

ANNUAL REPORT 2018
Blue Marlin Holdings S.A.

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DIRECTORS AND PROFESSIONAL ADVISORS

Blue Marlin Holdings S.A.

Board of directors

Kantor, Ian (Chairman)

Sieradzki, Peter (Executive)

Mooij, Rob (Executive)

Georgala, Steven (Non-Executive)

Ernzer, Marcel (Non-Executive)

Legal advisors

Freshfields Bruckhaus Deringer

Harney Westwood & Riegels

Registered office and number

Blue Marlin Holdings S.A.

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L-2134 Luxembourg

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SALIENT FEATURES

Consolidated

	2018	2017
Results		
Operating income / (loss) (€ million)	(0.5)	0.2
Operating profit / (loss) before taxation (€ million)	(0.5)	(0.5)
Net result (€ million)	(0.6)	(2.7)
Balance sheet		
Total assets (€ million)	16.1	19.0
Shareholders' equity (€ million)	15.7	18.7
Number of ordinary shares of € 2.00 each in issue net of treasury shares (million)	1.9	2.4

DIRECTORS' REPORT

The Company reports a consolidated net loss of € 0.6 million for the year 2018, compared to a loss of € 2.7 million for 2017. The loss for the year was due to ongoing operating expenses without any operating income generated by the Group.

After the sale of the holding of an indirect participation of 36.98% in the Bank through its subsidiary Blue Marlin Finance S.à r.l. ("BMF"), the main activity of the Group is to monitor and handle the claims that are covered under indemnities provided by the Group towards KBL European Private Bankers. To date no claims have been received under these indemnities and currently we have no indications that claims will be made.



Ian Kantor
9 July 2019



Peter Sieradzki
9 July 2019



Rob Mooij
9 July 2019

CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2018

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2018

	Notes	2018 € '000	2017 € '000
Personnel costs	6	(204)	(379)
Other administrative expenses	7	(267)	(326)
Other income			
Operating profit/(loss)		(471)	(519)
Finance income		3	186
Profit/(loss) before income tax		(468)	(333)
Taxation	8	(93)	(203)
Profit/(loss) after taxation		(561)	(722)
Result from discontinued operations	9	-	(1,935)
Profit/(loss) for the year		(561)	(2,657)
Attributable to the equity owners of the Company		(561)	(2,657)
<i>Other comprehensive income</i>		-	-
Total comprehensive income for the year		(561)	(2,657)
Attributable to the equity owners of the Company		(561)	(2,657)

The notes on pages 12 to 37 are an integral part of these financial statements.

Consolidated balance sheet

as at 31 December 2018 (before appropriation of result)

	Notes	2018	2017
		€ '000	€ '000
Assets			
Non-current assets			
Other receivables	10	13,689	13,461
		<u>13,689</u>	<u>13,461</u>
Current assets			
Other current assets	11	301	3,089
Cash and cash equivalents	12	2,140	2,481
		<u>2,441</u>	<u>5,570</u>
Total assets		<u>16,130</u>	<u>19,031</u>
Liabilities			
Current liabilities			
Other payables	13	108	90
Current tax liabilities		312	233
		<u>420</u>	<u>323</u>
Total liabilities		<u>420</u>	<u>323</u>
Net assets		<u>15,710</u>	<u>18,708</u>
Equity			
Share capital and share premium		3,899	4,874
Legal reserve		390	487
Retained earnings		11,421	13,347
Total equity attributable to the owners of the Company		<u>15,710</u>	<u>18,708</u>

The notes on pages 12 to 37 are an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2018

Attributable to shareholders

	Number of Shares	Share Capital €'000	Legal reserve €'000	Retained earnings €'000	Total €'000
Balance at 1 January 2018	2,436,965	4,874	487	13,347	18,708
Net profit/(loss) for the period				(561)	(561)
Other comprehensive income				-	-
Total comprehensive income for the period		-		(561)	(561)
Transactions with owners in their capacity as owners:					
Redemption of ordinary shares	(487,393)	(975)		(1,462)	(2,437)
Movement in legal reserve due to redemption of shares			(97)	97	-
Interim cash dividend				-	-
		(975)	(97)	(1,365)	(2,437)
Balance at 31 December 2018	1,949,572	3,899	390	11,421	15,710

In accordance with Luxembourg law, the Company must transfer at least 5% of its annual profit to the legal reserve until this reserve equals 10% of the subscribed capital. As at 31 December 2018, the legal reserve amounts to € 390 thousand. The legal reserve is not distributable. Reference is made to the Company financial statements.

