

Interview with the chairmen

Luc Bertrand, chairman of the board of directors, and John-Eric Bertrand and Piet Dejonghe, co-chairmen of the executive committee, put the 2024 results into perspective.

- **What should we remember from 2024?**

Piet Dejonghe: With a net consolidated result for 2024 that is 15% higher than in 2023, we again delivered on our promise to our shareholders. Equity per share continued to increase in 2024, up by 10% compared to 2023 when including the dividend paid out in 2024, allowing us to propose to the General Shareholder Meeting an increase of the gross dividend by 12% to 3.80 euros per share.

John-Eric Bertrand: DEME and the private banks performed extremely well and generated record contributions to our consolidated results. The strong performance at the vast majority of our portfolio companies more than offsets some punctual difficulties or the cyclical headwinds in the real estate sector. The AvH model is a model of entrepreneurship. We focus on strengthening the competitive positionings of a limited number of strategic participations, from which we want to generate recurring and growing results.

Luc Bertrand: The 2024 results and achievements also reflect our core principles and values. As an active and responsible shareholder, we give and earn trust, we grow in a sustainable manner and we apply a long-term view. A portion of our net profit is returned to our shareholders in the form of dividends, but the largest part is reinvested in order to create further value through 'compounding'.

John-Eric Bertrand: We are indeed continuing to invest in the future growth of our portfolio. In 2024, we invested 246 million euros, both through follow-on investments in portfolio companies and in new participations. Our acquisition of a 33% stake in V.Group, the market leader in ship management

and maritime support services, fits in with our ambition to use our cash position with market leaders with sustainable business models. We ended 2024 with a net cash position of 362 million euros, which offers ample room to continue further investments in high-performing market leaders.

- **AvH delivers consistent performance over the years. What is the secret formula?**

John-Eric Bertrand: There is no miracle solution, but we believe that our focus on sustainable business models and our long-term strategy make our portfolio companies more resilient.

DEME has made its revenues grow - almost entirely organically - from 150 million euros in 1990 to over 4 billion euros. This was achieved on the back of a strong culture of entrepreneurship and innovation. DEME played a pioneering role, for instance in the installation of offshore wind turbines off the Belgian coast, some 15 years ago. DEME has gradually gained experience in this field and invested in purpose-built installation vessels. This activity, in which DEME has become a global market leader, generated 2 billion euros of revenues in 2024. In parallel, DEME is now accruing expertise in other, new areas, including soil remediation, deep-sea harvesting and green hydrogen, which may become more important going forward.

Piet Dejonghe: Another illustration can be found at Delen Private Bank and Bank Van Breda. Their long-standing focus on customer service, providing advice with the long-term interests of their customers always in mind, and the high degree of transparency made possible by a digital offering have played an important role in maintaining a high level of trust from their existing clients and in winning new clients. This approach can appeal to an even wider audience, not only in the Belgian home market, but also abroad in countries such as the Netherlands, where we have continued to consolidate our market position, and the UK.

Luc Bertrand: We believe in a long-term approach in partnership with family entrepreneurs and strong management teams. An excellent illustration is our partnership with the Delen family in Delen Private Bank, which goes back to 1992, and which was later also extended to Bank Van Breda. The recently updated shareholders' agreement further extends the horizon of our partnership by at least 25 years.

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we give and earn trust,
we grow in a sustainable way and
we apply a long-term view.

Luc Bertrand,
Chairman of the board of directors



VANS & VAN HAAREN

The power of sustainable entrepreneurship with a long-term vision

From left to right • Luc Bertrand, John-Eric Bertrand, Piet Dejonghe

- **Difficult market conditions, economic uncertainties, geopolitical tensions, the risk of pandemics, climatic phenomena, ... How does AvH deal with those challenges?**

John-Eric Bertrand: Some of our portfolio companies were indeed confronted with a challenging business environment in 2024, but they have been able to further strengthen their market positioning. Take CFE and Nextensa for example. Higher interest rates and increased construction costs weighed on their contributions to our results. Nevertheless, Nextensa has made progress with the rebalancing of its investment portfolio in favor of sustainable assets, while CFE has successfully delivered several significantly loss-making projects. Thanks to their sound balance sheets and solid fundamentals, both CFE and Nextensa are well positioned to grow stronger out of this downcycle.

