



Press release

HAL

NET INCOME FOR 2020 OF € 629 MILLION (2019: € 666 MILLION)

NET ASSET VALUE DECREASES BY € 658 MILLION

Net income of HAL Holding N.V. for 2020 amounted to € 629 million (€ 7.46 per Share) compared with € 666 million (€ 7.90 per Share) for 2019. Due to the announced sale on July 31, 2019, of the ownership interest in GrandVision, this subsidiary has been classified as held for sale under IFRS 5. Accordingly, amortization, impairment and depreciation of non-current assets ceased effective that date, which had a positive effect on net income of HAL of € 503 million (2019: € 193 million). Net income for 2020 restated for the effects of IFRS 5 amounted to € 126 million (2019: € 473 million). This decrease is mainly due to lower income from quoted minority interests (due to negative exceptional items in 2020 and positive exceptional items in 2019) and lower income from the optical retail activities as a result of COVID-19. The net asset value based on the market value of the quoted companies and the liquid portfolio and on the book value of the unquoted companies, decreased by € 658 million in 2020. This decrease is primarily due to a lower stock market value of GrandVision (effect € 375 million) and Vopak (effect € 250 million). After taking into account the cash portion of the 2019 dividend (€ 242 million) and the purchase of treasury shares (€ 3 million), the net asset value on December 31, 2020, amounted to € 12,791 million (€ 149.93 per share) compared to € 13,694 million (€ 164.20 per share) on December 31, 2019.

The net asset value does not include the positive difference between estimated value and book value of the unquoted companies as of December 31, 2020. This difference is calculated annually and, based on the principles and assumptions set out on pages 1 and 2 of this report, amounted to € 360 million (€ 4.22 per share) on December 31, 2020, compared with € 332 million (€ 3.98 per share) on December 31, 2019. With respect to Coolblue no estimated value was calculated in view of the potential Initial Public Offering of this investee company. In the net asset value the investment in Coolblue was included at book value (€ 250 million).



Dividend

The dividend policy is, barring unforeseen circumstances and provided sufficient liquid assets, to base the dividend on 4% of the volume-weighted average December share price of HAL Trust in the year prior to the year of the dividend payment. Accordingly, the proposed dividend per share over 2020 amounts to € 4.70 (2019: € 5.80) of which 50% to be paid in cash and 50% in shares.

Prospects

Due to the fact that a significant part of the Company's net income is determined by the results of the quoted associates and potential capital gains and losses, we do not express an expectation as to the net income for 2021. During the period from December 31, 2020, through March 26, 2021, the stock market value of the ownership interests in quoted companies and the liquid portfolio was positively impacted by changes in stock market prices for approximately € 520 million (€ 6.10 per Share).

Status of sale GrandVision

On July 31, 2019, it was announced that the closing of the acquisition by EssilorLuxottica of HAL's 76.72% interest in GrandVision was expected to occur prior to July 31, 2021. Together with GrandVision and EssilorLuxottica, we are working on fulfilling all relevant requirements under the transaction documentation, including obtaining the requisite regulatory approvals. The transaction has been cleared so far in the United States, Russia, Colombia, Brazil, Mexico and the European Union and it is currently under review in Chile and Turkey. On July 30, 2020, HAL initiated arbitration proceedings against EssilorLuxottica in order to ensure that EssilorLuxottica complies with its obligations in respect of this transaction. These proceedings are currently ongoing; they are confidential and non-public. On September 4, 2020, EssilorLuxottica reported that it had decided to file an appeal against the judgment of the District Court of Rotterdam, dated August 24, 2020, dismissing its demands for disclosure of information from GrandVision. This information was requested in view of alleged material breaches by GrandVision of its obligations under the support agreement in relation to GrandVision's actions to mitigate the impact of COVID-19 on its business.

Acquisitions

On May 4, 2020 Broadview Holding completed the acquisition of Direct Online Services Holdings Ltd. (DOS). DOS is an eCommerce-led, multi-channel retailer of kitchen products based in Gloucestershire



(United Kingdom). The company operates a number of brands, including Worktop Express®, the UK's leading online worktop supplier and also has a presence in Germany. DOS employs 284 FTE's and reported 2020 sales of € 54 million.