In the extraordinary general meeting of shareholders held on 22 May 2018, the shareholders approved the reduction of the ordinary share capital from 2,436,930 ordinary shares of € 2.00 each to 1,949,572 ordinary shares of € 2.00 each via the redemption of 1 ordinary share for every 5 ordinary shares at an amount of € 5.00 per share redeemed, and cancellation of the ordinary shares redeemed. The redemption of the € 5.00 per ordinary share redeemed is funded from € 2.00 out of share capital and the remainder of € 3.00 out of distributable reserves.

The notes on pages 12 to 37 are an integral part of these financial statements.

Blue Marlin Holdings S.A. Annual report 2018

Consolidated statement of changes in equity
for the year ended 31 December 2017

	Number of Shares	Attributable to shareholders			
		Share Capital	Legal reserve	Retained earnings	Total
		€'000	€'000	€'000	€'000
Balance at 1 January 2017	4,873,930	9,748	975	56,336	67,059
Net profit/(loss) for the period				(2,657)	(2,657)
Other comprehensive income				-	-
Total comprehensive income for the period		-		(2,657)	(2,657)
Transactions with owners in their capacity as owners:					
Redemption of ordinary shares	(2,436,965)	(4,874)		(35,946)	(40,820)
Movement in legal reserve due to redemption of shares			(488)	488	-
Interim cash dividend				(4,874)	(4,874)
		(4,874)	(488)	(40,332)	(45,694)
					-
Balance at 31 December 2017	2,436,965	4,874	487	13,347	18,708

In accordance with Luxembourg law, the Company must transfer at least 5% of its annual profit to the legal reserve until this reserve equals 10% of the subscribed capital. As at 31 December 2017 the legal reserve amounts to € 487 thousand. The legal reserve is not distributable. Reference is made to the company financial statements.

On 20 November 2017 the Company declared an interim dividend payable on 22 November 2017.

The notes on pages 12 to 37 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2018

	Notes	2018 €'000	2017 €'000
Cash flows from operating activities			
Profit/(loss) for the year		(561)	(2,657)
Adjustment for:			
Taxation	10	93	203
(Income)/loss from discontinued operations	11	-	1,935
<i>Net cash inflow/(outflow) from operating activities</i>		<u>(468)</u>	<u>(519)</u>
Decrease/(Increase) in operating assets:			
Non-current receivable and other current assets		2,560	412
(Decrease)/Increase in operating liabilities:			
Other current liabilities		18	(314)
<i>Net cash (outflow)/inflow from operating activities before payment of taxation</i>		<u>2,110</u>	<u>(421)</u>
Taxation (paid)		(14)	(7)
<i>Net cash (outflow)/inflow from operating activities after payment of taxation</i>		<u>2,096</u>	<u>(428)</u>
Cash flows from investing activities			
Received on sale of investment in associate – discontinued operations		-	43,256
<i>Net cash inflow from investing activities</i>		<u>-</u>	<u>43,256</u>
Cash flows from financing activities			
Dividend paid		-	(4,874)
Redemption of ordinary shares		(2,437)	(40,820)
<i>Net cash inflow/(outflow) from financing activities</i>		<u>(2,437)</u>	<u>(45,694)</u>
Net increase/(decrease) in cash and cash equivalents		(341)	(2,866)
Cash and cash equivalents at beginning of year		2,481	5,347
Cash and cash equivalents at end of year		<u>2,140</u>	<u>2,481</u>
Cash flows from operating activities include:			
Interest received		3	186

The notes on pages 12 to 37 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements for the year ended 2018

1. General

Blue Marlin Holdings S.A. (the "Company") is a Luxembourg company organised as a Société Anonyme under the Law of 10 August 1915 concerning commercial companies, as amended. On 30 December 2010, the Company's status was changed from a 1929 holding company to a Société de Participations Financières ("SOPARFI"). The Company's shares are listed at the Euro MTF market of the Luxembourg Stock Exchange.

