



## SEMI-ANNUAL PRESS RELEASE – FINANCIAL INFORMATION AS AT 30 JUNE 2019

(Regulated information – published on (5th September 2019 at 5.45 p.m.)

- **Result: € 268 million vs € 140 million as at June 30<sup>th</sup> 2018 (+ 91%)**
- **Shareholders' equity per share: € 76.79 vs € 68.59 as at December 31<sup>st</sup> 2018 (+ 11.9 %)**

### Semi-annual review

The first six months of 2019 were characterised by a significant upturn in the financial markets after the major fall that occurred during the fourth quarter of 2018. This trend is largely explained by the overall positive results of larger companies and the continuation of the accommodative monetary policies of the central banks.

Brederode's net profit for the first six months was €268 million, up 91% over the figure for the corresponding period in the previous financial year, which was €140 million. The contribution to this result from the Private Equity portfolio was €108 million, an increase of 17%; from the Listed Securities portfolio was €160 million, a 220% increase.

As at 30 June 2019, Brederode's Shareholders' equity per share was €76.79, a 11.9% increase during the six-month period (a 13.3% increase taking into account the shareholders' distribution in May 2019) and a 16% increase since 30 June 2018.

### KEY FIGURES IN BREDERODE'S SEPARATE (NON-CONSOLIDATED) FINANCIAL STATEMENTS (IFRS)

(in € million)	30 June 2019	31 December 2018	30 June 2018
Shareholders' equity	2 250.31	2 010.18	1 967.70
Profit for the period	267.69	182.29	139.81
Amounts distributed to shareholders	27.55	24.91	24.91
<b>Adjusted figures per share (in €)</b>			
Shareholders' equity of Brederode	76.79	68.59	67.14
Profit for the period	9.13	6.22	4.77
Amounts distributed to shareholders	0.94	0.85	0.85
Market price at the end of the period	60.80	50.40	53.60
<b>Ratios</b>			
Return on equity (1)	13.0%	9.4%	7.3%
Yield on the Brederode share (2)	1.5%	1.7%	1.6%
<b>Number of shares used in the profit</b>			
For shareholders' equity and for basic earnings	29 305 586	29 305 586	29 305 586

(1) Return on equity: Result for the period / average shareholders' equity. This ratio measures the internal profitability of a company.

(2) Yield: ratio between the gross amount distributed to shareholders during the period and the market price at the end of the period. This ratio is a criterion for evaluating a listed share, which measures its profitability without taking into account the rate of growth of its shareholder equity.

## PORTFOLIO MANAGEMENT BY BREDERODE AND ITS SUBSIDIARIES

(in € million)	30 June 2019	31 December 2018	30 June 2018
Private Equity management result	108.32	169.22	92.27
Listed Securities management result	159.96	9.67	50.01
<b>Portfolio management result</b>	<b>268.28</b>	<b>178.89</b>	<b>142.28</b>

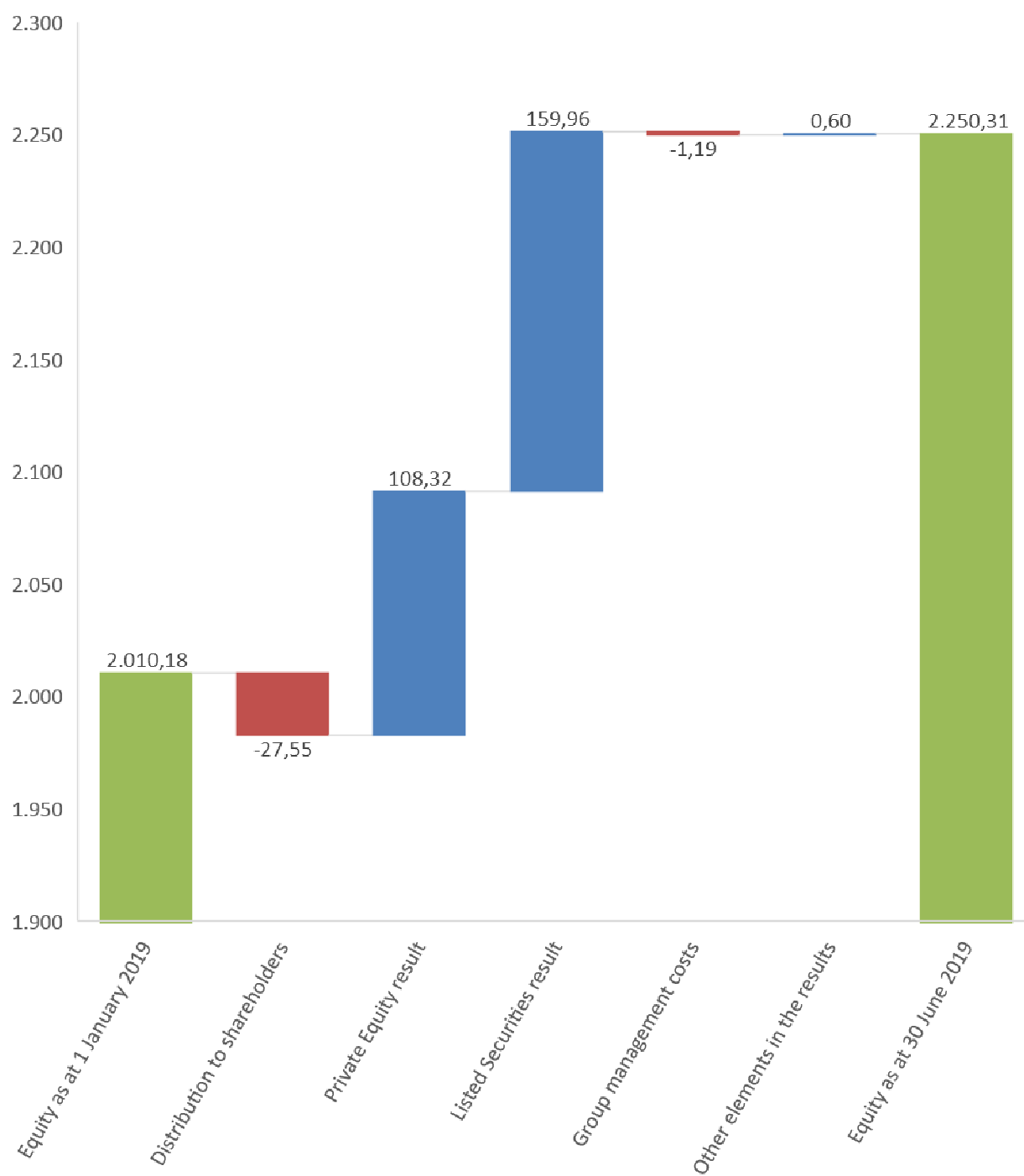
## CONTRIBUTIONS TO THE INCOME FROM ASSETS HELD BY BREDERODE AND ITS SUBSIDIARIES

The following table provides details of the contribution of the main assets and liabilities of Brederode and its subsidiaries to the income as expressed in the separate Financial Statements of Brederode.