Piet Dejonghe: SIPEF was confronted with lower palm oil production following the combined impact of a volcano eruption on its plantations in Papua New Guinea and a general cyclical decline in palm oil production, including in Indonesia. The favorable market prices did, however, enable SIPEF to achieve a net recurring result that slightly exceeded its initial guidance. At the same time, the company was able to further reduce its net financial debt to merely 18 million euros at year-end. We believe that sustainable palm oil will continue to play an important role in the global food supply for a growing population. SIPEF has as such continued to make significant investments to achieve higher yields on the same acreage - without deforestation.

Luc Bertrand: The vision of contributing to a sustainable world with respect for people and the environment is part of the DNA of AvH and each of the companies in which we invest. We consider ESG to be a lever for realizing our long-term strategy rather than merely an additional reporting requirement.

- **Some companies experienced a tailwind in 2024, while other holdings faced headwinds. Does this highlight the importance of diversification?**

Piet Dejonghe: The strength of our diversified portfolio is that the strong performance of the majority of our portfolio companies more than compensates for the negative fair value adjustments or headwinds at other participations. Delen Private Bank and Bank Van Breda, for example, had the wind in their sails in 2024 and benefited from higher interest rates and favorable financial markets. As mentioned earlier, the situation was different for other portfolio companies, such as Nextensa and CFE. In general, the contributions of the consolidated participations, which represent the vast majority of our investment portfolio, held up quite well, although this was somewhat overshadowed by 36 million euros in negative fair value adjustments in the relatively smaller portfolio of non-consolidated companies. The fair value variations are mostly

related to the negative evolution of Biotalys' share price and the negative fair value adjustment of 25 million euros on Medikabazaar following the discovery in the first half of 2024 of financial discrepancies, which have been adequately addressed in the meantime.

- **How do you view the exceptional performance in the Private Banking segment?**

John-Eric Bertrand: With a 258.5 million euros contribution, 24% higher than in 2023, our banks are the largest contributors to our consolidated profit. Combined total client assets reached a record level of 77.7 billion euros, thanks to healthy gross inflows and a positive market effect.

This success is based on several pillars, including a focus on customer service, client proximity through our regional offices and consistent portfolio performance. Streamlined processes and state-of-the-art digital tools enable the dedicated teams of both banks to manage the growth of assets under management without compromising on quality. Other significant pillars include the focus on centralized discretionary management and the strong synergy between the two banks.

Piet Dejonghe: Whereas funds entrusted by clients of Bank Van Breda represent 31% of the total assets under management by Delen Private Bank on the continent, the share of the Bank Van Breda network in the new inflows is even bigger. The significant net inflow of assets under management was strongly driven by organic growth. Existing customers not only confirm their confidence in the bank by entrusting more funds, but also recommend our services to their acquaintances, which in turn leads to new clients and further inflows. We consequently attach great importance to the high Net Promoter Scores that the clients give to the banks. The same approach is successfully followed in the Netherlands, where Delen Private Bank achieved last year a 135% increase in assets under management to 3.4 billion euros, while at JM Finn it rose by 7% to 13.1 billion euros.

Our banking pillar remains primarily an asset manager, deriving 77% of combined operating income from gross fees and commissions. Centralized discretionary management and solid systems deliver impressive operational efficiency, which is reflected in the combined cost-income ratio of 48%, compared to 51% in 2023. The CET1 ratio and LCR are also at high levels. Delen Private Bank and Bank Van Breda remain amongst the best performing and best capitalized banks on the continent.

- **The Marine Engineering & Contracting segment was the second largest contributor to consolidated net profit. What is the basis for this accomplishment?**

John-Eric Bertrand: Over the last 5 years, DEME successfully executed its robust investment program in a versatile and sustainable fleet - at a time when the shipyards had the necessary capacity available. The price tag for these investments would be significantly higher today. This allowed DEME to gradually build a record orderbook, which is now being executed. After having realized 24% growth in the previous year, turnover increased again by 25% to 4,1 billion euros in 2024. All business segments recorded double-digit sales growth.

The resulting high vessel occupancy combined with very strong project execution enabled DEME to translate this record turnover into significantly increased margins. EBITDA grew to 764 million euro - corresponding to a margin of 18.6% compared to 18.2% in 2023. Net profits rose by 77%, from 163 million to 288 million euros.