The Company and its subsidiaries are hereinafter jointly referred to as the "Group". In addition to the Company, the Consolidated Financial Statements of the Group include:

Name of subsidiary	Registered office	Issued equity held %
Blue Marlin Finance S.à.r.l	Luxembourg, Grand-Duchy of Luxembourg	100
Insinger de Beaufort (Holdings) S.p.A		
In Liquidazione and its subsidiary	Rome, Italy	100

The activities of Blue Marlin Holdings S.A. consist of the holding of investments. After the sale of the holding of an indirect participation of 36.98% in the Bank through its subsidiary Blue Marlin Finance S.à r.l. ("BMF"), the main activity of the Group is to monitor and handle the claims that are covered under indemnities provided by the Group towards KBL European Private Bankers.

The financial statements were prepared and authorised for issue by the Board of Directors on 9 July 2019. The financial statements cannot be amended after issue.

2. Summary of significant accounting policies

2.1 General

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and issued and effective for the financial year beginning 1 January 2018.

During the current year, the Group has applied IFRS 9 Financial instruments issued by the International Accounting Standards Board (IASB) that is mandatorily effective for accounting periods beginning on or after 1 January 2018 in accordance with European Union Commission Regulation.

Other new IFRS standards that came applicable in 2018 were not applicable to the Group. New IFRS standards that have been issued but which are not effective yet have no material effect on the financial statements of the Group.

IFRS 9 Financial instruments

The previous IFRS standard for financial instruments (IAS 39 Financial Instruments: Recognition and Measurement) was replaced by IFRS 9 as of 1 January 2018. This standard contains a new impairment model based on expected credit losses (ECL). It also includes new requirements and guidance on the classification and measurement of financial assets, as well as hedge accounting.

Credit risk assessment

Under IFRS 9, credit loss allowances will be measured at the reporting date according to a three-stage expected credit loss model:

- Stage 1: Are such financial assets for which credit risk has not significantly increased since origination, relative to the credit risk level at origination. The loss allowance recognized is equal to the credit loss expected to result from defaults occurring over the 12 months following the reporting date.
- Stage 2: Are such financial assets for which credit risk has significantly increased since origination, relative to the credit risk at origination. The loss allowance recognized is equal to the credit loss expected to result from default occurring over the remaining lifetime of the instrument after the reporting date.
- Stage 3: Are credit-impaired financial assets. The loss allowance recognized is equal to the credit losses expected to result from defaults occurring over the remaining lifetime of the instrument following the reporting date. Interest revenue is calculated based on the carrying amount of the asset, net of the allowance, rather than on its gross carrying amount.

Expected credit loss

Expected credit losses are measured as the probability-weighted present value of the expected cash shortfalls over the remaining expected life of the financial instrument. Three quantities mainly drive this measure of loss: (i) the instrument's probability of default, (ii) the loss given default, and (iii) the exposure at default. IFRS 9 requires the estimate of expected credit losses to reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The expected credit losses for the Group are negligible for the reporting period.

Please refer also to note 4.2 Credit risk.

Classification and measurement

IFRS introduces a new approach to the classification of financial assets. Debt instruments are measured at fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI) or at amortised cost, depending on the business model of the assets, and the nature of the contractual cash flows. These categories replace the existing IAS 39 classification of Fair value through profit and loss (FVTPL), Available-for-Sale (AFS), loans and receivables, and held-to-maturity.

The balances outstanding with credit institutions and other loans and advances are held to collect contractual cash flows and are therefore measured at amortised cost and has no impact compared to 2017.

IFRS 15 Revenue from Contract with Customers

As there are no contracts with customers. Therefore, IFRS 15 has no impact on the financial statements in 2018.

Standards issued but not yet effective

IFRS 16 Leases (effective after 1 January 2019)

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Group has one immaterial short-term lease that qualifies for the exemption under IFRS 16.

2.2 Accounting convention

The Consolidated Financial Statements are prepared under the historical cost convention. Income and expenses are allocated to the reporting period to which they relate.

2.3 Principles of consolidation

The Consolidated Financial Statements comprise Blue Marlin Holdings S.A., its subsidiaries and the entities over which it has the power to control. Control is the ability to govern the financial and operating policies of an entity, generally accompanying a shareholding of more than half of the voting rights. If applicable, the existence of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The accounting period and policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

2.4 Revenue recognition

In general, revenue is recognised when it is realised or realisable, and earned.

2.5 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in euros, which is the Company's functional and the Group's presentation currency.