On August 20, 2020, HAL acquired Van Wijnen Holding N.V. ('Van Wijnen'). The company is active in residential construction, utility construction, project development and renovation activities in the Netherlands. Van Wijnen has approximately 2,000 employees and reported 2020 revenues of approximately € 1.1 billion.

During 2020, the ownership interest in Timber and Building Supplies Holland N.V. was increased from 89% to 94% and in Atlas Professionals B.V. from 80% to 100%.

On January 4, 2021 HAL completed the acquisitions of 60% of the shares in GreenV B.V. ('Stolze') and 24% of the shares in PD Greenhouse Beheer B.V. ('Prins Group'). Stolze and Prins Group are both active in the greenhouse building sector. Stolze is active worldwide in providing technical systems for horticultural greenhouses. Sales over 2020 were approximately € 100 million and the company employs approximately 120 FTE's. Prins Group is active worldwide in building and producing greenhouses and integrated greenhouse projects. Sales over 2020 were approximately € 50 million and the company employs approximately 45 FTE's.

On February 12, 2021 HAL completed the acquisition, together with management, of 100% of the shares in BVG International B.V. ('Top Employers Institute'). Top Employers Institute is globally active in certification and benchmarking of human resources policies. Approximately 1,700 companies have been certified as Top Employer in 2020. Sales over 2020 were € 24 million and the company employs approximately 125 FTE's.

Increased ownership in quoted minority interests

The ownership interest in the outstanding share capital of Koninklijke Boskalis Westminster N.V. increased from 43.5% at the end of 2019 to 45.5% on December 31, 2020. This was primarily due to a share buyback program of Boskalis. The ownership interest in the outstanding share capital of SBM Offshore N.V. increased from 16.8% at the end of 2019 to 21.91% on December 31, 2020.

Divestitures

On July 28, 2020, Broadview Holding B.V. (97.4% HAL) completed the sale of its 43.3% stake in Molgas



Energy Holding S.L., a distributor of LNG. The equity stake was acquired in 2015. The sale resulted in a capital gain of € 28 million.

On November 17, 2020 HAL announced the sale of Flight Simulation Company B.V. (FSC) to CAE Inc. for a cash consideration for the equity of € 69 million. FSC provides training for pilots using flight simulators and was acquired in 2006. The sale resulted in a capital gain of € 58 million.

On February 11, 2021, HAL confirmed that an initial public offering (IPO) of Coolblue shares on Euronext Amsterdam is being considered. At this stage, it is expected that the IPO may take place in 2021, depending, among other things, on conditions in the financial markets. HAL has a 49% interest in Coolblue.

Optical retail

Revenues for 2020 amounted to € 3,481 million (2019: € 4,039 million), a 13.8% decrease. Excluding the effect of acquisitions and changes in currency exchange rates, revenues decreased by 13.7% (2019: increase of 5.1%). The 2020 same store sales decreased by 14.1% (2019: increase of 4.1%). The 2020 operating income, before the effect of IFRS 5 (see below) amounted to € 266 million (2019: € 475 million). As a result of the announced sale on July 31, 2019, of HAL's ownership interest in GrandVision, this subsidiary is recorded in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. Accordingly, amortization, impairment and depreciation of non-current assets ceased as of July 31, 2019. This had a positive effect on operating income of € 511 million (2019: € 222 million) and on profit before tax of € 688 million (2019: € 266 million) consisting of non-recognized amortization and depreciation of € 548 million (2019: € 240 million) and non- recognized impairments of € 140 million (2019: € 26 million). The positive effect on HAL's net income (taking into account the share of the non-controlling interest) was € 503 million (2019: € 193 million).

Unquoted companies

Revenues from the unquoted subsidiaries for 2020 amounted to € 3,387 million (2019: € 2,965 million), representing an increase of € 422 million (14.2%). Excluding the effect of acquisitions, divestitures and currency exchange differences, revenues from the unquoted subsidiaries decreased by € 244 million (8.2%). The operating income of the unquoted companies for 2020 amounted to € 228 million (2019: € 233 million). Acquisitions, divestitures and changes in currency exchange rates had a positive effect on operating income of € 25 million.



Quoted minority interests

Net income from quoted minority interests decreased by € 147 million to € 100 million. This decrease is primarily due to extraordinary gains at Vopak in 2019 which had a positive effect on net income of € 103 million whereas in 2020 extraordinary losses at Boskalis had a negative effect on net income of € 81 million.

