category of “Cranes, telescopic, lifting capacity more than 120 tonnes” for our work on the Zwolle ship project.
 - **HPC Excellence Award:** Sarens won the Most Innovative Supplier award for our original and innovative solutions to difficult lifting operations.
 - **Dam Nai Wind Farm Project:** Sarens was awarded and certified for outstanding performance and contribution of 350,000 safe man-hours without fatalities at the Dam Nai Wind Farm project in Vietnam.
 - **Covestro’s Contractor Safety Award:** Samoco NV won Covestro’s Contractor Safety Award, which was accompanied by a €2,500 check to be spent on safety initiatives for the Samoco population on Covestro’s site.
 - **IC50 2019 Rankings:** Sarens ranked #2, reducing the gap to the top with a difference of 78.564 points as compared to 554.145 points in 2018.
 - **IC T50 2019 Rankings:** Sarens ranked #3 in the IC T50 rankings.
 - **BASF Antwerp Safety Performance Award:** Samoco/Sarens won the award for safety excellence in the field.
 - **IABSE Best Structure Awards 2019:** Sarens was proud to be associated with the construction of the Rande Bridge in Spain, which won the 2019 IABSE Outstanding Structure Award (OStrA).
 - **TCO Project Awards:** Sarens received several awards for our work on the TCO project, including the Gold Award for one million man hours worked

without a lost time incident and the TCO Project Director’s Gold Award for our Kazakhstan team’s contribution to the project. The excellent work of our colleague, Chris Macfarlane, was recognised with the TCO Silver Award. The Sarens team in Kazakhstan has now exceeded two million man hours without a lost time incident.

UPDATE ON THE COVID-19 PANDEMIC

With respect to developing events, Sarens fully supports the measures implemented by governments across the globe. We understand the imperative to adhere to local regulations in order to stay safe and to reduce the risk of spreading the coronavirus.

At an early stage, Sarens management proactively mobilised multidisciplinary teams at our headquarters and in the different business units in order to safeguard the health of our people and to ensure business continuity in a safe manner. SHEQ has taken and continues to take all necessary measures to adhere to local and WHO rules, implementing social distancing and the use of masks, hydrogel, and other materials to prevent the spread of COVID-19.

According to the measures in place for each region or country, Sarens activities are either continuing, have been reduced or stopped, or are progressively resuming. Our work has in particular been affected by national restrictions, including travel restrictions and logistical challenges in mobilising our professional workforce and equipment to various site locations. As far as possible, home working and virtual meeting tools have been implemented with the support of our ICT department.

To limit to a minimum the negative impact of COVID-19 on our results and cash flows, Sarens management has increased its focus on reducing external spending and costs, starting with a proactive voluntary reduction of board and top management salaries. Business units affected most by governmental lock-down measures have made use of the different support measures for which they are eligible.

At the time of this report, it is impossible to quantify the total impact of this pandemic on the financial results in 2020. However, we believe that the current committed facilities and liquidity headroom in place and the successful bond refinancing completed in February 2020, the company is well equipped to weather this pandemic.

Finally, we would like to emphasise that Sarens is proud of the decisiveness of its dedicated and skilled workforce. Our gratitude extends to all who have shouldered this collective responsibility, including those working from home, those still active on site locations, and certainly also those sustaining temporary economical unemployment.

Despite the challenges Covid-19 may bring in 2020, we are proud of our achievements in 2019, a year of progress on so many fronts, especially when it comes to safety. Our dedication and hard work in 2019 and previous years means we are in the best possible position to face what may come as this situation evolves. We are humbled by our progress and prepared to face the future with resilience and strength.

WIM SARENS
CHIEF EXECUTIVE OFFICER



Thousands EUR	2019	2018	2017
Consolidated balance sheet			
Fixed assets	1.044.809	1.077.362	1.036.193
Stocks and contracts in progress	27.133	20.840	19.126
Other current assets	237.046	237.489	223.562
Cash and cash equivalents	45.954	39.691	60.656
Total assets	1.354.942	1.375.382	1.339.537
Equity	242.785	231.680	269.542
Minority interests	7.762	7.554	4.794
Provisions and deferred taxes	104.023	97.696	113.444
Financial debts	785.929	788.616	714.411
Amounts payable within 1 year	214.443	249.836	237.346
Total liabilities	1.354.942	1.375.382	1.339.537
Statement of profit and loss			
Consolidated turnover	660.269	594.693	601.974
EBITDA	165.784	127.211	116.790
EBIT	61.585	30.328	25.640
Net result	18.612	-39.589	53.030
Ratios and other key figures			
Workforce (FTE)	4.913	4.912	4.543
Cash flow from operating activities	72.895	115.030	115.182
Cash flow from investing activities	-49.104	-150.655	-119.414
Net financial debt	739.975	726.425	653.755
EBITDA margin	25,1%	21,4%	19,4%
EBIT margin	9,3%	5,1%	4,3%
Gearing	3,0	3,1	2,4
Liquidity	94,4%	82,3%	81,2%
Solvability	17,9%	16,8%	20,1%
Net financial debt \ EBITDA*	4,46	5,14	5,44
Net senior financial debt \ EBITDA*	2,96	3,37	3,36
Interest coverage ratio*	5,32	4,72	4,03



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

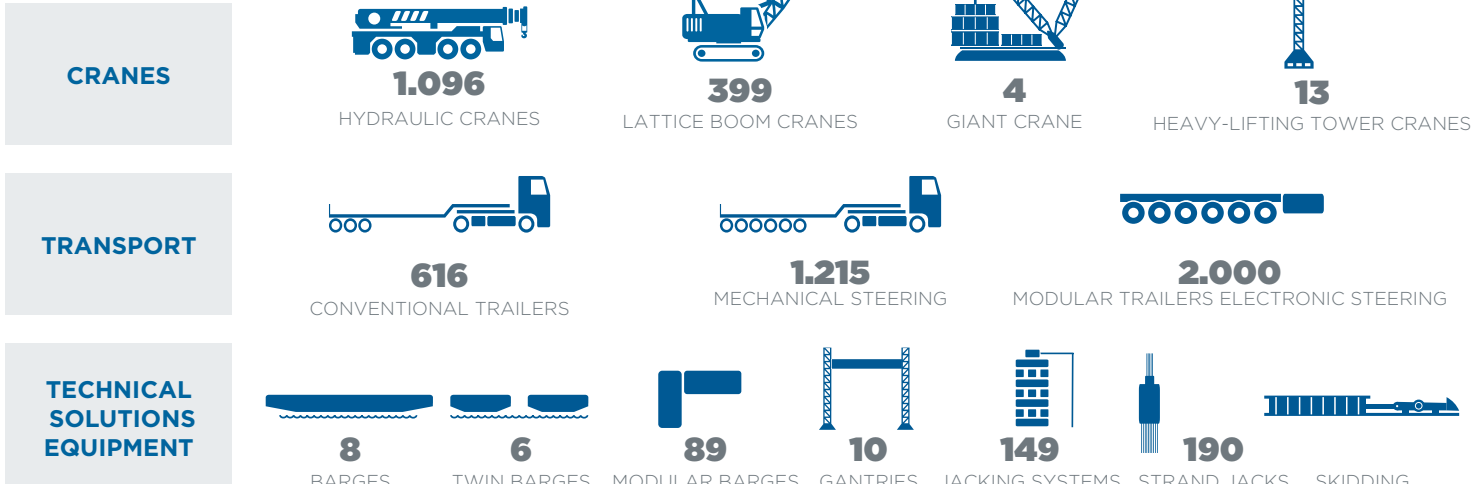
LIQUIDITY
Current assets/current liabilities

SOLVABILITY
Equity/balance sheet total

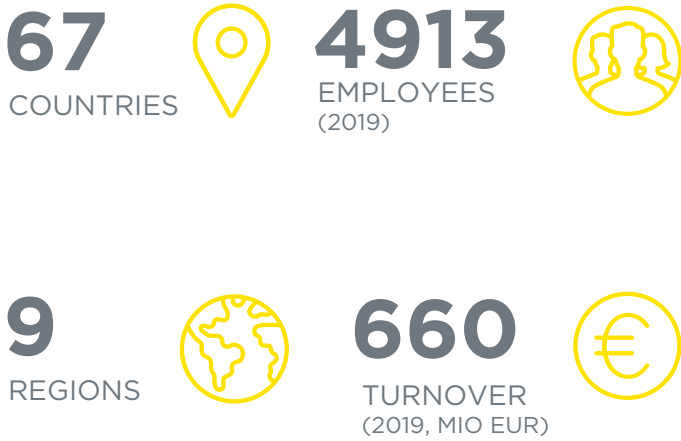
INTEREST COVERAGE RATIO:
EBITDA / (Debt charges excl. capitalised interests on bonds - income from current assets)

*Note: the ratio's calculated for the bank covenants are calculated based on adjusted EBITDA figures for 2018 & 2017.

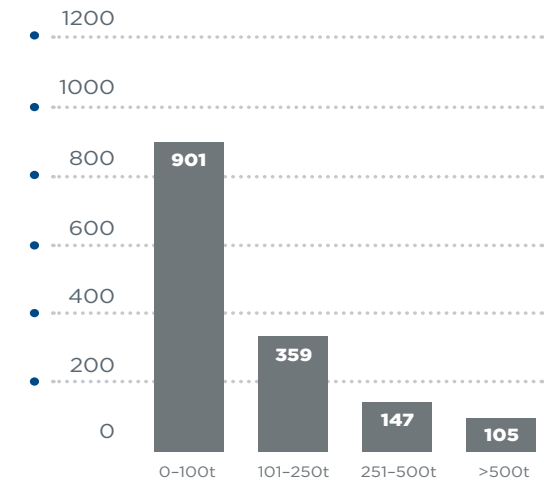
OVERVIEW
EQUIPMENT



OVERVIEW
IN SUMMARY



OVERVIEW
CRANES AND CAPACITY



“ONE MAN’S MAGIC IS ANOTHER MAN’S
ENGINEERING. SUPERNATURAL IS A NULL WORD”.
- ROBERT A. HEINLEIN, CIRCA 1975

GLOBAL
PRESENCE



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

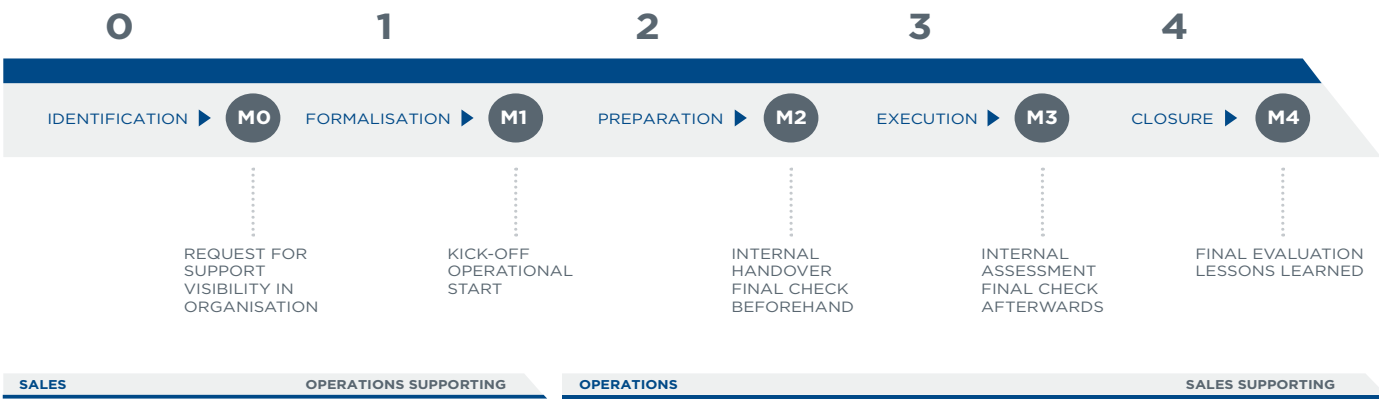
Sarens Project Management is built around five milestones that serve as a checklist for the project as it moves from one phase to the next.