(in € million)	30 June 2019	31 December 2018	30 June 2018
Portfolio management	268.28	178.89	142.43
Other operating income and expenses (*)	-1.30	0.78	-1.25
<b>OPERATING RESULT</b>	<b>266.98</b>	<b>179.67</b>	<b>141.19</b>
Net financial Income (expenses)	0.68	2.77	1.29
Taxes	0.02	-0.15	-2.66
<b>PROFIT FOR THE PERIOD</b>	<b>267.69</b>	<b>182.29</b>	<b>139.81</b>

(\*) Including all the general costs of Brederode and its subsidiaries (fees, directors and employees remunerations, rent, depreciation, stock market listing costs), totalling €1.19 million for the first half of 2019, €2.6 million for the 2018 financial year and €1.12 million for the first half of 2018, in other words 0.1% per year on the value of the portfolio.

### Contributions to the changes in equity



## PRIVATE EQUITY PORTFOLIO

The half-yearly contribution from the Private Equity segment was €108 million, compared with €92 million for the first half of the previous year (+17%).

The changes in the main parameters in this segment are further evidence of the sustained activity during the first half of 2019, compared with the first six months of the previous year.

### Changes in the portfolio

(in € million)	30 June 2019	31 December 2018	30 June 2018
<b>Private Equity portfolio at the beginning of the period</b>	<b>1 049.48</b>	<b>877.79</b>	<b>877.79</b>
Investments	138.89	237.16	100.86
Disposals	-135.39	-255.46	-126.27
Change in fair value (*)	118.50	189.98	94.18
<b>Private Equity portfolio at the end of the period</b>	<b>1 171.48</b>	<b>1 049.48</b>	<b>946.56</b>

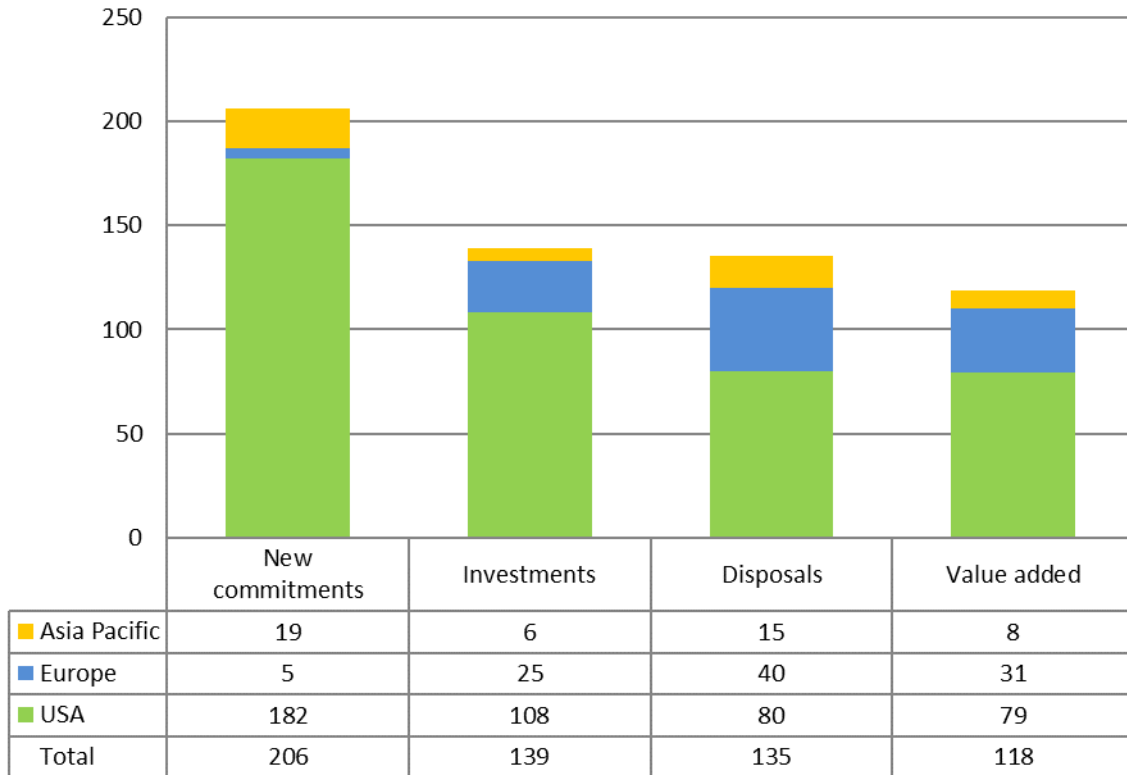
(\*) From the 2018 financial year onwards, the dividends and interest distributed by the Private Equity funds have been recorded as partial disinvestments. This change was enacted in the financial statements as at 31 December 2018 but not in the situation as at 30 June 2018. Pro forma, the disinvestments and the fair value variation as at 30 June 2018 increased by €6 million. This change in presentation has no effect on the result since the reduction in the dividends and interest is offset by a corresponding variation in the fair value measurement

### Movements in uncalled commitments

(in € million)	30 June 2019	31 December 2018	30 June 2018
<b>Commitments at the beginning of the period</b>	<b>893.71</b>	<b>698.69</b>	<b>698.69</b>
Variation in existing commitments	-124.58	-185.25	-73.25
New commitments (*)	211.21	380.27	177.92
<b>Commitments at the end of the period</b>	<b>980.35</b>	<b>893.71</b>	<b>803.35</b>

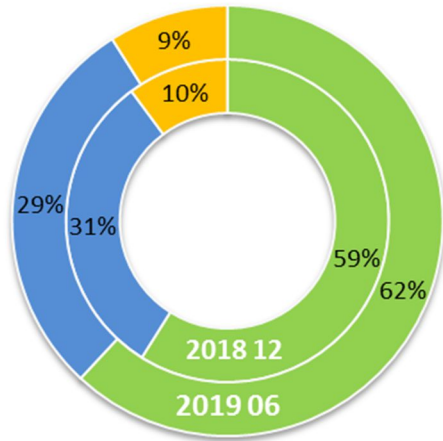
(\*) At historical exchange rates.