Financial calendar

The financial calendar is included in the appendix of this press release. This press release is based on the prepared financial statements for 2020 to be approved by the Annual General Meeting of Shareholders. The external auditor has issued an unqualified auditors' report on the prepared financial statements for 2020. These financial statements will be made available on the Company's web site (www.halholding.com) on April 2, 2021. The printed version will be available by the end of April.

HAL Holding N.V.

March 30, 2021

Financial calendar

Shareholders meeting HAL Trust and interim statement
Publication of 2021 half-year results
Interim statement
Publication of preliminary net asset value
Publication of 2021 annual results
Shareholders meeting HAL Trust and interim statement

May 19, 2021
August 26, 2021
November 24, 2021
January 27, 2022
March 30, 2022
May 18, 2022

Consolidated Statement of Financial Position

As of December 31

In millions of euro

	2020	2019
Non-current assets		
Property, plant and equipment	5,116.5	5,008.1
Right-of-use assets	991.6	892.8
Investment properties	42.0	34.0
Intangible assets	1,313.1	1,179.7
Investments in associates and joint arrangements	3,459.2	2,889.5
Other financial assets	243.7	760.2
Derivatives	9.1	19.5
Pension benefits	41.2	40.5
Deferred tax assets	95.9	96.6
<i>Total non-current assets</i>	<u>11,312.3</u>	<u>10,920.9</u>
Current assets		
Inventories	716.9	664.3
Receivables	836.6	857.7
Marketable securities and deposits	175.8	222.6
Other financial assets	20.0	11.1
Derivatives	6.5	29.2
Contract assets	79.3	-
Other current assets	424.0	374.4
Cash and cash equivalents	1,426.9	1,558.6
Assets held for sale	5,270.7	5,118.6
<i>Total current assets</i>	<u>8,956.7</u>	<u>8,836.5</u>
Total assets	<u><u>20,269.0</u></u>	<u><u>19,757.4</u></u>
Equity		
Equity attributable to owners of parent	8,005.8	8,012.3
Non-controlling interest	2,598.1	2,536.3
Total equity	<u>10,603.9</u>	<u>10,548.6</u>
Non-current liabilities		
Deferred tax liabilities	367.5	386.5
Pension benefits	131.0	123.5
Derivatives	15.4	7.1
Provisions	105.1	105.2
Contract liabilities	13.6	13.0
Lease liabilities	940.7	849.5
Debt and other financial liabilities	2,429.1	2,130.5
<i>Total non-current liabilities</i>	<u>4,002.4</u>	<u>3,615.3</u>
Current liabilities		
Provisions	58.2	49.9
Contract liabilities	169.8	70.1
Accrued expenses	571.8	492.5
Income tax payable	78.8	57.5
Accounts payable	894.4	771.9
Derivatives	21.6	39.7
Lease liabilities	112.4	106.3
Debt and other financial liabilities	778.3	726.0
Liabilities related to assets held for sale	2,977.4	3,279.6
<i>Total current liabilities</i>	<u>5,662.7</u>	<u>5,593.5</u>
Total equity and liabilities	<u><u>20,269.0</u></u>	<u><u>19,757.4</u></u>

Consolidated Statement of Income

For the year ended December 31

In millions of euro

	2020	2019
Revenues	5,338.7	5,159.9
Income from marketable securities and deposits	(28.9)	5.5
Share of results from associates and joint ventures	164.2	193.5
Income from other financial assets	7.1	20.3
Income from real estate activities	2.3	(2.5)
Other income	119.5	268.5
Total income	5,602.9	5,645.2
Usage of raw materials, consumables and other inventory	1,911.8	1,619.7
Employee expenses	1,387.8	1,384.6
Depreciation and impairment of property, plant, equipment and investment properties	421.3	431.7
Depreciation and impairment of right-of-use assets	120.6	110.7
Amortization and impairment of intangible assets	148.6	132.7
Other operating expenses	1,068.4	1,132.3
Total expenses	5,058.5	4,811.7
Operating profit	544.4	833.5
Financial expense	(216.0)	(178.1)
Other financial income	77.8	41.5
Profit before income tax	406.2	696.9
Income tax expense	(67.1)	(95.1)
Net profit from continuing operations	339.1	601.8
Net profit from discontinued operations	642.9	460.8
Net profit	982.0	1,062.6
Attributable to:		
Owners of parent	628.5	665.5
Non-controlling interest	353.5	397.1
	982.0	1,062.6
Average number of Shares outstanding (in thousands)	84,231	82,574
Earnings per Share for profit attributable to owners of parent during the year (in euro)		
- basic and diluted from continuing operations	2.10	3.98
- basic and diluted from discontinued operations	5.36	3.92
- basic and diluted	7.46	7.90
Dividend per Share(in euro)	4.70*	5.80