- 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



SGC-250 AT HINKLEY POINT C

This year has been one of enormous achievements—quite literally. In 2019, Sarens delivered the SGC-250 crane, the largest crane in the world, to the UK's Hinkley Point C nuclear power station. Travelling via ship and road transport, some 400 truckloads were required to bring the SGC-250 modules to the site, where the crew worked to assemble them over a 10-week period.

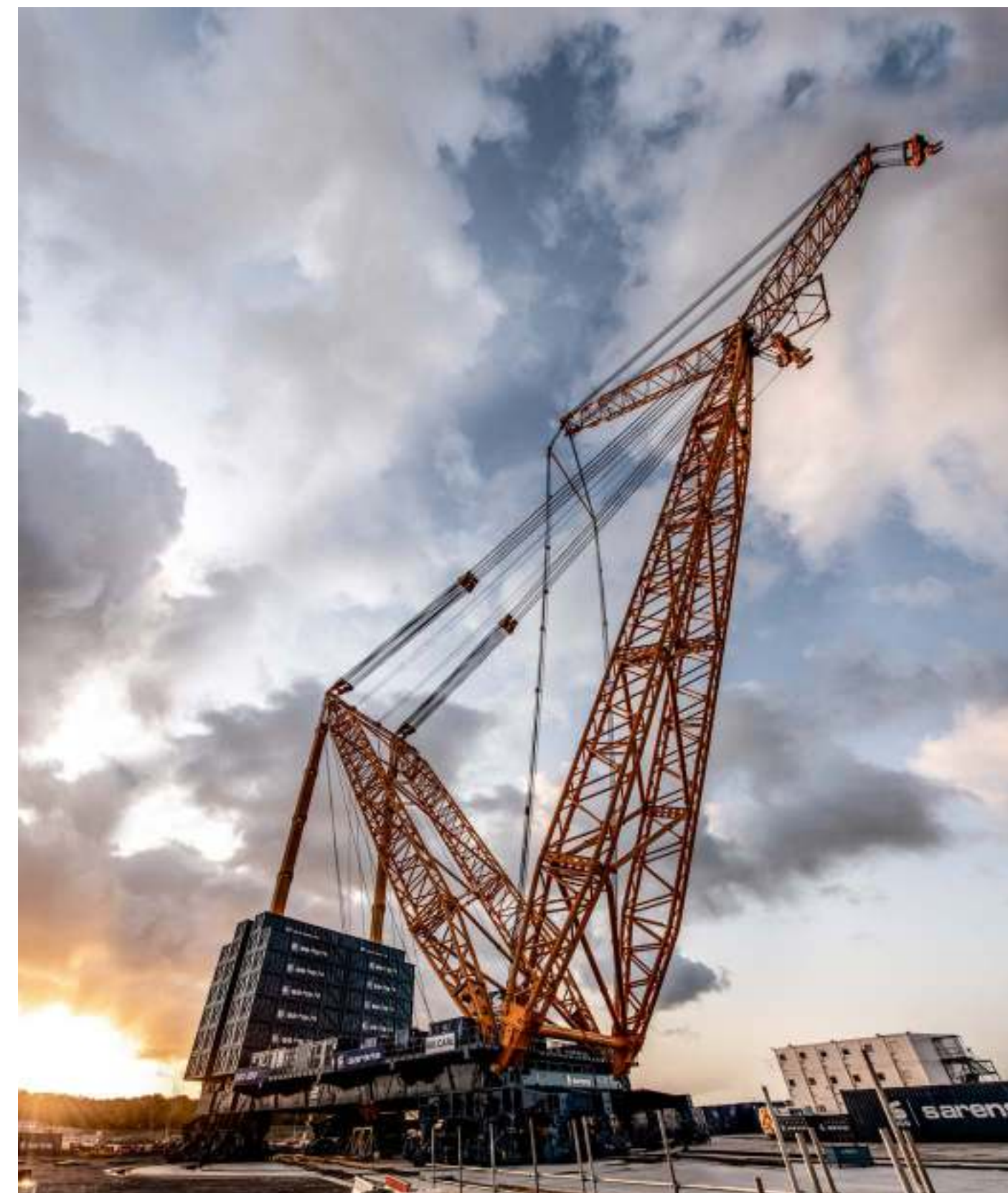
This mighty crane counts among Sarens' greatest achievements: it has a maximum load moment of 250.000TM and can lift an astonishing 5.000 tonnes. Even at a greater radius of 100 metres, it can lift 2.000T loads.

Over the next four years, "Big Carl" will perform over 700 lifts at the Hinkley Point C site on behalf of client Bylor and project owner EDF / NNB. The loads will range from precast concrete

elements to pipe sections, steel rings, and machinery equipment weighing from 10 to 1.600 tonnes. The SGC-250 will also lift five major parts of each unit's steel containment liner and dome.

The crane, which was designed in-house, was specially engineered for the client's lifting schedule. It will work from three different lift locations, travelling via rail to reach each of them. This flexibility and mobility is a key feature of the SGC-250: it has two sets of wheels designed both for 360° slewing and for travel between lift positions. The SGC-250's ability to relocate, fully-rigged, from one lift position to another makes it one of the most unique cranes in the global heavy lifting industry.

To see this amazing crane in action, please check out this [video](#).



FLEET DEPARTMENT MESSAGE

At Sarens, we have the important responsibility of ensuring that our global fleet is in top working condition at all times. We depend on 270 technicians who are the heartbeat of our maintenance program, as well as technology that can track performance and gather information in real time. It is this combination of human talent and modern technology that enables us to keep our fleet running safely and smoothly worldwide.

HUMAN TALENT

Skilled technicians in every country represent our first line maintenance group. They speak the local language, understand the local culture, and operate in the same time zone as the rolling material they are responsible for. Each of them has been evaluated on 18 different technical skill sets to determine their training program. In 2019, 45% of these technicians had received at least one training, and in 2020 we expect to have all of them trained and adapted to their current skills.

The second line of maintenance consists of a small group of experts who provide remote support in each time zone. They can troubleshoot equipment remotely and arrange quick deliveries of critical parts when the equipment is out of service. If maintenance issues cannot be solved remotely, Sarens has a “flying brigade” of experts who travel all over the world and can intervene on-site. They represent our third line of maintenance.

MODERN TECHNOLOGY

Every crane and SPMT in our fleet is equipped with a black box used for tracking and feeding our maintenance follow-up system with information about engine hours, SLI bypass, crawler crane travel, and fuel management. This 8-year-old system is now ready for hardware and software upgrades, and we will be moving from AX2009 to D365 in 2020. The new black boxes will have a WiFi hotspot, CAN BUS connections, and a performance CPU. In combination with upgrades to our global tracking system, they will allow us to gather a lot more information on fleet condition and operator actions. These programmed black boxes will be able to send data and alerts to our maintenance team and maintenance program server, all in real time.

We believe that continual investment in both our people and our technology will allow us to keep our fleet in top working condition for years to come.

GUY FREDERICKX
GROUP FLEET DIRECTOR

**WE BELIEVE THAT
CONTINUAL INVESTMENT
IN BOTH OUR PEOPLE
AND OUR TECHNOLOGY
WILL ALLOW US TO
KEEP OUR FLEET IN TOP
WORKING CONDITION
FOR YEARS TO COME.**



THOMAS CRANE
HONG KONG

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.

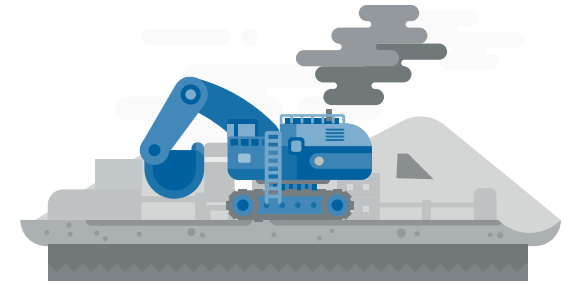


MINING

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.

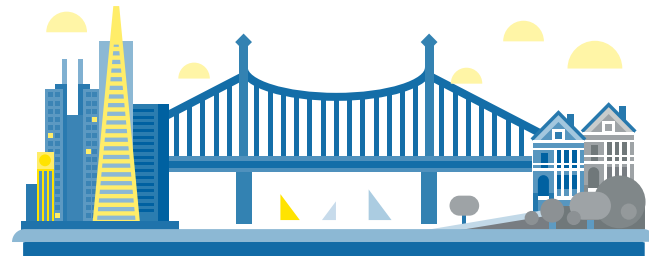
Sarens engineers work closely with the client during the pre-design and engineering execution phases of the project, ensuring the most optimal approach and safeguards. During project execution, Sarens provides on-site management, engineering and drawing capabilities, operators and installation teams, 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

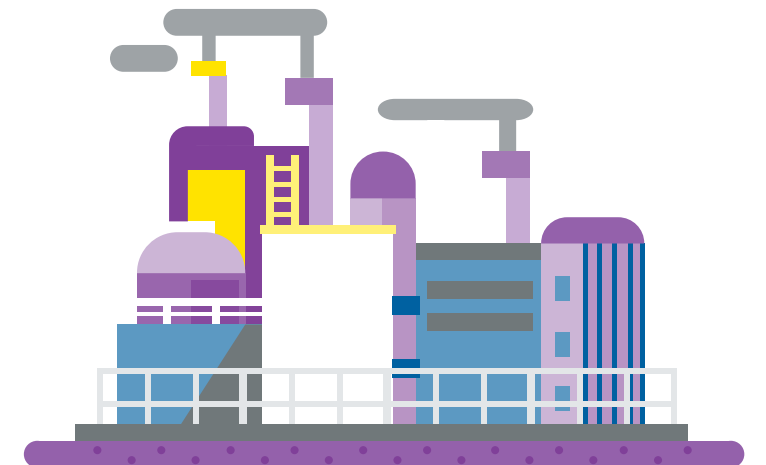
Over the past decade, Sarens has been involved in civil construction projects worldwide, providing transport and lifting activities for steel assembly work and complex roof installations for soccer stadiums, event arenas, and industrial buildings. Sarens also has a long history in accelerated bridge 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

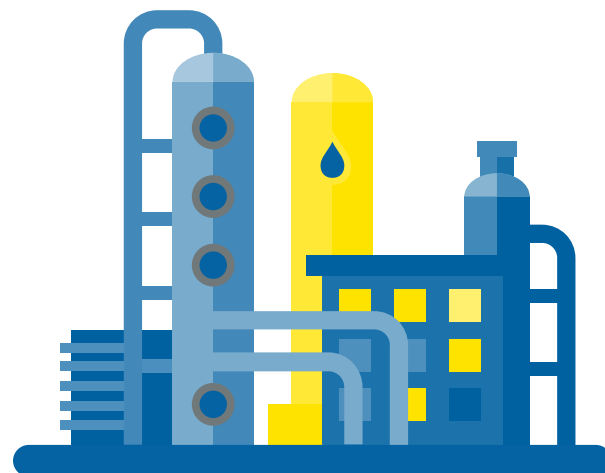
Our broad expertise across all sectors makes us the ideal partner for heavy lifting and engineered transport in the general industry.