**Summary of *Private Equity* activities for the semester (in € million)**



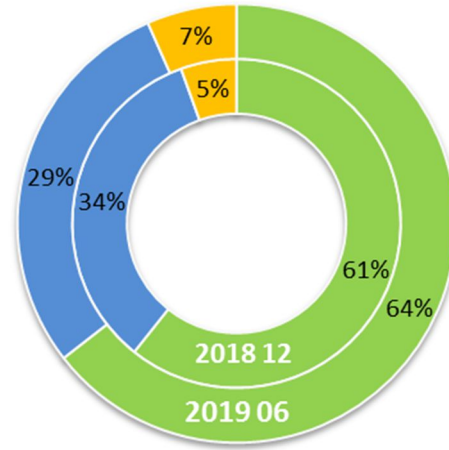
### Geographical breakdown

Current investments



■ USA ■ Europe ■ Asia Pacific

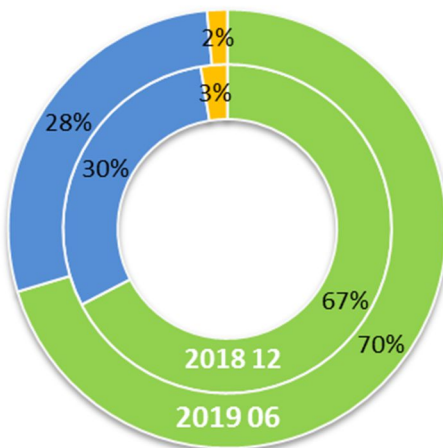
Uncalled commitments



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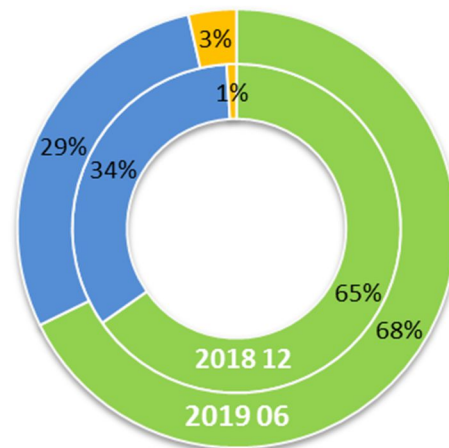
### Breakdown by currency

Current investments



■ USD ■ EUR ■ OTHERS

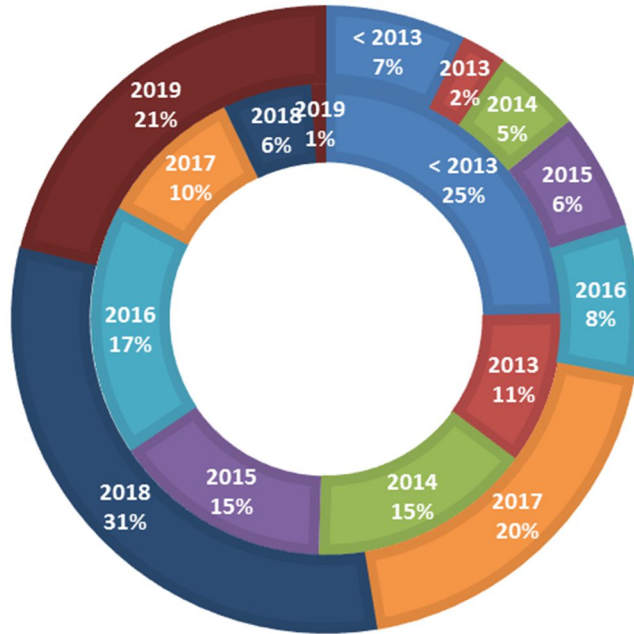
Uncalled commitments



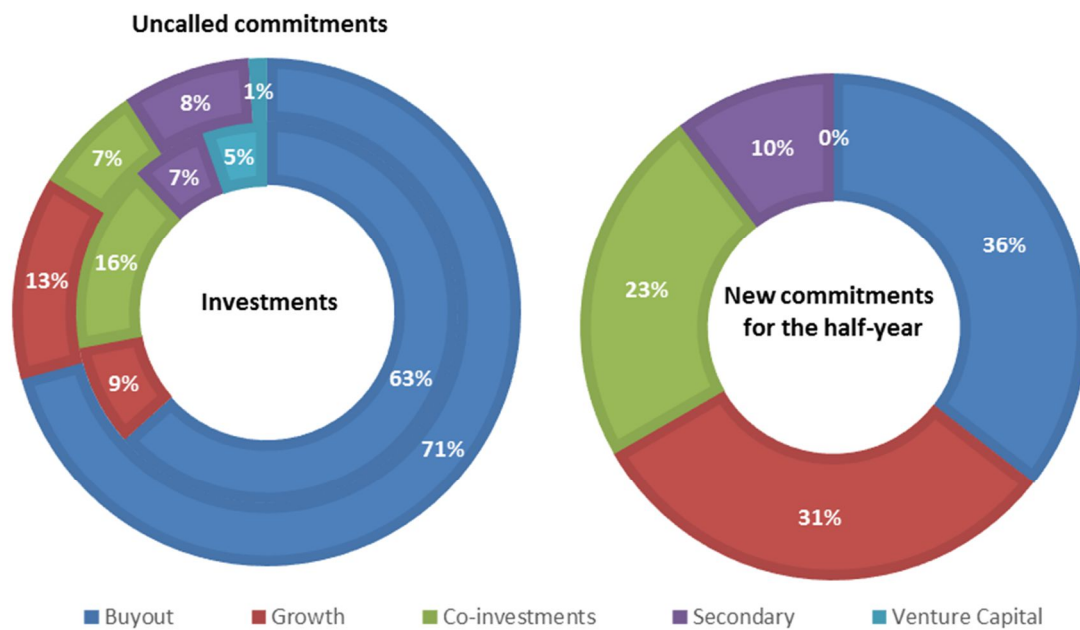
■ USD ■ EUR ■ OTHERS

**Distribution per subscription year (vintage)**

**Investments (inner ring) and uncalled commitments (outer ring)**



**Distribution by investment style**



**List of main *Private Equity* General Partners**  
(in € million)

Names	Investments at fair value	Uncalled commitments	Total commitments
ARDIAN	62.26	68.66	130.91
PROVIDENCE	70.86	59.00	129.86
CARLYLE	50.23	72.11	122.34
BAIN	64.95	38.83	103.78
CATTERTON	59.28	35.31	94.59
HIG	40.83	51.43	92.26
VISTA	46.76	35.67	82.43
CAPITAL TODAY	61.67	13.76	75.43
EQT	35.19	37.01	72.20
APOLLO	35.32	26.14	61.46
GENSTAR	36.37	25.00	61.37
ASP	20.96	39.02	59.98
TRITON	17.98	39.83	57.81
UPFRONT	46.51	10.44	56.95
ARLINGTON	25.67	24.67	50.34
BC	36.87	13.46	50.33
STIRLING SQUARE	30.52	17.08	47.60
HARVEST	15.88	31.37	47.25
HGGC	37.95	8.92	46.87
PAI	24.49	21.54	46.03
CITIC	24.54	16.98	41.52
TRILANTIC	21.76	17.60	39.36
PACIFIC EQUITY	6.57	29.49	36.06
SUN	11.99	23.36	35.35
CUBERA	20.40	11.13	31.53
OTHERS	265.67	212.54	478.21
<b>TOTAL</b>	<b>1 171.48</b>	<b>980.35</b>	<b>2 151.83</b>