Assets and liabilities of foreign Group companies are translated into euros at year-end exchange rates and the income and expenditure of foreign subsidiaries are translated at the average rate of exchange for the year. The resulting translation gains and losses are recognised in the translation reserve as an adjustment to shareholders' equity.

Transactions arising in foreign currencies are translated into the functional currency at the spot exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the balance sheet date. Resulting gains or losses are recognised in the profit and loss account.

When a foreign subsidiary is sold, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation shall be recognised in profit or loss when the gain or loss on disposal is recognised.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate.

2.6 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are measured at amortised cost using the effective interest method and stated net of impairments, based on a case-by-case valuation.

2.7 Financial liability

Financial liabilities can be defined as a contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entities own equity instruments do not include: instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments; puttable instruments classified as equity or certain liabilities arising on liquidation classified by IAS 32 as equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existent liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

Financial liabilities are valued at amortised cost.

2.8 Impairment of financial assets prior to 1 January 2018 under IAS 39

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of an asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- delinquency in contractual payment of principal or interest;
- cash flow difficulties experienced by the borrower;
- breach of loan covenants or conditions;
- initiation of bankruptcy proceedings;
- deterioration of the borrower's competitive position;
- deterioration in the value of collateral; and
- downgrading below investment grade level.

The estimated period between a loss occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and twelve months; in exceptional cases, longer period are warranted.

Impairment of assets carried at amortised cost prior to 1 January 2018 under IAS 39

Loans are evaluated for impairment on a case-by-case basis. When a loan is assessed to be uncollectible, it is impaired and provided for in an allowance account. Such loans are written off from the allowance account after all the necessary procedures have been completed and the amount of the loss has been determined. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.9 Shares in subsidiaries, associated undertakings

In the Company financial statements investments in subsidiaries and associates are stated at cost less provision for impairment, if any.

The Company recognises income from the investment only to the extent that the Company receives distributions from accumulated profits of the subsidiary arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the Company.

2.10 Taxation

Taxes are calculated on profit before tax in accordance with the ruling tax legislation in the country of incorporation for the Group companies included in the Consolidated Financial Statements. Where items are subject to withholding tax, tax is accrued to the extent that it is expected to be paid.

2.11 Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The tax effects of income tax losses available for carry forward are only recognised as an asset when it is probable that future taxable profits will be available to compensate for those losses. Deferred income tax is recognised in full.

2.12 Provisions and contingent liabilities

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless the probability of outflow is remote.

2.13 Shareholders' equity

a) Share capital

Share capital consists of paid up capital.

b) Other reserves

Other reserves comprise retained earnings and legal reserve. In accordance with Luxembourg Company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This transfer is made following approval of its statutory accounts by the sole shareholder. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders

c) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the year that are declared after the balance sheet date are dealt with in the Other Information.

2.14 Cash flow statement

The cash flow statement has been drawn up in accordance with the indirect method, making a distinction between cash flows from operating, investing and financing activities.

Cash flows in foreign currency are converted at the average exchange rates during the financial year. With regard to cash flow from operations, the net profit is adjusted for income and expenses that did not result in receipts and payments in the same financial year and for changes in provisions and accrued and deferred items (other assets, accrued assets, other debts and accrued liabilities).

Cash and cash equivalents consist of cash and deposits at banks with a maturity of less than three months.

2.15 Discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

3. Critical accounting estimates and judgments

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Main items subject to accounting estimates where changes in the underlying assumptions may impact the financial statements are the following:

a) Assessment of indemnities

As part of the transaction on the sale of the 36.98% shareholding in Bank Insinger de Beaufort N.V. in 2016 the group has provided certain indemnities towards KBL European Private Bankers ("KBL"). Allowance on the amounts receivable held in the escrow account are recognised in the Group accounts for the estimated losses that will have to be reimbursed under the indemnities given. As at 31 December 2018, no allowance has been recognised in this respect.

4. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Group's overall risk management program focuses on the management of counterparty risk and the ability to match cash resources with the future expected cash outflows. The Group has no other operational activities than handling the claims for which indemnities have been provided.

4.1 Market risk

The Group takes on limited exposure to currency risk. As at 31 December 2018, Cash and cash equivalent included an amount of € nil thousand (2017: €161 thousand) denominated in British Pound (GBP).