* Proposed

Supplemental information

General

The consolidated financial statements of HAL Trust include the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). This section provides supplemental information where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method. This was the accounting treatment until the application of IFRS 10, effective January 1, 2014, which requires consolidation of these entities. In all other respects, the accounting policies applied are consistent with those applied to the consolidated financial statements. The inclusion of this information is considered appropriate and useful as the control model of the Company with respect to the entities where the Company's ownership interest exceeds 50% is materially different from the model with respect to Vopak and Safilo. Moreover, the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements. The following supplemental information also preserves comparability with consolidated financial statements prior to 2014.

The following pro forma consolidated statements are included as supplemental information:

- Statement of Financial Position
- Statement of Income
- Segmentation

The pro forma consolidated statement of financial position and income include a bridge from the consolidated financial statements (including consolidation of Vopak and Safilo) to these pro forma statements.

Pro forma Consolidated Statement of Financial Position

As of December 31

<i>In millions of euro</i>	Consolidated 2020	Effect exclusion Vopak/Safilo	Pro forma 2020	Pro forma 2019
Non-current assets				
Property, plant and equipment	5,116.5	(3,927.7)	1,188.8	1,217.9
Right-of-use assets	991.6	(671.1)	320.5	347.6
Investment properties	42.0	-	42.0	34.0
Intangible assets	1,313.1	(459.9)	853.2	852.1
Investments in associates and joint arrangements	3,459.2	216.8	3,676.0	3,279.2
Other financial assets	243.7	(76.1)	167.6	598.7
Derivatives	9.1	(9.1)	-	0.1
Pension benefits	41.2	-	41.2	40.5
Deferred tax assets	95.9	(74.9)	21.0	24.0
<i>Total non-current assets</i>	11,312.3	(5,002.0)	6,310.3	6,394.1
Current assets				
Inventories	716.9	(197.3)	519.6	428.5
Receivables	836.6	(270.5)	566.1	560.6
Marketable securities and deposits	175.8	-	175.8	222.6
Other financial assets	20.0	-	20.0	11.1
Derivatives	6.5	(5.7)	0.8	0.6
Contract assets	79.3	-	79.3	-
Other current assets	424.0	(266.8)	157.2	122.3
Cash and cash equivalents	1,426.9	(157.2)	1,269.7	1,399.9
Assets held for sale	5,270.7	10.7	5,281.4	4,991.1
<i>Total current assets</i>	8,956.7	(886.8)	8,069.9	7,736.7
Total assets	20,269.0	(5,888.8)	14,380.2	14,130.8
Equity				
Equity attributable to owners of parent	8,005.8	(48.5)	7,957.3	7,960.3
Non-controlling interest	2,598.1	(1,809.4)	788.7	630.3
Total equity	10,603.9	(1,857.9)	8,746.0	8,590.6
Non-current liabilities				
Deferred tax liabilities	367.5	(205.7)	161.8	181.6
Pension benefits	131.0	(72.7)	58.3	55.2
Derivatives	15.4	(5.4)	10.0	7.1
Provisions	105.1	(53.5)	51.6	12.5
Contract liabilities	13.6	-	13.6	13.0
Lease liabilities	940.7	(702.0)	238.7	277.5
Debt and other financial liabilities	2,429.1	(1,856.9)	572.2	640.8
<i>Total non-current liabilities</i>	4,002.4	(2,896.2)	1,106.2	1,187.7
Current liabilities				
Provisions	58.2	(43.8)	14.4	20.2
Contract liabilities	169.8	(28.6)	141.2	53.5
Accrued expenses	571.8	(246.0)	325.8	256.8
Income tax payable	78.8	(40.7)	38.1	16.2
Accounts payable	894.4	(364.9)	529.5	419.1
Derivatives	21.6	(21.4)	0.2	0.3
Lease liabilities	112.4	(40.3)	72.1	66.4
Debt and other financial liabilities	778.3	(365.2)	413.1	236.8
Liabilities related to assets held for sale	2,977.4	16.2	2,993.6	3,283.2
<i>Total current liabilities</i>	5,662.7	(1,134.7)	4,528.0	4,352.5
Total equity and liabilities	20,269.0	(5,888.8)	14,380.2	14,130.8