The top 25 General Partners included in this list represent 78% of the total commitments



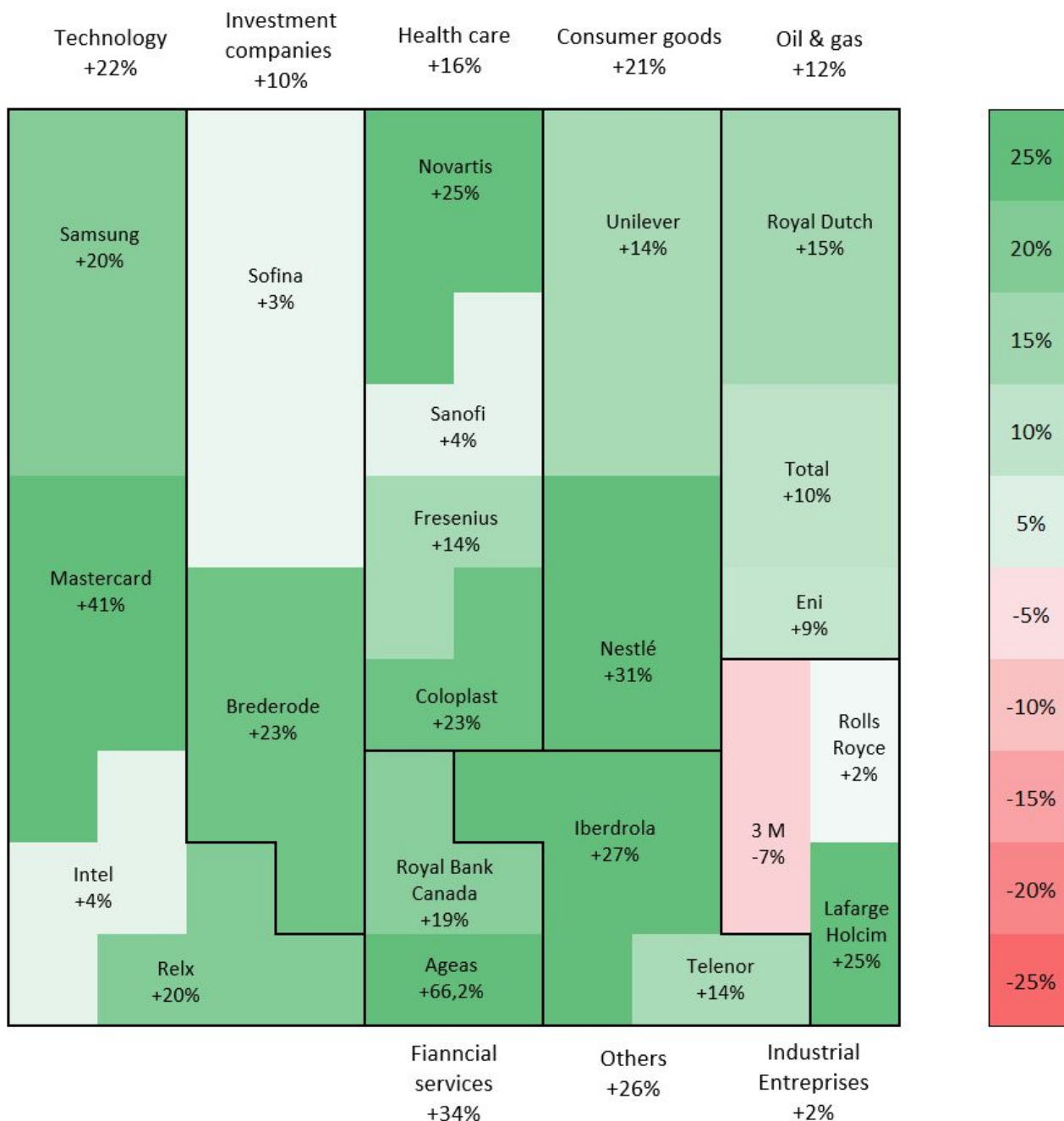
## LISTED PORTFOLIO

As at 30 June 2019, the Listed Securities segment provided a contribution of €160 million, compared with €50 million a year earlier (+220%). These figures include net dividends received totalling €17.19 million, compared with €16.46 million a year earlier (+4.4%).

### Changes in the portfolio

(in € million)	30 June 2019	31 December 2018	30 June 2018
<b>Listed portfolio at the beginning of the period</b>	<b>961.59</b>	<b>969.12</b>	<b>969.12</b>
Investments	7.32	24.01	14.04
Disposals	-22.24	-14.76	-2.04
Change in fair value	142.70	-16.78	31.92
<b>Listed portfolio at the end of the period</b>	<b>1 089.38</b>	<b>961.59</b>	<b>1 013.04</b>