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

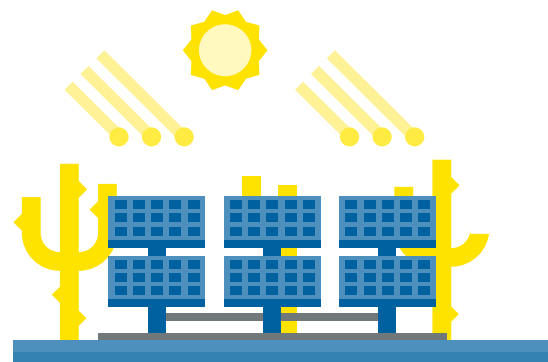
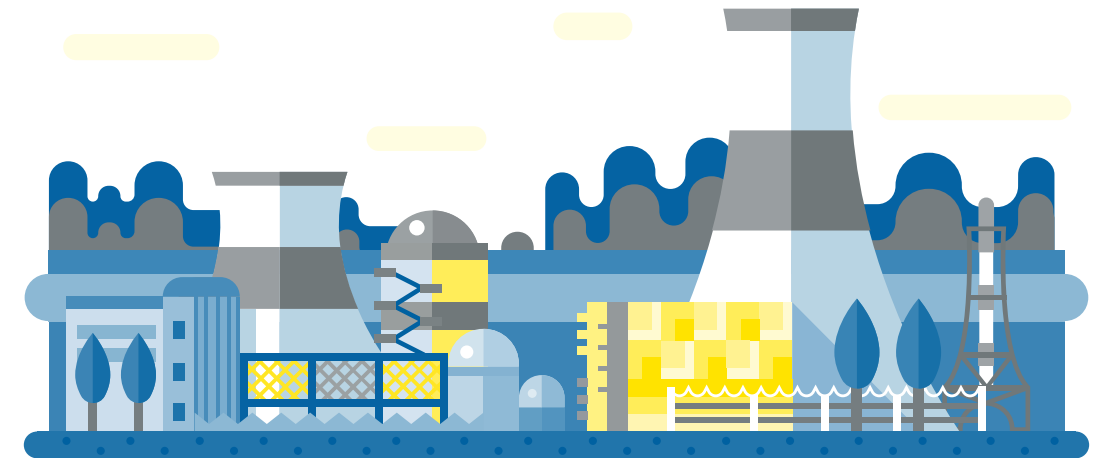
MAXIMISING SAFETY, MINIMISING RISK

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

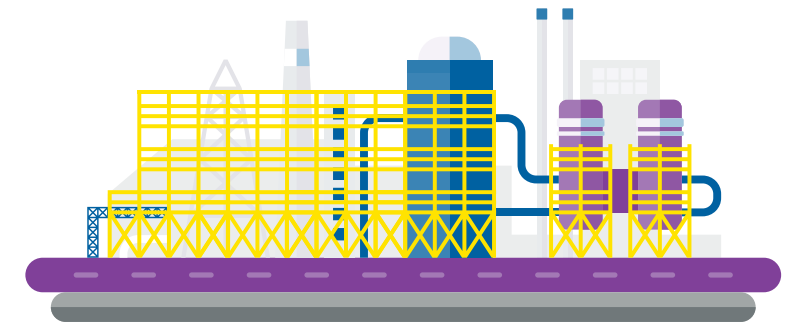
INCREASED HEIGHT, REDUCED GROUND AREA

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.



**THIS WAS THE YEAR
WE BEGAN DIGITALISING
OUR WORKPLACE,
WEEKLY CRANE
INSPECTIONS, TOOL
BOXES, AND REPORTING.**

SHEQ (SAFETY, HEALTH, ENVIRONMENT, AND QUALITY) DEPARTMENT MESSAGE

**“IF YOU TALK TO A MAN IN A LANGUAGE
HE UNDERSTANDS, THAT GOES TO
HIS HEAD. IF YOU TALK TO HIM IN HIS
LANGUAGE THAT GOES TO HIS HEART.”
- NELSON MANDELA**

As we announced in the last Annual Report, our ambition is to achieve zero harm by the end of 2020. To that end, our progress in 2019 has been extremely positive: our frequency (EU) rate of 1,92 was far below our set target of 2,20 for 2019. More spectacularly, our severity (EU) rate decreased from 0,11 to 0,07, far below our target of 0,10 for 2019.

In absolute figures, this translates to 26 accidents and 960 total lost days (TLD) due to labour accidents in 2019. That is a difference of -27,2% compared to 2018, when we had 1.319 TLD. So we jump, for the first time in Sarens history, to below 1.000 TLD.

Furthermore, we are proud that Sarens has become the first in the crane world to have an integrated management system for all our business units worldwide, combining the three standards (ISO 9001:2015, ISO 14001:2015, and OHSAS 1800:2007) into one group certificate.

In cooperation with the Rental, Operations and Fleet departments, we also launched and implemented complete safety instructions and a minimum maintenance task manual. These actions have resulted in improved maintenance and a higher overall standard of quality for our equipment.

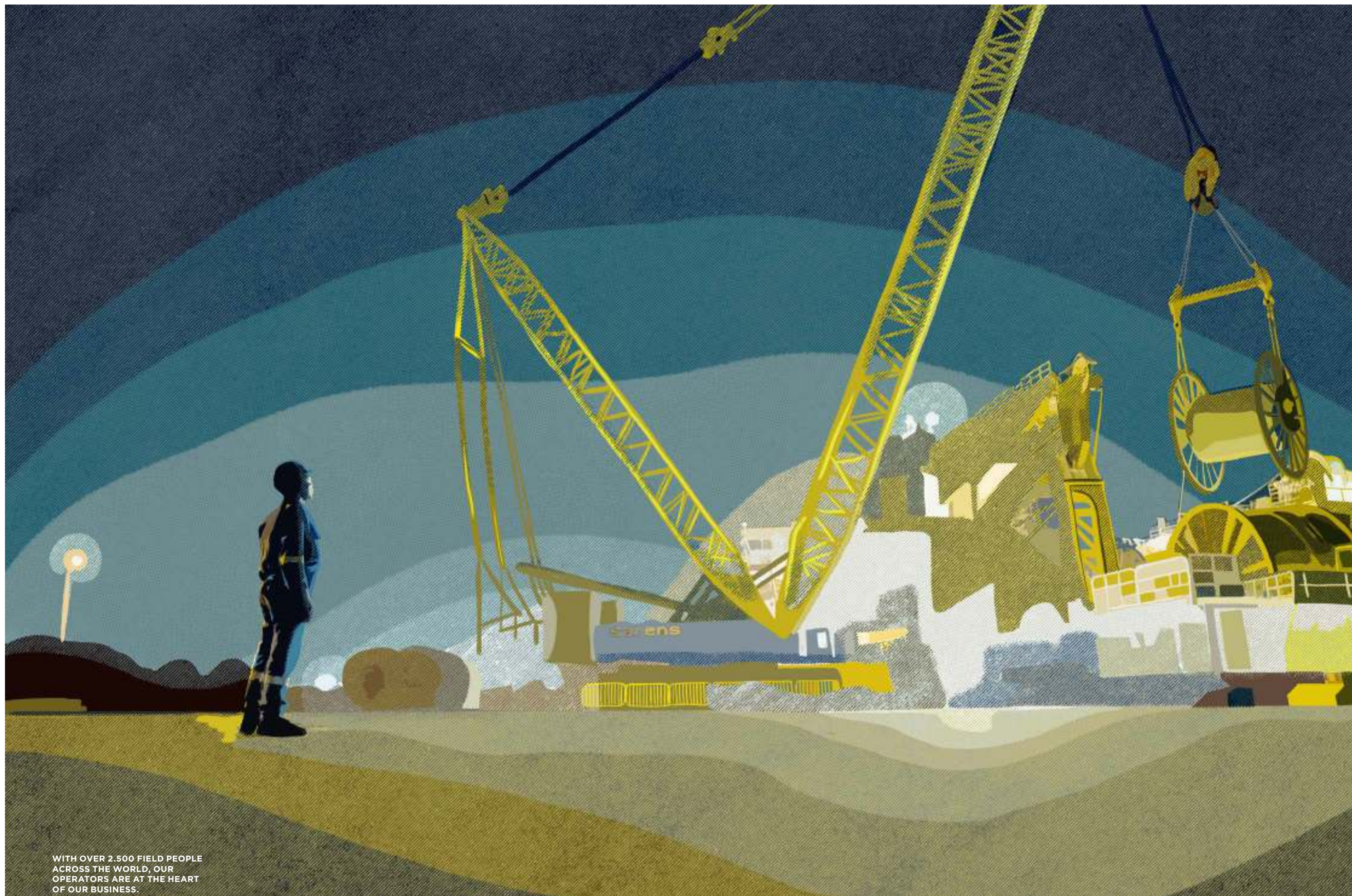
Finally, this was the year we began digitalising our workplace, weekly crane inspections, tool boxes, and reporting. Not only has using less paper helped our environment, it has improved our ability to communicate and report on various issues.

We are looking forward to more improvements in 2020, including:

- Sending all employees a clear message through the Zero Harm campaign
- Creating greater awareness with Sam & Sarah, the new Sarens mascots
- Transitioning to ISO 45001:2018 as a replacement for OHSAS 18001:2007
- Making further developments in e-learning
- Introducing wind convertor disks as a handy tool for operators

We are looking forward to the new challenges and opportunities 2020 brings as we keep our sights on achieving even higher levels of Safety, Health, Environment & Quality.

JORIS MAREELS
GROUP SHEQ DIRECTOR



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



OUR BUSINESS LINES

—

**OUR GOAL HAS BEEN
TO REINFORCE OUR
LOCAL PRESENCE
IN EACH LOCATION
WHILE COMING
GEOGRAPHICALLY
CLOSER TO OUR
CLIENTS AND
PROJECTS.**



THE YEAR 2019 HAS BEEN COLOURED BY MANY PROUD MOMENTS, INCLUDING THE MOBILISATION AND MAIDEN LIFT OF OUR SGC-250 CRANE AT HINKLEY POINT C AND THE MILESTONE FIRST LIFT OF OUR SECOND STACKING SOLUTION FOR THE TCO PROJECT, NOTABLE FOR ITS RECORD LEAD TIME COMBINED WITH STATE-OF-THE-ART DESIGN AND ENGINEERING.