4.2 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions and current and non-current receivable. The main exposures are the bank account the Group holds with InsingerGilissen Bankiers N.V. and the current and non-current receivable in relation to the escrow account held with ABN Amro Bank N.V. KBL European Private Bankers is the 100% owner of InsingerGillisen Bankiers N.V. and has issued a general guarantee on all the liabilities of InsingerGillisen Bankiers N.V. KBL European Private Bankers has no credit rating from a rating agency. InsingerGillisen Bankiers N.V. has also no credit rating. No collateral has been received for the various investments. ABN Amro Bank N.V. has a long-term credit rating A (S&P – with positive outlook).

Under IFRS 9, credit loss allowances are measured at the reporting date according to a three-stage expected credit loss model as described in Note 2.1. To assess whether the credit risk of a financial instrument has increased significantly, a combination of quantitative and qualitative factors is considered. These include the analysis of the term structure of the probability of default as well as watch list surveillance based on reasonable and supportable information. The latter embeds IFRS 9 backstop rules of 30 (90) days past due for stage 1 to 2 (2 to 3) transitions. The application of backstop rule transition from stage 1 to stage 2 is however subject to professional judgement for each specific situation as, in some circumstances, it can be demonstrated that even if contractual payments become more than 30 days past due this does not represent a significant increase in the credit risk. The credit risk is symmetrical in nature, allowing financial assets to move back to stage 1 if the variation of credit risk is no longer considered a significant increase or if the financial assets have been forborne (to be assessed case by case).

Measurement of ECL

For the calculation of ECL amounts and rates, the approach followed for the most material exposures (exposures to credit institutions, being exposures with undefined maturities), the ECL is estimated by postulating a maturity horizon of 12 months, on the basis of the exposure at the reporting date. The main indicators that are considered for significantly increased credit risk are the credit rating and the credit rating movement, and the solvency ratio. The ECL is estimated by using statistical probability of default losses. As at 31 December 2019 these are insignificant and not recognised in these financial statements.

All financial instrument exposures as at 31 December 2018 are categorized as stage 1 exposures.

4.3 Liquidity risk

The bank account with InsingerGillisen Bankiers N.V., included in the balance sheet is sufficient to cover the other liabilities when they are due. Due to the absence of other debt, the liquidity risk is minimal.

4.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratios at 31 December 2018 and 2017 were as follows:

	2018	2017
	€'000	€'000
Net debt	420	323
Total equity	15,710	18,708
Total capital	16,130	19,031
Gearing ratio (debt ratio)	2.6%	1.7%

4.5 Fair value

As at 31 December 2018 and 2017, there are no financial instruments that are measured at fair value. Management believes that the carrying amount of financial assets and financial liabilities not measured at fair value recognised in the financial report, approximated their fair values.

5. Related parties

Remuneration of key personnel

Key personnel consist of the board of the Company and directors of subsidiaries of the Company. Each director receives remuneration on a cost-to-company basis. The remuneration of the directors is set out below.

The split between executive and non-executive directors is specified as follows:

	2018	2017
	€'000	€'000
Non-Executive	50	150
Executive	150	225
	200	375

Refer to note 12 in the Company financial statements for disclosures regarding remuneration of key personnel of Blue Marlin Holdings S.A.

Transactions

In 2018 and 2017, no related party transactions were identified.

6. Personnel costs

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Salaries	4	4
Director fees	200	375
	<u>204</u>	<u>379</u>

The average number of employees during 2018 was 0,1 (2017: 0,1)

7. Other administrative expenses

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Audit fees	30	59
Legal & Consultancy fees	66	133
Rent & rates	17	17
Insurance	100	107
Other	54	10
	<u>267</u>	<u>326</u>

Audit fees of € 30 thousand (2017: € 59 thousand) relate solely to the audits of the stand-alone and Consolidated Financial Statements by the external independent auditor PricewaterhouseCoopers. No other fees were paid to the external independent auditor.

8. Taxation

Blue Marlin Holdings S.A. was converted into a fully taxable Luxembourg holding company (société de participations financières or “Soparfi”) on 30 December 2010. A Soparfi is a fully taxable Luxembourg resident company that takes advantage of the participation exemption in Luxembourg and that may benefit from double taxation treaties signed by Luxembourg as well as the provisions of the EU Parent-Subsidiary Directive.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Depending on the outcome of final settlements with the tax authorities, the amounts paid to settle these liabilities may be significantly different than the amounts accrued.