**Total performance over the period (including dividends)**



## Main holdings in the portfolio of listed securities

Securities	31 Dec. 2018	Acquisitions (Disposals)	Variations in fair value	30 June 2018	Performance (1)	Number of securities	Allocation
<b>(in € million)</b>							
<b>Technology</b>	<b>212.16</b>		<b>43.57</b>	<b>255.73</b>	<b>21.7%</b>		<b>23.5%</b>
Samsung Electronics (GDR)	75.72		13.65	89.37	19.5%	100,000	8.2%
Mastercard	54.20		22.27	76.46	41.4%	328,950	7.0%
Intel	46.19		1.22	47.41	3.8%	1,127,000	4.4%
Relx	36.05		6.43	42.49	19.7%	1,994,965	3.9%
<b>Investment companies</b>	<b>174.14</b>	<b>-1.13</b>	<b>14.89</b>	<b>187.90</b>	<b>9.7%</b>		<b>17.2%</b>
Sofina	113.43		1.23	114.66	2.8%	684,152	10.5%
Brederode	60.71	-1.13 <sup>(2)</sup>	13.66	73.24	22.9%	1,204,575	6.7%
<b>Health care</b>	<b>134.67</b>	<b>-5.30</b>	<b>18.12</b>	<b>147.50</b>	<b>16.5%</b>		<b>13.5%</b>
Novartis (3)	46.61	-5.30 <sup>(3)</sup>	8.89	50.20	24.7%	625,000	4.6%
Sanofi	35.56		0.12	35.68	3.8%	470,000	3.3%
Fresenius SE	27.39		3.42	30.81	14.1%	646,191	2.8%
Coloplast	25.12		5.69	30.81	23.4%	310,000	2.8%
<b>Consumer goods</b>	<b>124.22</b>		<b>23.27</b>	<b>147.49</b>	<b>20.6%</b>		<b>13.5%</b>
Unilever	76.43		9.64	86.07	14.0%	1,611,788	7.9%
Nestlé	47.79		13.63	61.42	31.1%	674,872	5.6%
<b>Oil and gas</b>	<b>118.25</b>		<b>10.71</b>	<b>128.96</b>	<b>12.1%</b>		<b>11.8%</b>
Royal Dutch Shell	55.87		6.64	62.51	14.6%	2,177,438	5.7%
Total	38.33		2.57	40.90	10.2%	829,911	3.8%
ENI	24.05		1.50	25.55	9.2%	1,749,000	2.3%
<b>Industrial firms</b>	<b>71.60</b>	<b>-0.17</b>	<b>1.12</b>	<b>72.56</b>	<b>2.2%</b>		<b>6.7%</b>
3M	36.56		-3.10	33.47	-7.2%	219,722	3.1%
Rolls Royce	19.46	-0.17 <sup>(2)</sup>	0.37	19.66	1.9%	2,097,207	1.8%
Lafarge-Holcim	15.58	0.00 <sup>(2)</sup>	3.85	19.43	24.7%	452,713	1.8%
<b>Financial services</b>	<b>43.98</b>	<b>-4.58</b>	<b>11.86</b>	<b>51.26</b>	<b>33.8%</b>		<b>4.7%</b>
Royal Bank of Canada	26.78		4.47	31.25	18.6%	447,200	2.9%
Ageas	17.20	-4.58 <sup>(4)</sup>	7.39	20.01	<sup>(4)</sup> 66.2%	437,750	1.8%
<b>Miscellaneous</b>	<b>82.57</b>	<b>-3.74</b>	<b>19.16</b>	<b>97.98</b>	<b>26.5%</b>		<b>9.0%</b>
Iberdrola	49.57	1.07	12.67	63.30	27.1%	7,217,897	5.8%
Telenor	23.91		2.62	26.53	13.6%	1,420,000	2.4%
Other holdings < € 10 MM	9.09	-4.81	3.81	8.15	90.3%	n.a.	0.7%
<b>TOTAL</b>	<b>961.59</b>	<b>-14.92</b>	<b>142.70</b>	<b>1 089.38</b>	<b>16.9%</b>		<b>100%</b>

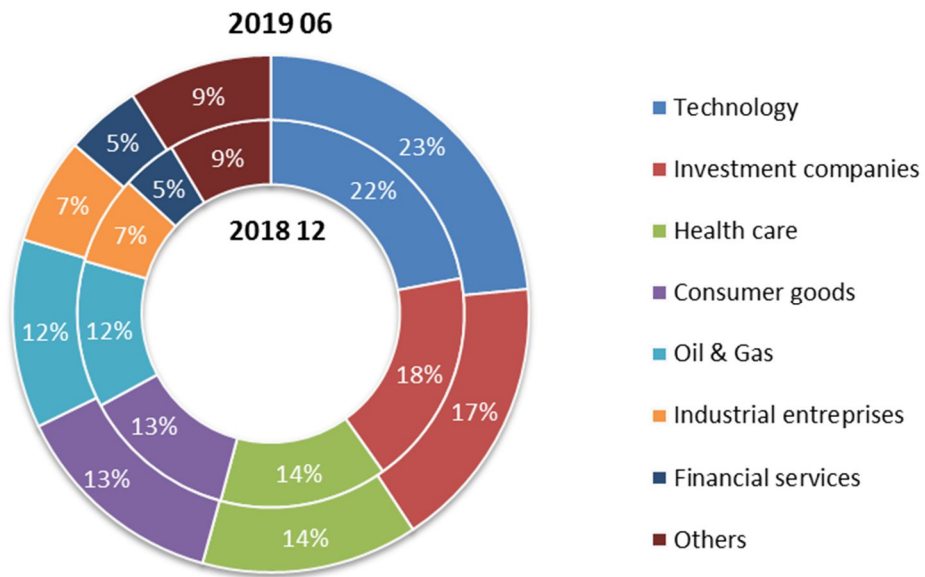
<sup>(1)</sup> Indicative performance taking into account the net dividends received

<sup>(2)</sup> Reimbursement of capital or equivalent

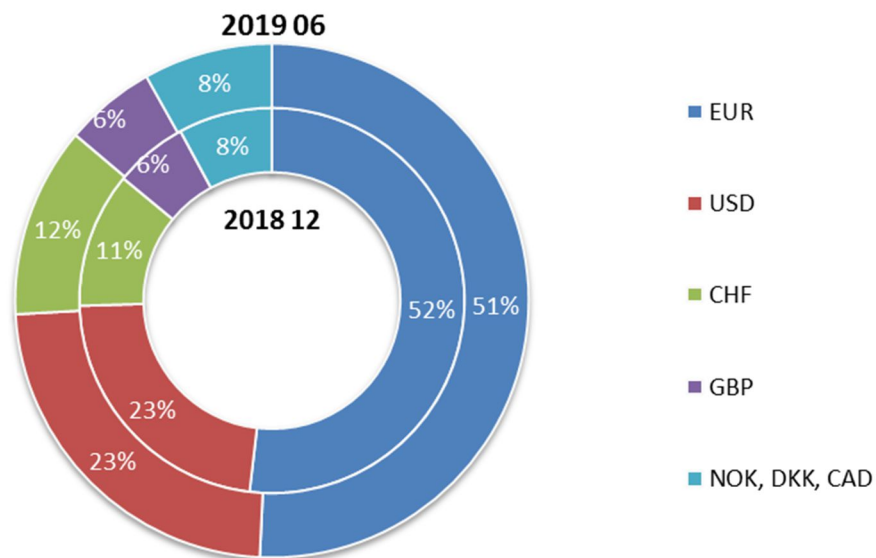
<sup>(3)</sup> Distribution of Alcon shares resold during the six-month period.

<sup>(4)</sup> This figure of €4.58 million represents the amount received as part of the transaction agreement of 12 December 2017 in settlement of the civil actions linked to the historical Fortis cases. The half-year result of 66.2% includes this exceptional amount, without which it would be 21.9%.