Beyond these two signature achievements, Sarens Projects can look back at a very fruitful year. We made major entrances into the civil industry in Scandinavia and undertook challenging lifting and transport operations all over the world, deploying our asset base, engineering expertise, and the talents of a world-class team of professionals dedicated to operational excellence and safety.

From an organisational perspective, 2019 marked the start of decentralised project organisation built around the three hubs. Our goal has been to reinforce our local presence in each location while coming geographically closer to our clients and projects. This was the year we established our hub teams, which are all now fully up to speed.

In 2019, the RDTs team was very active in developing the new CS-350 and the SMLT-5800. The CS-350 is a state-of-the-art climbing

system that meets today's market needs for performance and safety, and which will primarily serve civil markets in the EU and USA. The SMLT-5800 is the latest addition to our fleet of lattice tower systems and is designed to achieve phenomenal freestanding heights of over 100 metres in a gantry tower setup, with a lifting capacity over 1.500 tonnes.

We look forward to the opportunities the future brings, as we meet challenges with the special brand of Sarens innovation and ingenuity that continues to redefine what is possible in the world of heavy lifting.

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

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



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.

SMALL OR BIG, SARENS HAS ALL TYPES OF CRANES FOR RENTAL



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.

CLIENTS 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 client 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".





**AS OUR SALES TEAM ESTABLISHES ITSELF IN
THE NEW MARKETS WE HAVE DEFINED, WE CAN
ALREADY SEE THE BENEFITS OF OUR EFFORTS.**

As our sales team establishes itself in the new markets we have defined, we can already see the benefits of our efforts. This confirms that our decisions so far have been correct, as we have been able to convert the positive signals received from the markets into sometimes small but also greater successes:

- We have secured orders across the globe, not only through our diversified international client base but also with the help of their local offices.
- North America has seen success with three big cranes at a long-term civil construction project in Las Vegas, similar to our work last year at a large refinery plant in India.
- Europe has remained stable and Asia has picked up in the civil, infrastructure,

and petrochemical sectors. We will see more activity in this region as we start executing our first multi-million Euro project in Taiwan.

Civil, offshore wind, and petrochemical remain key sectors for us, while offshore decom and alternative (green) power offer growing markets with fast-moving opportunities.

Guided by our global sales plan, with a different emphasis at each hub, we look forward to securing not only more work but better work: with our best clients, in the most promising regions, and with the best margins.

GERT HENDRICKX
SALES DIRECTOR PROJECTS

THE SARENS LEGAL AND CONTRACT MANAGEMENT (LCM) DEPARTMENT STRIVES TO PROACTIVELY MANAGE RISK AND, AS A TEAM, PROVIDE TIMELY AND HIGH-QUALITY LEGAL AND BUSINESS ADVICE TO OUR STAKEHOLDERS. WITH OUR PRAGMATIC APPROACH, FLEXIBILITY, AND PROBLEM-SOLVING ATTITUDE, WE DELIVER PROJECT SOLUTIONS AND PARTNER WITH INTERNAL CLIENTS TO FACILITATE PROFITABLE GROWTH FOR SARENS.

The Sarens Legal and Contract Management (LCM) department strives to proactively manage risk and, as a team, provide timely and high-quality legal and business advice to our stakeholders. With our pragmatic approach, flexibility, and problem-solving attitude, we deliver project solutions and partner with internal clients to facilitate profitable growth for Sarens.

The LCM team focuses on diversity as a strategic asset, allowing us to effectively serve the Group worldwide. Our team is composed of diverse talent and fosters an inclusive and collaborative environment in which all members of the BUs feel supported. Our unconventional team of experts, consisting of legal, engineering, and business professionals, provide wide-ranging advice on risk management. This allows us to reach beyond the standard legal department to provide comprehensive and unparalleled guidance to a complex global organisation.

The LCM team continuously invests time, knowledge, and resources to provide legal services and increase risk awareness, risk management competencies, and legal/contractual knowledge and understanding across the Group. With these activities we create a professional focus on contract management and compliance with legal policies, laws, and regulations among our internal clients, the BUs throughout the Sarens Group.

The synergy created within the organisation by the understanding of legal/contractual risk is positive. As a result of this

synergy, the business teams see the LCM team as a partner, ready to ensure their success before the execution of the contract, during the performance of the project, and after the closing of activities. This creates a truly cross-functional unit, engaging all areas of the business and hedging all manner of risks, including sales, operational, legal, and contractual, among others.

The LCM team focuses its strategy on three pillars: TRAIN, ASSIST, and AUDIT.

TRAIN: Our training improves BU members' understanding of contracting and legal risks, as well as contract administration. It helps them understand what we sell, what we sign, and what we perform. In essence, the LCM team creates a "learning culture" that encourages Sarens employees to continuously transform for the better. In the past few years, the LCM team has trained over 1.100 Sarens employees across 16 BUs, with 192 employees trained in 2019 alone. With subsequent training and testing, 96% of all participants have improved their results.

ASSIST: The LCM team ensures that Sarens properly executes its business, manages risk, and complies with regulatory obligations worldwide. With dedicated LCM team members for each region of the world, we provide country-specific legal and contract management advice, as well as a first point of contact for every BU. As we assist BUs, we strive to safeguard Sarens' interests and ensure compliance

with Sarens' Golden Rules and the legal standards provided for in the legal training materials and the SPM Booklet.

AUDIT: LCM audits measure each BU's implementation of, and compliance with, the SPM process. These audits act as an effective system of internal controls for achieving Sarens' risk management and business objectives. They have produced reliable data and reporting on Sarens' operations, allowing for the development of measurable KPIs, and providing a pro-active means to address the needs of each BU. They also serve as further training on risk evaluation and contract analysis. In fact, 100% of BUs that have had more than one audit improve their results.

In a global environment marked by uncertainty, clients are increasingly shifting operational risk to Sarens. Because growing regulatory mandates may jeopardise Sarens' ability to perform profitable projects, there has never been a greater need for a diverse, proactive, and effective LCM team that partners with the business team to effectively perform projects. Your LCM team will help you navigate this environment and face its challenges. Reach out to us.

The LCM department continues to focus on teamwork, teaming with management, sales, and operations to share expertise through training and audit programs to achieve our common goal: successful projects!

ISABELLE DEMEESTER
GROUP LEGAL DIRECTOR

**THE LCM TEAM
FOCUSES ITS
STRATEGY ON THREE
PILLARS: TRAIN,
ASSIST, AND AUDIT.**

**IMAGES CONVEY
OUR STORY
IN A WAY WORDS
OFTEN CANNOT.**

AS SARENS CONTINUES TO INNOVATE AND INSPIRE THE WORLD, SO DOES OUR MARKETING TEAM, UNCOVERING FRESH WAYS TO SHARE OUR STORIES WITH ADMIRERS AND ENTHUSIASTS AROUND THE GLOBE.

This year, we have evolved our visual brand, presented audiences with a deeper and richer perspective into our work, and underscored the value of inclusivity in all that we do.

Images that move the world

When people see Sarens out in the field, it's often with a sense of awe: our massive cranes are of such a size and scale that they seem capable of moving the world. Across the globe, they are emblems of everything that is possible: lifting nuclear power plants and World Cup stadiums into place, performing lifts for NASA and repairing centuries-old steeples. This year, we've established an Instagram presence to convey the exciting visual culture around the Sarens brand and communicate our work in a way that is fresh, compelling, and visually arresting. These images convey our story in a way words often cannot, and imprint themselves on the imagination for a long time to come.

A noble mission to create and explore

This year we connected to an international community of fans, followers,

and enthusiasts with the Creators & Explorers series: a collection of in-depth stories that illuminate how Sarens brings scientific rigour, visionary innovation, and a standard of excellence to everything we do. With the launch of Creators & Explorers in 2019, we have delved into fascinating aspects of our work, from the intricacies of the anemometer to the hard safety questions we are expected to ask and answer on site. This year, we plan to enrich those stories with dynamic imagery and video, bringing our content to life for audiences around the world. We do this because we believe that educating our community and sharing our knowledge is truly a noble pursuit, one worthy of a brand that continues to be the global reference in the heavy lifting industry.

Inclusivity that inspires innovation

We owe much of our success to the diversity of our workforce and the variety of talents and viewpoints each of our people brings to the table. We celebrated these values with the release of our 2019 [end-of-year wishes video](#), which conveyed our vision for collaborating with partners and clients large and small, embracing competition in all its forms, and working with professionals from all backgrounds. We have also

communicated Sarens' spirit of inclusivity via global campaigns that connect with young talent and content that highlights everything from our female crane operators to our work integrating refugees. In 2020, we also look forward to launching a newsletter enriched by the stories of the women who work at Sarens.

We envision a bold and exciting 2020 full of growth, innovation, and even more opportunities to inspire the world with what's possible. To be able to tell these great stories, day in and day out, has been an honour.

KLEOPATRA KYRIMI
GROUP MARKETING &
COMMUNICATIONS MANAGER

**IT IS BECOMING
INCREASINGLY
IMPORTANT TO
KEEP A FLEXIBLE
ICT ENVIRONMENT.**

ICT SUPPORTS THE BUSINESS

With technology evolving faster than ever before, it can be hard to predict future ICT needs. We see the advantages of the technology evolutions but we also see the risk of it. That is why it is becoming increasingly important to keep a flexible ICT environment and experienced ICT team members to stay on an adequate level to be able to support the changing business requirements.

2019 was another important year in our migration to Microsoft Dynamics365 platform. Another 7 companies have been migrated to D365 Finance & Operations and also Dynamics365 CRM has been completely integrated.

ICT has a focus on cloud based applications

Subscription-based pricing: You pay as you go, unlike conventional on-premise systems where you have to make a major up-front investment in licenses, hardware and software. You benefit from better cash flow and far greater IT flexibility.

Using cloud solutions lowers significantly ICT overhead : Upgrades, maintenance, and system administration take place in the cloud and are managed by the vendor, so the internal team does not have to spend to spend nights or weekends supervising a new version upgrade or a failed server.

High availability: Cloud software architectures are designed from the ground up for maximum network performance, so we expect better application-level availability than conventional, on-premise solutions for sure in our Sarens worldwide 24/7 working organization.

ICT has a focus on ICT security

And last but not least ICT Security : a continuous concern, also at Sarens. We have a high focus on keeping our ICT technical environment secure. We continuously monitor traffic on our security devices and are supported by external suppliers and consultants.

STEVE VOSSEN
GROUP ICT MANAGER



People are at the heart of the Sarens business. Our functional and geographic diversity of talent is what makes it possible to deliver the solutions and services our clients expect. It goes without saying that building and growing such a workforce requires a daily commitment to excellence, both from the HR teams as well as our People Managers worldwide. To make this happen, HR focuses on a number of Key Domains executed by a team of highly competent and passionate professionals.