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John-Eric Bertrand,
co-CEO

DEME continues to closely monitor market developments to anticipate adequate investments in its fleet. The pace of technological development in the offshore industry has been remarkable. Over a ten-year period, the commonly used turbine size has increased from 6 MW to 15 MW and last year, the first ever 26 MW turbine was presented in China. This has pushed down the costs of electricity from wind turbines by 60 per cent over the last decade, making offshore wind energy very competitive. Thanks to its net cash position and healthy balance sheet, DEME can consider larger investments to expand its fleet capacity to support long-term growth opportunities.

- **How did the other companies in the Marine Engineering & Contracting segment perform?**

Luc Bertrand: In line with the market cycle, CFE posted a slight decline in revenue in 2024, but the quality of its operational results improved, and its net result increased by 5%. CFE remains very well capitalized and had reduced its net financial debt by 55% to 42 million at the end of 2024. The company is prepared to respond to new opportunities when the market rebounds.

John-Eric Bertrand: Land sales at Deep C Holding's industrial zones were lower than anticipated as a result of global economic uncertainty and the enactment of new legislation on real estate sales. The lower revenues from land sales were however offset by increasing turnover from service activities, resulting in a 32% increase of net profit compared to 2023, to 12.7 million euros. At Green Offshore, 2024 performance was impacted by the price of electricity, which returned to normal levels following an exceptional 2023 in which market prices significantly exceeded the guaranteed price. In 2025, a consortium in which Green Offshore participates through Otary, will compete for new offshore wind concessions in the Princess Elisabeth Zone.

- **To what extent was Nextensa affected by the stagnation in the real estate market?**

Piet Dejonghe: At an operational level, Nextensa demonstrated its resilience. The investment portfolio's rental income increased by 4.7% on a like-for-like basis, yielding 6%. In 2024, Nextensa stepped up its strategic transformation towards a hybrid model of developer-investor focusing on mixed-use and sustainable projects. The divestment of the Knauf Shopping Centers created the opportunity for a major transaction with Proximus. Their decision to relocate the headquarter to the Tour & Taxis site will kick-start the development of Lake Side, the last phase of this 40 hectares neighborhood, whilst the iconic Proximus towers at Brussels North railway station will be redeveloped as a mixed-use landmark.

- **At SIPEF lower production volumes could largely be offset by good palm oil prices on the world market. Is that a good summary?**

Luc Bertrand: The external factors referred to earlier led to lower production volumes. Thanks in part to persistently high palm oil prices, SIPEF was still able to achieve good results in 2024. The cash flow also made it possible to continue investing in efficiency improvement programs at the palm oil extraction mills, as well as in the usual replanting program and in innovation for the sustainable production of high-purity, high-quality oil. The results of these investments should manifest themselves over the coming years.

We believe that the market will continue to be willing to pay higher prices for high-quality palm oil of superior purity that can be proven to have been

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Piet Dejonghe,
co-CEO

produced sustainably. In fact, SIPEF has plans to further improve the quality of its crude palm oil in the future in order to move up the value chain. Therein lies the power of sustainable entrepreneurship with a long-term vision.

- **Within the Growth Capital portfolio, some fair value impairments received particular attention. What is your view?**

Piet Dejonghe: The few negative adjustments to the real value should not obscure the fact that our growth capital portfolio contains several hidden gems that are part of the solution and are doing well, even in more challenging markets. AvH provides capital to a limited number of growth companies with international and sustainable growth potential. The investment strategy is based on a multi-sector approach with a longer-term horizon. Healthy balance sheets, an agile entrepreneurial business culture with strong risk monitoring and a selective investment policy: all contribute to diversification and mitigation of economic and financial risks. A small part of the investment portfolio specifically aims at investments in early-stage Life Sciences companies, as well as in India & South-East Asia. With our participations in Life Sciences companies we hope to eventually make a substantial contribution to the areas of public health and sustainable, qualitative food supply.

- **Looking at the annual results, we note that your hard work is paying off and offers many options for the longer term as well. Are you satisfied?**

Luc Bertrand: Yes, of course, but we are especially grateful that we can continue our trajectory, even as turbulence in the world increases. We owe the strong positions of the companies in our portfolio to the expertise, dedication and commitment of our employees. We had the privilege of sharing some impressive stories during this conversation, but we are well aware that our management teams and employees make this possible day in and day out in the field. We owe them our gratitude and respect. Together, we look forward to a bright future.

Luc Bertrand
*Chairman of the board
of directors*

John-Eric Bertrand
co-CEO

Piet Dejonghe
co-CEO