### Breakdown of the listed portfolio by industry



### Breakdown of the listed portfolio by currency



## NET ASSETS HELD BY BREDERODE AND ITS SUBSIDIARIES

The following table provides details of the contribution of the main assets and liabilities of Brederode and its subsidiaries in shareholders' equity as expressed in Brederode's separate financial statements.

(in € million)	30 June 2019	31 December 2018	30 June 2018
<b>NON CURRENT ASSETS</b>	<b>2 283.43</b>	<b>2 032.32</b>	<b>1 970.79</b>
Intangible assets	10.03	10.05	7.78
Fixed assets	1.71	1.73	1.76
Non-current financial assets	2 260.85	2 011.07	1 959.60
- Private Equity Portfolio	1 171.48	1 049.48	946.56
- Listed Portfolio	1 089.38	961.59	1 013.04
Other non-current assets	10.84	9.47	1.66
<b>CURRENT ASSETS</b>	<b>36.56</b>	<b>37.95</b>	<b>45.50</b>
Cash and cash equivalents (1)	32.55	22.73	40.04
Tax receivable	2.85	2.81	3.24
Receivables and other current assets	1.16	12.41	2.22
<b>TOTAL ASSETS</b>	<b>2 319.99</b>	<b>2 070.28</b>	<b>2 016.28</b>
<b>NON CURRENT LIABILITIES</b>	<b>-0.07</b>	<b>-0.07</b>	<b>-1.13</b>
<b>CURRENT LIABILITIES</b>	<b>-69.58</b>	<b>-60.00</b>	<b>-47.44</b>
Short term debt (1)	-53.00	-43.00	-23.42
Debts arising from purchases of financial assets	-1.49	-12.23	-4.52
Tax due	-2.57	-2.56	-2.53
Other current liabilities (2)	-12.52	-2.22	-16.96
<b>TOTAL LIABILITIES</b>	<b>-69.65</b>	<b>-60.08</b>	<b>-48.57</b>
<b>THIRD PARTY SHARE (minority shareholders)</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.02</b>
<b>TOTAL NET ASSETS</b>	<b>2 250.31</b>	<b>2 010.18</b>	<b>1 967.70</b>

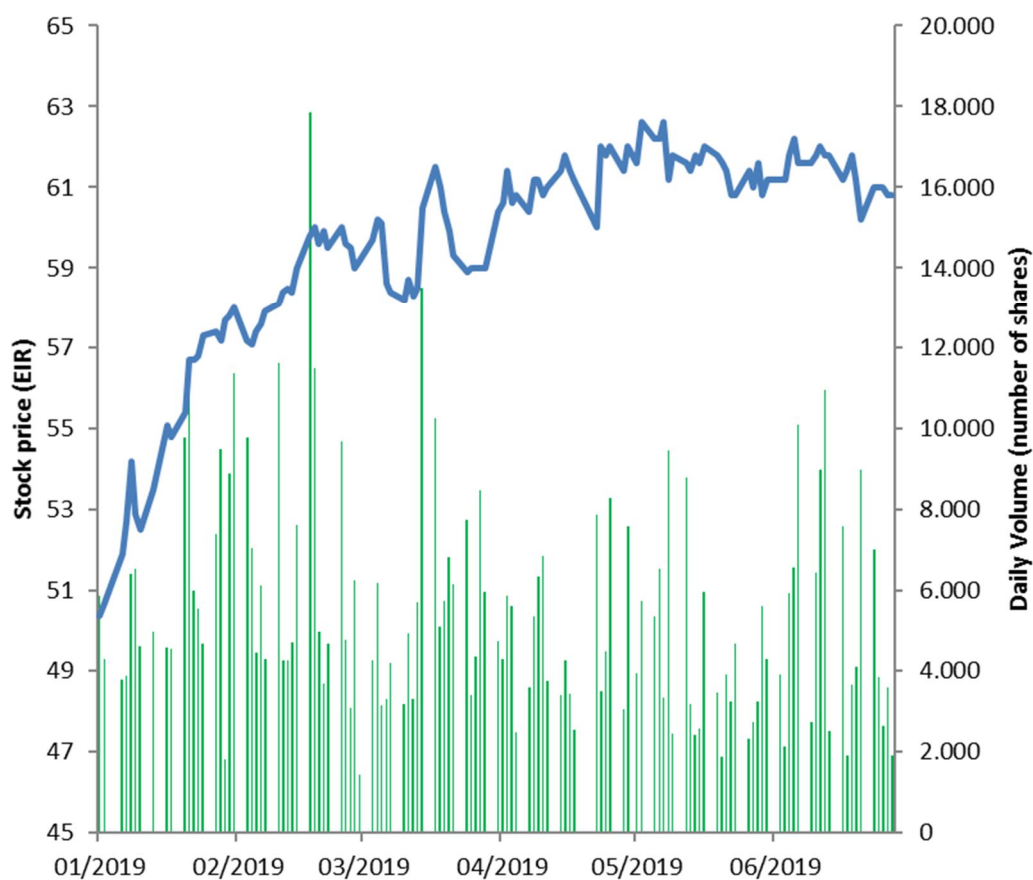
As at 30 June 2019, Brederode and its subsidiaries reported a net financial debt position of €20.45 million (note 1) in connection with a committed credit facility of €100 million (compared with a credit facility of €88 million at the start of the financial year). A sum of €10.28 million, temporarily deposited by the parent company Holdicam S.A. (note 2), should also be added.

### BREDERODE SHARE

Brederode's shares are traded on the regulated markets of EURONEXT Brussels and the LUXEMBOURG STOCK EXCHANGE.

Brederode's share price increased by 20.6% during the first six months (22.5% taking into account the distribution of 22 May 2019), with a transaction volume of 672,202 shares (compared with 620,431 in the first half of 2018), or an average daily volume of 5,510 shares (compared with 4,924 in the first half of 2018).

## Evolution of the share price of Brederode (EUR) and daily volume (number of shares) in the first half of 2019



### OUTLOOK FOR THE YEAR IN PROGRESS

As an international investment company in risk capital, Brederode's future results will continue to be influenced by the changes in the global political and economic environment.

The board of directors takes the view that, unless there is a major negative event, the prospects for the current financial year are favourable.

It also reaffirms its support for a policy of regular growth in the distribution to shareholders.