When it comes to **Talent Acquisition**, “Get the right people on the bus” is an easy statement to make. However, recruiting the right talent requires deep knowledge of our business needs, insights into the dynamics of worldwide labour markets, use of adequate recruitment channels, the relentless energy to engage with potential talent, speed of execution, and a well-calibrated selection process. We take internal and external profiles into account as we staff our business lines depending on expertise, experience, and skill set. We are also embracing those talents for whom the way to the labour market is less obvious due to migration waves. Finally, we are placing an emphasis on gender

diversity in more technical functions.

Once we select the right talent, we must reward them appropriately. Developing and maintaining an attractive **Compensation and Benefits** package for different populations is a must, supported and challenged by regular benchmarking against the wider labour market. “Money for value” is, however, only part of the equation. “Value for money” is the other part. This is why, at least once a year, the entire workforce gets a **Performance Evaluation**. This is an interactive moment for managers and employees to review job performance over the previous months. This review is built around detailed job descriptions specifying job-specific result areas, required skills, and competencies so as to make it as relevant as possible. The performance evaluation is also an opportunity to discuss personal development areas and career ambitions.

Based on the outcome of these evaluations, as well as the functional needs of different teams and departments, **Talent Development** defines and implements various learning solutions. Last year, a new Learning Management System was

introduced to facilitate online learning, and subject matter experts within the company now use this platform to seamlessly share their knowledge and insights with colleagues worldwide. We also started identifying and developing **fast track talents** last year. This process has given senior management insight into who is likely to take on future senior roles, and informs our **Succession Planning** for key positions.

Because “people join companies but leave managers”, our **People Managers** play a major role in developing and retaining talent, and we plan to further boost their leadership and people skills in the coming years. This is a key deliverable in the global war for talent, which is practically a fact of life in technical fields. The encouraging news is that across the globe, Sarens’ natural attrition has dropped below 8%. This is a major indicator that our hard work has been paying off.

Our ambition for the near future is to continue on the path set forward, and the key to our success lies, as always, in our execution. After all, “5% is inspiration, the other 95% is perspiration”.

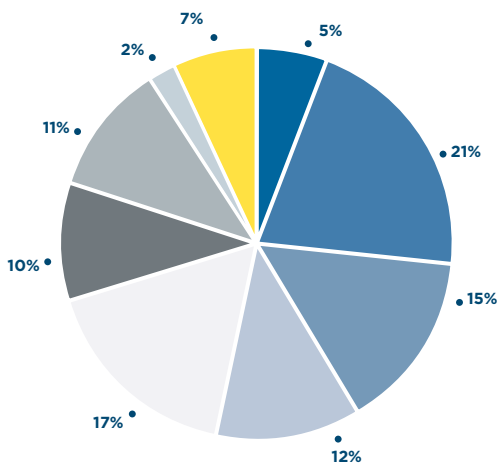
MARC DE BOOM
CHIEF OPERATING OFFICER



FTE EVOLUTION

FTE EMPLOYED BY REGION

	2019	2018	var.
Group Overhead	237	222	6,8%
Sarens projects	1011	939	7,7%
Western Europe	737	814	-9,5%
Eastern Europe	596	550	8,4%
Middle East	839	848	-1,1%
Asia	479	506	-5,3%
Northern Africa	546	549	-0,5%
Southern Africa	112	134	-16,4%
North America	329	243	35,4%
Latin America	0	67	-100%
Oceania	27	40	-32,5%
Grand Total	4.913	4.912	0,0%

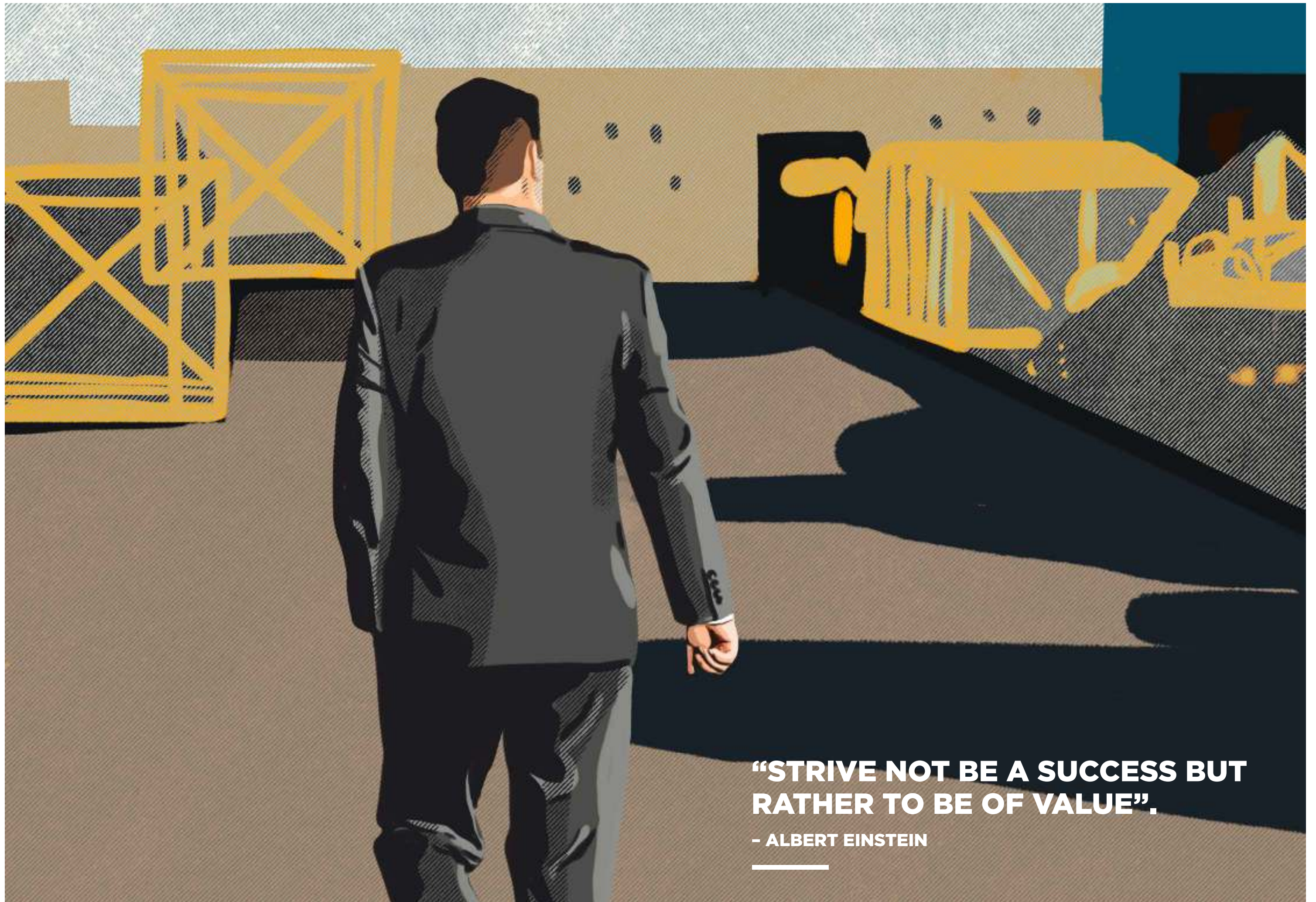




**WATCH
#HOWWEDOIT
VIDEO**



THE SARENS CREW REPLACED
TWO OLD BRIDGES WITH NEW 300T
STRUCTURE IN THUIN, BELGIUM.



**“STRIVE NOT BE A SUCCESS BUT
RATHER TO BE OF VALUE”.**

– ALBERT EINSTEIN

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 Management
- 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.

WESTERN EUROPE

**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.



SARENS PROJECTS

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.



EASTERN EUROPE

MARIUSZ SUDOŁ

Mariusz, a Polish national, holds an MBA and a degree in pneumatic and hydraulic propulsion systems from the Institute of Technology in Gdansk. Mariusz has been with Sarens in Poland since 2003, serving as Site Manager, Project Leader, Chief Engineer, Chief Operating Officer, Country Manager, and Wind Division Manager. In 2019, he became Regional Director EEU & CA and was recently appointed Regional Director EEU & NE.



APAC & AFRICA

NAVNEET JAIN

Navneet, an Indian national, holds an MBA and professional certification in company law and management accounting. With over 24 years of experience, he has worked with Reliance Industries for 18 years, holding critical leadership positions in the cranes and construction equipment division. He joined Sarens in 2016 as the India Country Manager and is now the Regional Director for Asia & North Africa.



REGIONAL DIRECTORS



MIDDLE EAST

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.



NORTH AMERICA

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.



OCEANIA

GARRY KEARNEY

Garry was born in the UK, where he started his career in the lifting industry by joining the family rigging business right out of high school. Garry moved to Australia eleven years ago and became Regional Director APAC & Africa in early 2019.

CEO

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.



PRESIDENT

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.



COO

MARC DE BOOM

Marc holds an MS in Civil Engineering and a postgraduate degree in Business Administration from the University of Louvain. Previously, he was an R&D Director and HR director at Alcatel-Lucent, and VP of HR at Danone and Alpro (WhiteWave). He joined Sarens as Business Support Director in 2019 and is now appointed Chief Operating Officer.



CFO

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.



SHEQ

JORIS MAREELS

Joris holds a master's degree in OH&S along with various certificates and training in Safety, Environmental and Quality Management. Joris has 25 years of SHEQ management experience in different industries, including with Belgian Railways, airport services, and renowned organisations like Imperial Tobacco, where he implemented integrated SHEQ Management systems. In 2014, Joris joined Sarens as SHEQ Manager before taking over the role of Group SHEQ Director.



FLEET

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.



OPERATIONS

DAVE SMITH

Dave, a UK national who has spent the last 40 years in the lifting industry. He has worked his way up from crane operator to his current role of Rental Operations Support Director, working in 56 different countries for Baldwins, Van Seumeren, Mammoet, Roll Lift & ALE prior to joining Sarens in June 2018.



TRADE

JAN L. SARENS

Jan holds a Master's degree in commercial science and served as a financial auditor at Deloitte for four years prior to joining Sarens in 2012. He is one of seven fourth-generation Sarens family members active in the company and holds the position of Group Equipment Trade Director.



LEGAL & CONTRACT
MANAGEMENT

ISABELLE DEMEESTER

A Belgian national, Isabelle holds a Master's degree in law. In the first ten years of her career, she worked as a lawyer for various law firms and served as corporate legal counsel for Tate & Lyle. Since 2007, she has managed the worldwide LCM team as the Group Legal Director.



MARKETING
& COMMUNICATIONS

KLEOPATRA KYRIMI

A Greek national, Kleopatra holds a BA in Political Science/Italian Studies and an MA in International Relations & Crisis Resolution. She worked for the UN and the OECD until 2011. She then became Marketing Intelligence Manager at Hill International. In 2015, she was appointed Group Marketing & Communications Manager for Sarens.