Pro forma Consolidated Statement of Income

For the year ended December 31

<i>In millions of euro</i>	Consolidated 2020	Effect exclusion Vopak/Safilo	Pro forma 2020	Pro forma 2019
Revenues	5,338.7	(1,951.3)	3,387.4	2,965.4
Income from marketable securities and deposits	(28.9)	-	(28.9)	5.5
Share of results from associates and joint ventures	164.2	(51.0)	113.2	235.3
Income from other financial assets	7.1	(2.7)	4.4	11.5
Income from real estate activities	2.3	-	2.3	(2.5)
Other income	119.5	(33.1)	86.4	39.0
<i>Total income</i>	5,602.9	(2,038.1)	3,564.8	3,254.2
Usage of raw materials, consumables and other inventory	1,911.8	(253.0)	1,658.8	1,352.4
Employee expenses	1,387.8	(551.7)	836.1	735.4
Depreciation and impairment of property, plant, equipment and investment properties	421.3	(294.7)	126.6	110.7
Depreciation and impairment of right-of-use assets	120.6	(47.7)	72.9	57.7
Amortization and impairment of intangible assets	148.6	(53.4)	95.2	58.2
Other operating expenses	1,068.4	(540.1)	528.3	526.5
<i>Total expenses</i>	5,058.5	(1,740.6)	3,317.9	2,840.9
Operating profit	544.4	(297.5)	246.9	413.3
Financial expense	(216.0)	167.2	(48.8)	(43.3)
Other financial income	77.8	(76.0)	1.8	10.7
Profit before income tax	406.2	(206.3)	199.9	380.7
Income tax expense	(67.1)	57.0	(10.1)	(36.4)
Net profit from continuing operations	339.1	(149.3)	189.8	344.3
Net profit from discontinued operations	642.9	-	642.9	460.8
Net profit	982.0	(149.3)	832.7	805.1
Attributable to:				
Owners of parent	628.5	0.5	629.0	665.8
Non-controlling interest	353.5	(149.8)	203.7	139.3
	982.0	(149.3)	832.7	805.1
Average number of Shares outstanding (in thousands)	84,231	-	84,231	82,574
Earnings per Share for profit attributable to owners of parent during the year (in euro)				
- basic and diluted from continuing operations	2.10	0.01	2.11	3.99
- basic and diluted from discontinued operations	5.36	-	5.36	3.92
- basic and diluted	7.46	0.01	7.47	7.91
Dividend per Share (in euro)	4.70*	-	4.70*	5.80

* Proposed

Segmentation

The Company's reportable segments are defined as follows:

- Optical retail
- Unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

Operating income (for the purpose of this press release defined as earnings before interest, exceptional and non-recurring items of the optical retail and unquoted segments, taxes and amortization of intangible assets but including amortization of software) can be detailed as follows. The other reconciling items include corporate general and administrative expenses as well as non-recurring gains and losses.

	2020	2019
Optical retail	777.3	697.5
Unquoted	228.3	232.5
Quoted minority interests	99.7	246.9
Real estate	(0.2)	(3.5)
Liquid portfolio	(28.9)	2.3
Total operating income	<u>1,076.2</u>	<u>1,175.7</u>
Reconciling items:		
- Discontinued operations (optical retail)	(777.3)	(697.5)
- Amortization and impairment of intangibles	(95.2)	(58.2)
- Other	43.2	(6.7)
Operating result as per the pro forma consolidated statement of income	<u>246.9</u>	<u>413.3</u>
Financial expense, net	(47.0)	(32.6)
Profit before tax as per the pro forma consolidated statement of income	<u>199.9</u>	<u>380.7</u>