**SEPARATE (NON-CONSOLIDATED)  
FINANCIAL STATEMENTS FOR BREDERODE S.A.**

**(IAS 27)**

## SEPARATE (NON-CONSOLIDATED) STATEMENT OF FINANCIAL POSITION

(in € million)	Notes	30 June 2019	31 December 2018	30 June 2018
<b>NON-CURRENT ASSETS</b>		<b>2 250.07</b>	<b>2 010.24</b>	<b>1 967.68</b>
Subsidiaries at fair value	(1)	2 250.07	2 010.24	1 967.68
<b>CURRENT ASSETS</b>		<b>0.91</b>	<b>0.92</b>	<b>0.89</b>
Other current assets				
Cash and cash equivalents		0.91	0.92	0.89
<b>TOTAL ASSETS</b>		<b>2 250.98</b>	<b>2 011.16</b>	<b>1 968.56</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2 250.31</b>	<b>2 010.18</b>	<b>1 967.70</b>
Issued share capital		182.71	182.71	182.71
Share premiums	(2)	659.47	687.02	687.02
Legal reserves		2.40	1.15	1.15
Profit carried forward		1 138.04	957.00	957.00
Profit for the period		267.69	182.29	139.81
<b>NON-CURRENT LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>		<b>0.66</b>	<b>0.98</b>	<b>0.87</b>
Other current liabilities		0.66	0.98	0.87
<b>TOTAL LIABILITIES</b>		<b>2 250.98</b>	<b>2 011.16</b>	<b>1 968.56</b>

## SEPARATED (NON-CONSOLIDATED) INCOME STATEMENT (IFRS)

(in € million)	Notes	30 June 2019	31 December 2018	30 June 2018
Change in fair value of subsidiaries	(3)	239,83	157,49	114,93
<b>Profit from management of investment entity</b>		<b>239,83</b>	<b>157,49</b>	<b>114,93</b>
Other operating income and expenses		27,86	24,81	24,89
<b>Operating result</b>		<b>267,69</b>	<b>182,30</b>	<b>139,81</b>
Net financial income (expenses)		0,00	0,00	0,00
Tax on the net result		0,00	0,00	0,00
<b>Profit for the period</b>		<b>267,69</b>	<b>182,29</b>	<b>139,81</b>
<b>Profit per share</b>				
Weighted number of shares		29 305 586	29 305 586	29 305 586
Net profit per share (in €)		<b>9,13</b>	<b>6,22</b>	<b>4,77</b>



## SEPARATE (NON-CONSOLIDATED) FINANCIAL STATEMENT OF CHANGES IN EQUITY

(in € million)	Notes	Capital	Share premium	Reserves	Reported results	Total
<b>Balance on 1st January 2018</b>		<b>182.71</b>	<b>711.93</b>		<b>958.15</b>	<b>1 852.79</b>
- distribution to shareholders	(2)		-24.91			-24.91
- allocation to statutory reserves				1.15	-1.15	
- profit for the period					139.81	139.81
<b>Balance on 30 June 2018</b>		<b>182.71</b>	<b>687.02</b>	<b>1.15</b>	<b>1 096.81</b>	<b>1 967.70</b>
<b>Balance on 1st January 2019</b>		<b>182.71</b>	<b>687.02</b>	<b>1.15</b>	<b>1 139.29</b>	<b>2 010.18</b>
- distribution to shareholders	(2)		-27.55			-27.55
- allocation to statutory reserves				1.25	-1.25	
- profit for the period					267.69	267.69
<b>Balance on 30 June 2019</b>		<b>182.71</b>	<b>659.47</b>	<b>2.40</b>	<b>1 405.73</b>	<b>2 250.31</b>

## SEPARATE (NON-CONSOLIDATED) STATEMENT OF CASH FLOWS

(in € million)	Notes	30 June 2019	31 December 2018	30 June 2018
<b>Operating activities</b>				
Pre-tax profit for the period		267.69	182.30	139.81
Taxes for the period		0.00	0.00	0.00
Net profit for the period		267.69	182.29	139.81
Change in fair value	(3)	-239.83	-157.49	-114.93
<b>Gross cash-flow</b>		<b>27.86</b>	<b>24.80</b>	<b>24.89</b>
<b>Change in working capital requirements</b>		<b>-0.32</b>	<b>1.02</b>	<b>0.90</b>
<b>Cash flow resulting from operating activities</b>		<b>27.54</b>	<b>25.82</b>	<b>25.79</b>
<b>Investment activities</b>				
<b>Cash flow from investment activities</b>				
<b>Financing activities</b>				
Distribution to shareholders	(2)	-27.55	-24.91	-24.91
<b>Cash flow resulting from financing activities</b>		<b>-27.55</b>	<b>-24.91</b>	<b>-24.91</b>
<b>Net movement in cash in cash and cash equivalents</b>		<b>-0.01</b>	<b>0.91</b>	<b>0.88</b>
Cash and cash equivalents on 1st January		0.92	0.01	0.01
Cash and equivalents at the end of the period		0.91	0.92	0.89

## NOTES

### Accounting methods

In accordance with international accounting standard IAS 34, the group opted to publish a set of individual summary financial statements for an interim period and, in accordance with IFRS 9, to recognize financial assets at fair value through the profit and loss. In its organization, it identifies a single operational sector, which is its interest in its 100 % subsidiary Algol S.à r.l., which is itself an investment entity.

The half-year accounts as at 30 June 2019 have been prepared in accordance with IAS 34, Interim Financial Reporting, and, as such, do not include all the information required by the International Financial Reporting Standards, as published and adopted by the European Union, in force as at 30 June 2019.

The standards, amendments and interpretations that came into force on 1 January 2019 have had no significant impact on the presentation of the summary financial statements.

The standards, amendments and interpretations which have been published but which had not come into force as at 30 June 2019 have not been early adopted by the group.

Brederode is an investment entity since it meets the three criteria set out in paragraph 27 of IFRS 10, namely:

- (a) it obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

- (b) it commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- (c) it measures and evaluates the performance of substantially all of its investments on a fair value basis.

Brederode has therefore excluded from its statement of financial position the assets and liabilities of its subsidiaries, including the financial assets (Private Equity and listed securities) whose fair value is now included indirectly in the valuation of Algol S.à r.l., its sole direct holding which appears in the assets in its separate financial statements (IAS 27).

The valuation procedure follows the order of ownership of the assets in ascending order, starting with the assets and liabilities held by the subsidiaries at the bottom of the ownership chain. The subsidiary's net asset value per share is then used to determine the fair value of that holding in the accounts of the group company that owns it. The procedure continues up to the valuation of the assets and liabilities held directly by Brederode S.A. The direct holding in such subsidiary, however, is recorded at fair value through the net income in accordance with IFRS 9.

### Calculating the fair value of the indirectly held investments

The fair value of the listed securities held through Brederode's subsidiaries is based on the stock price at the end of the period.