ICT

STEVE VOSSEN

Steve, a Belgian national, joined Sarens in 1999. Over the past 21 years, he built and managed a team of ICT experts to provide Information and Communication Infrastructure and ERP systems for Sarens. Previously, he amassed extensive experience at KPMG and Toyota Motor Europe. He holds a degree in Applied Computer Science, Economics and Pedagogy.



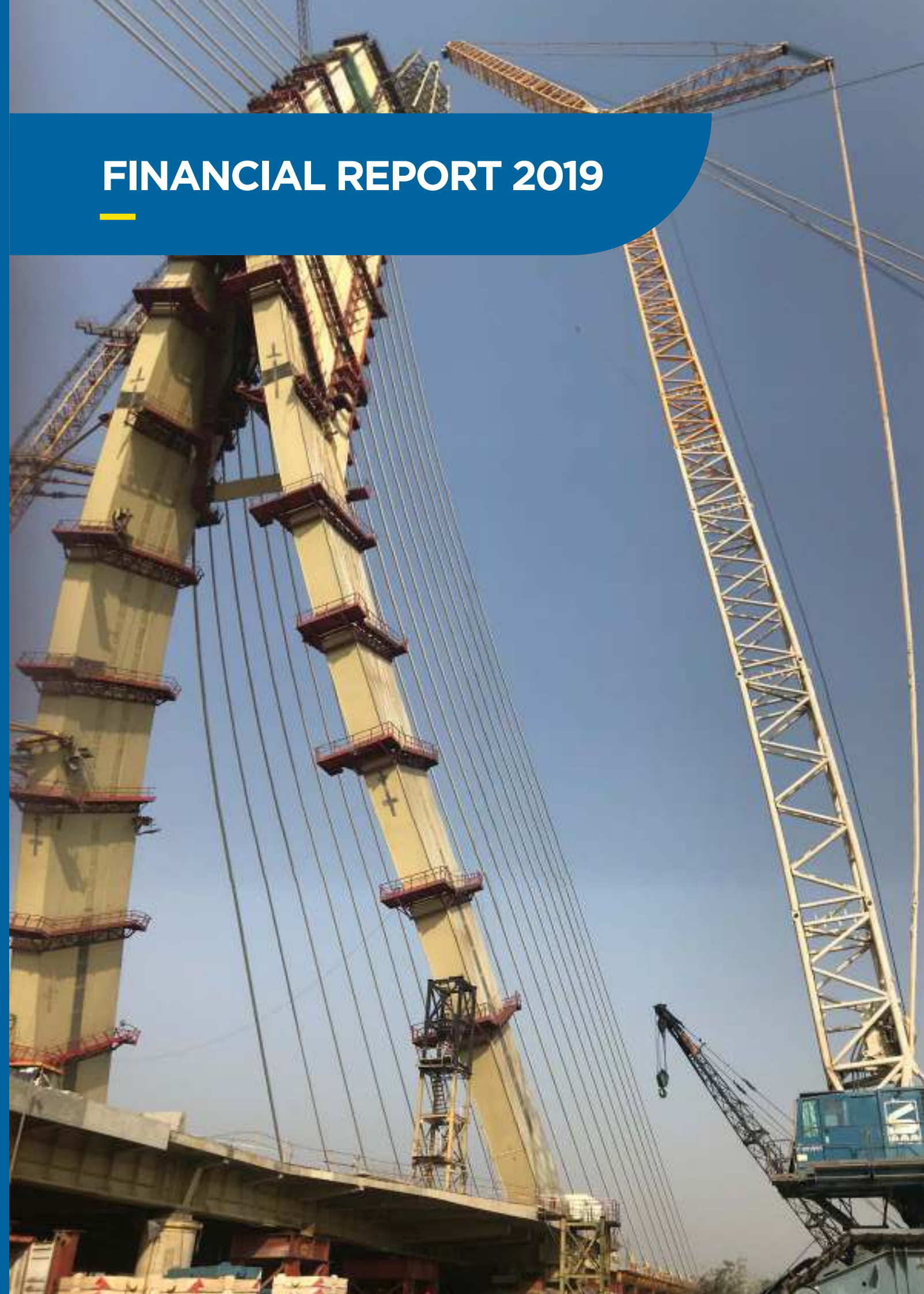
PROCUREMENT

ERIC VAN DEN HUEVEL

Eric joined Sarens in 2019 as Global Procurement Manager. For more than 30 years, he has held different Procurement management positions in multinationals and built up a wealth of experience in pharmaceutical, FMCG, Industrial Equipment, and automotive industry. He holds an Entrepreneurial Executive MBA from Northwestern University Kellogg School of Management.



FINANCIAL REPORT 2019



2019 STRONG FINANCIAL PERFORMANCE ON THE BACK OF EXCELLENT PROJECT EXECUTION AND FOCUS ON INCREASED EFFICIENCY IN RENTAL SERVICES.

INCOME STATEMENT

The Turnover (including WIP) increased by 11.9% from €593.1 million in 2018 to €663.6 million in 2019.

The turnover growth mainly resulted from the continued good performance on the TCO project, full ramp-up of Hinkley Point in the UK, and solid rental operations, in particular in Canada, USA, Mexico and Central and Eastern Europe where the strategic re-focus started bearing its fruits.

The Own Turnover, defined as Turnover minus Subcontracting, increased by 16.8% from €439.2m in 2018 to €513.1 million in 2019 as the equipment from the front loaded capex program of previous years is now fully contributing to the turnover.

The total operating charges remained stable at €622.6 million in 2019 compared to €621.2m in 2018.

Purchases decreased from €89.3 million in 2018 to €68.7 million in 2019, mainly as a result of the completion of the construction of the SGC250 by the end of 2018, partially undone by the purchases of additional supporting equipment required for the TCO project in 2019.

Other goods & services increased from €248.7 million in 2018 to €256.5 million in 2019 as a result of increased project-related travel & lodging and maintenance & repair of equipment.

Personnel costs slightly increased by 1.3% from €179.1 million in 2018 to €181.4 million in 2019.

This resulted in an all-time high EBITDA of €165.8 million in 2019, compared to €127.2 million in 2018, an increase of about 30%, on the back of close cost control and as a direct result of the increase in Own Turnover.

Depreciation remained stable at €92.3m in 2018, compared to €94.0m in 2019. Provisions for doubtful debtors and impairments on contracts in progress reduced from €8.2 million in 2018 to 5.4 million in 2019. Provisions for risks and costs related to dispute settlement and litigations amounted

to €4.8 million.

The Earnings Before Interest and Taxes (EBIT) improved from 30.3 million in 2018 to €61.6 million in 2019.

In 2019, Net Financial Result was positively affected by favourable currency fluctuations, both realized and unrealized, of €9.7 million compared to a negative impact of these currency fluctuations of €12.6 million in 2018.

Net Extraordinary Result remained limited to minus €2 million compared to minus €21.8 million in 2018, of which €19.2 million were related to additional depreciation charges resulting from the updated valuation rules.

Income Tax Expenses increased from €2.8 million in 2018 to €16.4 million in 2019.

Net Result of the company came out at a profit €18.4 million in 2019, compared to a loss of €39.9 million in 2018. As a reminder, the results of previous years were significantly impacted by:

- costs related to the restructuring of some regions (LATAM, SAFR, AU in 2016-2017);
- FX results (to a large extent non-realized translation results running through P&L); and
- the underperformance on a few wind farm projects in Oceania in 2018.

BALANCE SHEET

The balance sheet total slightly decreased from €1,375.4 million at the end of 2018 to €1,354.9 million at the end of 2019.

Tangible Fixed Assets amounted to €1,025.7 million at the end of 2019 compared to €1,058.9 million at the end of 2018, hence representing 75% of the balance sheet total, and mainly consisted of high-end heavy lifting and complex transport equipment for which an active global market exists in terms of project work, rental services and second hand trading.

Trade Receivables amounted to €169.9 million at the end of 2019 compared to €182.9 million at the end of 2018, which

reflects the efforts made by our receivables collection teams.

Working capital increased from €16.7 million at the end of 2018 to €87.5 million at the end of 2019, mainly as a result of the consumption of advance payments received on projects and the payment of long term suppliers.

Net Financial Debt only slightly increased by 1.9% from €726.4 million at the end of 2018 to €740.0 million at the end of 2019, despite the significant working capital increase.

In February 2020, the company successfully refinanced its 2022 maturing HY Bond by a new €300.0 million HY bond maturing in 2027. This resulted in a material extension of the debt maturity profile and created additional liquidity headroom for the group. In addition, the existing senior revolving credit facility was extended by two years.

CASH FLOW STATEMENT

The strong EBITDA performance of 2019 does not fully translate into an increased Cashflow from Operations as a result of the one-off working capital swing.

The Cashflow from Operations amounted €72.9 million in 2019 compared to €115.0 million in 2018, including a change in working capital of €-72.2 million in 2019 compared to €+2.8 million in 2018.

Capital Expenditures amounted to €49.1 million in 2019, which is significantly lower than in previous years as the expansion capex program was materially completed. Capital Expenditures in 2019 mainly relate to the replacement existing mobile crane fleet.

Cash balance amounted to a healthy level of €46.0 million at the end of 2019.

As a result of the strong financial performance in 2019, leverage ratios decreased well ahead of the levels agreed with our financing partners, which resulted in adequate covenant headroom at the end of 2019.

LUDO VERRIJKEN
CHIEF FINANCIAL OFFICER



1. CONSOLIDATED BALANCE SHEET

Thousands EUR	2019	2018	2017
FIXED ASSETS			
Goodwill and intangible fixed assets	12.710	13.189	13.762
Positive consolidation differences	1.488	839	1.556
Tangible fixed assets	1.025.745	1.058.917	1.016.978
Financial fixed assets	4.866	4.417	3.897
Total fixed assets	1.044.809	1.077.362	1.036.193
CURRENT ASSETS			
Other amounts receivable after more than 1 year	8.163	8.998	4.237
Stocks and contracts in progress	27.133	20.840	19.126
Trade debtors	169.892	182.886	177.596
Other amounts receivable within 1 year	44.191	37.121	36.105
Cash and cash equivalents	45.954	39.691	60.656
Deferred charges and accrued income	14.800	8.484	5.624
Total current assets	310.133	298.020	303.344
Total assets	1.354.942	1.375.382	1.339.537