The fair value measurement of each Private Equity investment is based on the reports received from the General Partners on the date on which the company's accounts are closed. The reports, commonly referred to as Capital Account Statements, provide information on the following points:

- Revalued opening and closing net assets
- Movements during the period (contributions, distributions and net gains)
- Remaining uncalled obligations
- Management report providing detailed information on the companies in the portfolio

In the absence of this report, the measurement is based on the report relating to the previous quarter, adjusted to take account of the investments and disinvestments realised during the quarter. This measurement may be adjusted to take account of any change in situation between the date of the last official measurement provided by the specific fund manager and the account closure date.

As at 30 June 2019, 97.89% of the unlisted investments were valued based on measurement reports as at 30 June 2019.

The valuation techniques used by the Private Equity managers follow the recommendations set out in the International Private Equity and Venture Capital Valuation (IPEV) Guidelines, the most recent version of which is dated December 2018.

The measurer must use one or more of the following measurement techniques, taking into account the assumptions of the market participants regarding the way in which the value is determined:

- A. Market approach (Multiples, Industry measurement references, Market prices available);
- B. Income approach (Discounted cash flow);
- C. Replacement cost approach (Net asset).

From reading the management reports provided by the General Partners on the funds in which Brederode is invested, it is clear that the “Market approach” technique, and more specifically the “Multiples” technique, and the “Income approach” technique, are the most widely used.

As part of the control system implemented by Brederode and its management to review and ensure the relevance of the measurements, these measurements are subject to a triple internal verification procedure, including identifying and explaining any significant discrepancies between two successive measurements. A further verification is then carried out based on the final measurement reports and the audited accounts for the Funds. In Brederode’s experience, the discrepancies between the valuations used for the purpose of drawing up the IRFS financial statements and the final valuations have never been significant.

## **(1) Subsidiaries**

As at 1 January 2019, Brederode S.A. owned 100% of Algol S.à r.l., which in turn owned 100 % of Geysler S.A., which in turn owned 100% of Greenhill S.A., 100% of Brederode International S.à r.l. SICAR and 100% of Athanor Ltd. During the first six months, no changes were made to the subsidiaries’ holding structure.

As a reminder, the direct and indirect subsidiaries stopped being consolidated as of January 1<sup>st</sup>, 2016. Since that date, the fair value of the assets and liabilities of those subsidiaries, including the Private Equity and listed securities portfolios, is included indirectly in the valuation of its direct subsidiary, which appears on the asset side of Brederode S.A.’s separate financial statements, in accordance with IAS 27. The changes in fair value of that direct subsidiary are recognised in net income, in accordance with IFRS 9.

### Fair value hierarchy

The fair value measurements are distributed according to a hierarchy comprising three levels: level 1 is for fully observable data; level 2 applies to data that are only indirectly observable and may require adjustments to be taken into account; level 3 relates to unobservable data.

Since accounting for the subsidiary Algol relies on unobservable data, fair value measurement of this asset, which constitutes more than 99 % of Brederode’s total assets, has been classified as level 3. As far as the statements for the 2018 financial year are concerned, there has been no transfer to levels 1 or 2 during the financial year.

### Fair value hierarchy of the indirectly held investments

The fair value of the listed securities held through Brederode’s subsidiaries is based on directly observable data, namely the stock price at year end, and are therefore categorised as level 1.

The fair value of the Private Equity investments uses the latest financial information received from the General Partners. Since the movements recorded in the meantime and any changes in situation that have arisen pending the definitive valuations constitute unobservable data within the meaning of IFRS 13, the fair values of such investments are categorised as level 3.

In case of a company IPO, the General Partners have the option of making distributions in kind of the newly listed shares. As soon as these shares are received and available for sale, their fair values are transferred from level 3 to level 1. This practice remains very marginal for Brederode, since only 0.1% of the Private Equity investments were transferred between the fair value hierarchy levels in this way during the 2019 financial year.

### **Transactions with related companies**

There were no related party transactions in the reporting period that could have significantly influenced the financial position or the results of Brederode or its subsidiaries. As at 30 June 2019, Brederode S.A.'s parent company, Holdicam S.A., had a claim on a subsidiary of Brederode S.A. for an amount of €10.28 million.

### **(2) Share premiums**

The general meeting of shareholders held on 8 May 2019 approved the partial reimbursement of the share premium, for an amount of €27.55 million, or €0.94 gross per share. It was paid out on 22 May 2019.

### **(3) Fair value variations in the subsidiaries**

This affects the only subsidiary directly held by Brederode S.A., namely, Algol S.à r.l. The change in fair value in indirectly held subsidiaries and of the assets and liabilities they hold are accounted for in the change in fair value of Algol.

### **(4) Off-balance sheet rights and commitments**

The investment entity Brederode S.A. has no off-balance sheet rights or commitments. Through its subsidiaries, Brederode has a committed credit facility of up to €100 million (compared with €88 million at the end of 2018) as part of a securities lending contract (€225 million of loaned securities, compared with €197 million as at 31 December 2018), guaranteed in its favour by a pledge of other securities with a countervalue of €201 million and of liquidities totalling €53 million. Furthermore, the subsidiary Brederode International S.à r.l. SICAR records uncalled commitments totalling €980 million (compared with €894 million as at 31 December 2018) linked to its Private Equity portfolio.

### **(5) Contingent liabilities**

None

### **(6) Subsequent events**

The directors confirm that, to the best of their knowledge, there have been no subsequent events which have had a significant impact on the financial statements.

## DECLARATION BY EXECUTIVE MANAGEMENT

*In the name and on behalf of Brederode, we hereby confirm that, to the best of our knowledge:*

- a) This set of separate summary financial statements, drawn up in accordance with the applicable body of accounting standards, gives a true and fair view of the assets and liabilities, the financial position and the profits or losses of Brederode;*
- b) The interim management report contains a faithful presentation of important events and the principal related party transactions during the first six months of the financial year as well as their effect on the set of separate financial statements, as well as a description of the principal risks and uncertainties for the remaining six months of the financial year.*

Luxembourg, 5 September 2019

A. van der Mersch  
Managing Director

L. Santambrogio  
Managing Director

*The semi-annual report in French is the original text.  
Dutch and English translations are available.  
In case of discrepancies, the French text shall prevail.*

**REPORT OF THE REVISEUR D'ENTREPRISES  
ON INTERIM FINANCIAL INFORMATION**

**TO THE SHAREHOLDERS OF BREDERODE S.A.**

*Introduction*

We have reviewed the statement of financial position of **Brederode S.A.** as of 30 June 2019, and the related statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the explanatory notes related thereto.

The Board of Directors is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the statement of financial position of **Brederode S.A.** as of 30 June 2019, and the statements of comprehensive income, changes in equity and cash flows for the six-month period then ended in accordance with IAS 34 as adopted by the European Union.

Luxembourg, 5 September 2019

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Amir CHAKROUN  
Réviseur d'entreprises agréé