Thousands EUR	2019	2018	2017
EQUITY			
Share capital	80.000	80.000	80.000
Changes in revaluation surplus	5.107	5.307	6.722
Retained earnings	142.837	125.325	166.596
Consolidation badwill	2.151	2.151	2.151
Currency translation reserve	12.690	18.897	14.073
Total equity	242.785	231.680	269.542
Minority interests	7.762	7.554	4.794
PROVISIONS AND DEFERRED TAXES			
Provisions for liabilities and charges	10.039	5.341	14.230
Deferred taxes	93.984	92.355	99.214
Total provisions and deferred taxes	104.023	97.696	113.444
AMOUNTS PAYABLE OVER 1 YEAR			
Bonds	250.000	250.000	250.000
Leasing and other similar obligations	283.745	243.521	164.427
Credit institutions	137.079	160.274	163.968
Other loans	957	0	0
Advances received on contracts in progress	0	22.500	0
Total financial debts	671.781	676.295	578.395
AMOUNTS PAYABLE WITHIN 1 YEAR			
Financial debts - credit institutions	114.148	112.321	136.016
Bonds	0	0	0
Trade debts	125.501	173.006	130.838
Other amounts payable	35.311	39.379	43.647
Advances received on contracts in progress	30.138	23.255	52.481
Accruals and deferred income	23.493	14.196	10.380
Total current liabilities	328.591	362.157	373.362
Total liabilities	1.354.942	1.375.382	1.339.537

2. CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Thousands EUR	2019	2018	2017
Turnover	660.269	594.693	601.974
Stocks of finished goods and contracts in progress	3.407	-1.558	-4.037
Own work capitalised	9.260	46.908	26.978
Other operating income	11.259	11.483	9.928
Total operating income	684.195	651.526	634.843
Raw materials and consumables	-68.685	-89.345	-54.182
Services and other goods	-256.478	-248.705	-278.235
Remuneration, social security costs and pensions	-181.420	-179.078	-175.811
Depreciations and amounts written off on fixed assets	-93.964	-92.348	-84.948
Amounts written off stocks, contracts in progress and trade debtors	-5.394	-8.217	-8.004
Provisions for liabilities and charges	-4.841	3.682	1.802
Other operating charges	-11.828	-7.187	-9.825
Total operating charges	-622.610	-621.198	-609.203
Operating profit (EBIT)	61.585	30.328	25.640
Income from financial fixed assets	0	0	4
Income from current assets	7.019	3.779	4.127
Other financial income	65.379	52.955	54.364
Financial income	72.398	56.734	58.495
Debt charges	-38.353	-33.718	-34.000
Other financial charges	-58.795	-68.642	-86.692
Financial charges	-97.148	-102.360	-120.692
Profit on ordinary activities before taxes	36.835	-15.298	-36.557
Non-recurring operating income	666	4.011	124.666
Non-recurring operating charges	-2.437	-25.592	-14.305
Non-recurring financial income	238	928	0
Non-recurring financial charges	-509	-1.154	-10.033
Profit for the period before taxes	34.793	-37.105	63.771
Transfer to/from deferred taxes	-1.387	7.042	6.594
Income taxes	-14.966	-9.879	-17.587
Income tax expenses	-16.353	-2.837	-10.993
Profit of the period	18.440	-39.942	52.778
Share in result of the companies using the equity method	172	353	252
Consolidated net result for the period	18.612	-39.589	53.030
Share of the group	17.541	-42.505	51.967
Share of third parties	1.071	2.916	1.063

3. CONSOLIDATED CASH FLOW

Thousands EUR	2019	2018	2017
Operating profit	61.586	30.328	25.640
Depreciation, amortisation and impairment	93.964	92.348	84.948
Write-offs on inventories and trade debtors	5.394	8.217	8.004
Provisions for liabilities and charges	4.841	-3.682	-1.802
EBITDA	165.785	127.211	116.790
Net result from disposals	-5.710	-5.141	-1.117
Non-cash adjustments		0	0
Changes in working capital	-72.214	2.839	11.167
Income tax paid	-14.966	-9.879	-11.658
Cash flow from operating activities	72.895	115.030	115.182
Net investments in intangible fixed assets	-1004	-939	0
Net investments in tangible fixed assets	-47.823	-149.550	-119.414
Net investments in financial fixed assets	-277	-166	0
Cash flow from investing activities	-49.104	-150.655	-119.414
Net cash used in extraordinary activities	-1.879	-6.244	-12.358
Consolidated free cash flow	21.912	-41.869	-16.590
Capital increase		0	0
Financial results	-30.859	-30.800	-29.974
Debt issuance costs	-4.604	0	0
Net debt movements	19.814	51.704	37.147
Cash flow from financing activities	-15.649	20.904	7.173
Net change in cash and cash equivalents	6.263	-20.965	-9.417
Cash and cash equivalents at the beginning of the year	39.691	60.656	70.073
Cash and cash equivalents at the end of the year	45.954	39.691	60.656

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 these 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 2019 and is recorded within the currency translation reserve.

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.

The depreciation rules are determined as follows:

	Amortised period	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 2019 the amount included under this topic amounted to 2,4 million EUR, of which the main part was related to the close down of business units, yards or other locations. 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.

The non-recurring operating income amounts to 0,7 million EUR in 2019.

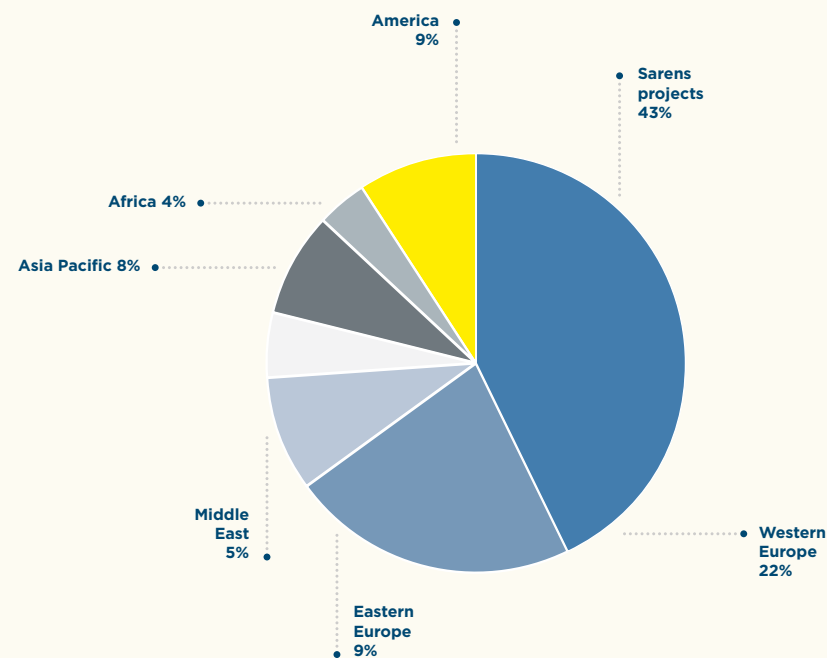
Sarens Entity	Country of Incorporation	% of Ownership in 2019	% of Ownership in 2018	Consolidation Method
ALGERIA FACILITY LOGISTICS AND TRANSPORT	ALGERIA	25	25	E
SARL ALGERIA FACILITY LOGISTICS & TRANSIT	ALGERIA	27	27	E
EOLE OVERSEAS NV	BELGIUM	33	33	E
TAGI LOGISTICS AND TRANSPORT	VIETNAM	49	49	E
PT SARENS HEAVY LIFTING AND TRANSPORTATION INDONESIA	INDONESIA	67	49	G
ESCAPE OVERSEAS LTD.	BANGLADESH	49	49	E
SARENS SIBA (PTY) LTD	SOUTH AFRICA	49	49	E
SARENS FLEET AND RENTAL SERVICES NV	BELGIUM	100	100	G
SARENS PROJECTS NV	BELGIUM	100	100	G
SARENS BANGLADESH PRIVATE LTD	BANGLADESH	100	100	G
SARENS SPAIN SL BRANCH	DOMINICAN REPUBLIC	100	100	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	100	75	G
U.E.S. LOGISTICS (MALAYSIA) SDN BHD	MALAYSIA	75	75	G
SARENS JWS (S) PTE LTD	SINGAPORE	100	75	G
SARENS FOR GENERAL TRADING LLC	IRAQ	85	85	G
SARENS HEAVY LIFT EGYPT LLC	EGYPT	95	95	G
SARENS CANADA INC.	CANADA	100	100	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
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 SARENS SPZOO	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 TRANSPORT AND HEAVY LIFT DOO	SERBIA	100	100	G
SARENS GREECE	GREECE	100	100	G
SARENS RUSSIA LLC	RUSSIA	100	100	G
SARENS KM LTD	RUSSIA	100	100	G
SARENS KRAN RU OOO	RUSSIA	100	0	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)	BAHRAIN	100	100	G
EPEQUIP SPC	BAHRAIN	100	100	G
SARENS SAUDI ARABIA LTD	SAUDI ARABIA	100	100	G
SARENS (IRAQI BRANCH)	IRAQ	100	100	G
SEREEN WLL	IRAQ	85	85	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 HEAVY LIFT INDIA PRIVATE LTD	INDIA	100	100	G
SARENS (MALAYSIA) SDN BHD	MALAYSIA	100	100	G
SARENS VIETNAM CO LTD	VIETNAM	100	100	G
SARENS PROJECTS PHILIPPINES INC	PHILIPPINES	100	100	G
SARENS NORTH AMERICA HOLDING INC.	UNITED STATES	100	100	G
SARENS USA INC.	UNITED STATES	100	100	G
SERVICIOS CORPORATIVOS LATINO-AMERICANOS SA DE CV	MEXICO	100	100	G
SRNS LATINOAMÉRICA SA DE CV	MEXICO	100	100	G
SARENS BRAZIL LOCAÇÃO DE EQUIPAMENTOS PARA CONSTRUÇÃO LTDA	BRAZIL	100	100	G
SARENS HEAVY LIFT CANADA	CANADA	100	100	G
IZAJE PESADO SA	COLOMBIA	100	100	G
SARENS PANAMA SA	PANAMA	100	100	G
SARENS ECUADOR SA	ECUADOR	100	100	G
SARENS CHILE SA	CHILE	100	100	G
SERVICIOS PARA MAQUINARIA SA	CHILE	100	100	G

Sarens Entity	Country of Incorporation	% of Ownership in 2018	% of Ownership in 2017	Consolidation Method
TRANSPORTES Y SERVICIOS ESPECIALIZADOS DE IZAMIENTO SARENS BOLIVIA S.A.	BOLIVIA	100	100	G
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 (PTY) LTD	SOUTH AFRICA	100	100	G
SARENS TRANSPORT (PTY) LTD	SOUTH AFRICA	100	100	G
SARENS MAROC	MOROCCO	100	100	G
SARENS HEAVY LIFT NAMIBIA (PTY LTD.)	NAMIBIA	100	100	G
SARENS MOZAMBIQUE LDA	MOZAMBIQUE	100	100	G
SARENS CRANES SERVICES NIGERIA LTD	NIGERIA	100	100	G
SARENS ZAMBIA LTD.	ZAMBIA	100	100	G
SARENS (AUSTRALIA) PTY LTD	AUSTRALIA	100	100	G
PERTH CRANE HIRE PTY LTD	AUSTRALIA	100	100	G
SARENS UZBEKISTAN LLC	UZBEKISTAN	100	0	N
SARENS POLSKA SPZOO ODDZIAŁ W GDANSKU (BRANCH)	POLAND	100	100	G
KÉSZ & SARENS TECHNOLOGIES KFT	HUNGARY	50	50	P
OMEGA MORGAN SARENS, LLC	UNITED STATES	50	50	P
SARBRA 1750 NV	BELGIUM	50	50	P
NEBEM BV	NETHERLANDS	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.	BAHRAIN	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	50	P
BLUE LAKE SARENS LLC	UNITED STATES	49	49	E
SARENS GULF FOR TRADING, CONTRACTING, SERVICES AND HEAVY LIFTING LCC	QATAR	100	100	N
SARENS TAIWAN	TAIWAN	51	51	N
SARENS UGANDA SMC LTD	UGANDA	100	100	N
BRANCH OFFICE OF FOREIGN COMPANY SARENS MALAYSISA SDN BHD QESHM	IRAN	100	100	N
SARENS NASS SMET INDUSTRIES WLL	BAHRAIN	26	26	N
PT SARENS OCS INDONESIA	INDONESIA	49	49	N
SUNGDO SARENS LIMITED	HONG KONG	50	50	N
SARENS KRAN LLC	UZBEKISTAN	100	100	N
SRNS CARGO SA DE CV	MEXICO	100	100	N
SARENS CONSTRUCTION & TRADING LLC	EGYPT	99	0	N
BLUE LAKE SARENS LLC	UNITED STATES	49	49	E

TURNOVER INCLUDING WORK IN PROGRESS BY SEGMENT

Segments	2019	2018
Sarens projects	284.630	226.505
Western Europe	145.152	149.892
Eastern Europe	57.529	39.689
Middle East	36.898	42.562
Asia Pacific	52.171	54.084
Africa	28.734	32.036
America	58.562	48.367



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 2018	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			2481			2481
Transfer to other asset categories		-96	443		-347	0
Balance at 31 December 2018	31.060	384	12.543	2.357	30.442	45.726
Additions	1.273	41	2		4.603	4.646
Disposals and retirements			-94		-294	-388
Effect of foreign currency exchange differences		6	35		18	59
Other movements						0
Transfer to other asset categories		-99	99			
Balance on 31 December 2019	32.333	332	12.585	2.357	34.769	50.043
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 January 2018	-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
Depreciation expense recorded	-623	-17	-893	-38	-3.864	-4.812
Disposals and retirements			59			59
Effect of foreign currency exchange differences		-4	-37	-1		-42
Other movements						0
Transfer to other asset categories		51	-51			0
Balance at 31 December 2019	-30.845	-301	-9.997	-2.162	-24.872	-37.332
CARRYING AMOUNT						
At 31 December 2018	838	53	3.468	234	9.434	13.189
At 31 December 2019	1.488	31	2.588	195	9.897	12.711

TANGIBLE FIXED ASSETS

Thousands EUR	Land and buildings	Plant, machinery and equipment	Cranes & rolling equipment	Cranes under capital lease	Other leaseings and similar rights	Other tangible fixed assets	Assets under construction and advance payments	Total tangible fixed assets
ACQUISITION VALUE								
Balance at 1 January 2018	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 at 31 December 2018	16.854	102.343	808.930	670.114	158.445	10.950	9.238	1.776.874
Additions	3.660	2.765	24.141	14.774	5.399	1.485	9.611	61.835
Disposals and retirements	-451	-1.568	-22.583	-7.245	-607	-512		-32.966
Effect of foreign currency exchange differences	304	929	9.802	1.048	252	484	76	12.895
Transfer to other asset categories	125	3.866	15.367	-41.673	28.066	-197	-5.554	0
Other movements								0
Balance on 31 December 2019	20.492	108.335	835.657	637.018	191.555	12.210	13.371	1.818.638
CHANGES IN REVALUATION SURPLUS								
Balance at 1 January 2018	0	0	3.354	0	0	0	0	3.354
Additions								0
Disposals and retirements			-117					-117
Effect of foreign currency exchange differences			26					26
Transfer to other asset categories			-111					-111
Other movements								0
Balance at 31 December 2018	0	0	3.092	0	0		0	3.092
Additions								0
Disposals and retirements			-141					-141
Effect of foreign currency exchange differences			70					70
Transfer to other asset categories								0
Other movements								0
Balance on 31 December 2019	0	0	3.021	0	0	0	0	3.021

Thousands EUR	Land and buildings	Plant, machinery and equipment	Cranes & rolling equipment	Cranes under capital lease	Other leaseings 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 December 2018	-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	0	-19.237
Acquisitions from third parties							0	0
Disposals and retirements	12	7.219	14.439	586	153	134	0	22.543
Transfer to other assets categories	-4	1.492	-11.615	11.049	-981	59	0	0
Effect of foreign currency exchange differences	-20	-456	-2.752	-182	-70	213	0	-3.267
Other movements		-6.612	-105				0	-6.717
Balance on 31 December 2018	-5.883	-67.107	-396.877	-208.650	-37.182	-5.350	0	-721.049
Depreciation expense recorded	-713	-9.845	-41.421	-30.104	-8.179	-1.992	0	-92.254
Written back because superfluous								0
Acquisitions from third parties								0
Disposals and retirements	235	1.351	19.846	2.558	213	496		24.699
Transfer to other assets categories	-83	605	-28.538	28.529	-692	179		0
Effect of foreign currency exchange differences	-39	-757	-5.620	-530	-143	-221		-7.310
Other movements								0
Balance on 31 December 2019	-6.483	-75.753	-452.610	-208.197	-45.983	-6.888	0	-795.914
CARRYING AMOUNT								
At 31 December 2018	10.971	35.236	415.145	461.464	121.263	5.600	9.238	1.058.917
At 31 December 2019	14.009	32.582	386.068	428.821	145.572	5.322	13.371	1.025.745

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 2018	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				0
Elimination of dividends regarding those participating interests	-190			-190
Share in the result of the period	353			353
Balance at 31 December 2018	1.671	603	2.143	4.417
Acquisitions		37	1.347	1.384
Disposals and retirements			-839	-839
Changes in consolidation scope	-130			-130
Repayments				0
Effect of foreign currency exchange differences		6	35	41
Other movements	2			2
Elimination of dividends regarding those participating interests	-181			-181
Share in the result of the period	172			172
Balance at 31 December 2019	1.534	646	2.686	4.866

STOCKS AND CONTRACTS IN PROGRESS

Thousands EUR	2019	2018
Raw materials and consumables	21.751	18.145
Goods purchased for resale	206	471
Contracts in progress	5.176	2.224
Stocks and contracts in progress	27.133	20.840

TRADE AND OTHER RECEIVABLES

Thousands EUR	2019	2018
Trade debtors	215.857	228.241
Write-off trade receivables	-45.965	-45.355
Total trade debtors	169.892	182.886
VAT and other tax receivables	27.126	25.167
Other amounts receivable within 1 year	17.065	11.954
Other amounts receivable after more than 1 year	8.163	8.998
Total other amounts receivable	52.354	46.119

PROVISIONS FOR LIABILITIES AND CHARGES

Thousands EUR	2019	2018
Provisions for post-employment benefits	3.773	2.976
Provisions for claims and major repairs	3.595	2.087
Other provisions	2.671	278
Provisions for liabilities and charges	10.039	5.341

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 2018	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
Acquisition of non-controlling interests						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
Profit of the period			17.541		-6.215	11.326
Issue of capital						0
Changes in revaluation surplus		-200				-200
Changes in consolidation scope					8	8
Other movements			-29			-29
Balance at 31 December 2019	80.000	5.107	142.837	2.151	12.690	242.785

FINANCIAL DEBTS

Thousands EUR	< 1 year	1 - 5 years	> 5 years	Total
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
31 December 2019				
Bonds		250.000		250.000
Leasing and other similar obligations	60.149	180.820	102.925	343.894
Credit institutions	45.774	136.585	494	182.853
Other loans	8.225	957		9.182
Advances received on contracts in progress				0
	114.148	568.362	103.419	785.929

TRADE AND OTHER PAYABLES

Thousands EUR	2019	2018
Trade debts	125.501	173.006
Advances received on contracts in progress	30.138	23.255
VAT and other tax payable	14.987	20.239
Remuneration and social security payable	16.128	15.594
Other amounts payable	4.196	3.546
Total other amounts payable	35.311	39.379

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.

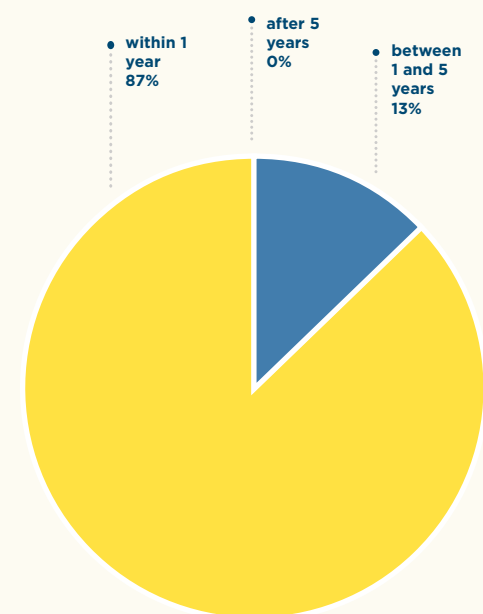
Credit risk

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 7,9 million EUR and have following maturities as of 31.12.2019

Maturity financial instruments



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 4,7 million EUR.

Guarantees

In the course of its business, Sarens is required to issue bank guarantees (performance bonds, etc.). As of 31.12.2019 the total value of these guarantees is 67,8 million EUR.

Claims

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

9. EVENTS AFTER BALANCE SHEET DATE

- In February 2020, Sarens announced the successful completion of a 300 million EUR aggregate principal amount of 5,750% senior notes, with expiration date the 21st of February 2027, in close corporation with the group's bankers. Proceeds from the offering will be used for the early repayment of the group's existing 250 million EUR senior notes that fall due in 2022 and the offering costs. As a result of the transaction, the debt maturity schedule was significantly extended and the group's liquidity profile was strengthened. Apart from that the group's bank consortium has extended its commitments under the group's revolving credit facility until 2024.
- In January 2020 the merger of Sarens Bestuur NV and Sarkran NV took place.
- In January 2020 a new entity was founded in Azerbaijan with the name Sarens Azerbaijan LLC.
- In February 2020 a new entity was established in Russia with the same Sarens Projects LLC.
- Sarens KM Ltd. Was sold to a third party in 2020.
- The following entities will be liquidated in 2020: 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 for the 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 2019 Annual Report has been extracted from the consolidated financial statements of Sarens Bestuur NV for the year ending 31 December 2019.

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 29th, 2020 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

BE GAAP

Generally Accepted Accounting Principles in Belgium

EBIT

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

IFRS

International Financial Reporting Standards

NET WORKING CAPITAL

Current assets - current liabilities

NET FINANCIAL DEBT

Financial debts - cash and cash equivalents

NET SENIOR FINANCIAL DEBT

Non-subordinated financial debts - cash and cash equivalents

EBITDA MARGIN

EBITDA/turnover

GEARING

Net financial debt/equity

LIQUIDITY

Current assets/current liabilities

SOLVABILITY

Equity/balance sheet total



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