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Current income tax income / (expense) in respect of the current year	(93)	(343)
Current income tax income / (expense) in respect of prior years	-	140
	<u>(93)</u>	<u>(203)</u>

The income tax expense for the year can be reconciled to the accounting result as follows:

	Tax rate	2018	2017
	%	<u>€'000</u>	<u>€'000</u>
Profit / (loss) before tax		(468)	(2,454)
Tax calculated at a tax rate of 26.01% (2017: 27.08%)	26.01%	122	665
Prior years tax adjustments	-	-	140
Minimum mandatory income tax charge	-	-	(10)
Tax effect of non-taxable income/ non-deductible expenses	(16.9%)	(79)	(665)
Tax effect of unused tax losses not recognised as deferred tax asset	(9.2%)	(43)	-
Net wealth tax due	(19.9%)	(93)	(333)
Effective tax rate and tax income / (expense) for the year (2017: 8.3%)	(19.9%)	<u>(93)</u>	<u>(203)</u>

The Group has no deferred tax liabilities and due to the outlook of a lack of sufficient taxable income has not recognized any tax losses carried forward.

9. Result from discontinued operations

Blue Marlin Finance S.à r.l., a company fully owned by the Group, was shareholder of Bank Insinger de Beaufort N.V. Blue Marlin Finance S.à r.l. held 36.98% of Bank Insinger de Beaufort N.V. and BNP Paribas Wealth Management held the remaining percentage of shares in Bank Insinger de Beaufort N.V..

As described in the Circular to Shareholders dated 6 June 2016 the Group entered into an agreement with BNP Paribas Wealth Management S.A. ("BNPPWM") on 12 April 2016 for the sale of the 36.98% shareholding in Bank Insinger de Beaufort N.V. The sale was approved by the shareholders of the Company on 11 July 2016. After receipt of the required regulatory approvals the sale was completed on 31 December 2016.

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Release of provision for indemnities provided by Blue Marlin Finance S.à r.l. (formerly IdB Finance S.à r.l.)	-	109
Loss on completion accounts	-	(2,044)
	<u>-</u>	<u>(1,935)</u>

The result from discontinued operations is from the investment in Bank Insinger de Beaufort N.V.. The final determination of the sale price for the 36.98% shareholding in Bank Insinger de Beaufort N.V. is based on an agreed net asset value of Bank Insinger de Beaufort N.V. as at 31 December 2016. In 2017 BNPPWM and KBL reached agreement on the final determination of the net asset value of Bank Insinger de Beaufort N.V.. This resulted in a downward adjustment of the estimated proceeds of € 2,044 thousand.

10. Other non-current receivables

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Escrow account with ABN Amro Bank N.V.	13,461	13,461
Loan	228	-
	<u>13,689</u>	<u>13,461</u>

The escrow account of € 13,461 thousand relates to the sale of the associate Bank Insinger de Beaufort N.V. (2017: € 13,461 thousand). It reflects the portion of the sale proceeds that is placed into escrow with ABN AMRO Bank N.V. as security for obligations in relation with warranties and indemnities provided by the Group towards KBL European Private Bankers. The amount in escrow will be released over time after deduction of claims awarded under the warranties and indemnities.

The timing of the release is as follows:

	2018	2017
	<u>€'000</u>	<u>€'000</u>
January 2020	6,000	6,000
After final court ruling or settlement of running claims in relation to the former Italian branch activities of Bank Insinger de Beaufort N.V.	7,461	7,461
	<u>13,461</u>	<u>13,461</u>

For each identified claim in relation to the former Italian branch activities, a certain amount has been put into escrow. If a certain case is finally ruled in court or settled, 50% of the remaining allocated escrow amount, after deduction of damages, if any, is released. The other 50%, after deduction of damages incurred on other cases, if any, will be released after the final case has been ruled by court or settled. Damages will only occur when the actual (future) loss on a claim is higher than the provision recorded in the accounts of Bank Insinger de Beaufort N.V. as at 31 December 2016 for these claims.

The amount in escrow is interest bearing at customary conditions. The fair value of the receivable does not differ materially from the recorded amount in the balance sheet.

The loan of € 228 thousand (2017: € 225 thousand) relates to a loan to a private individual against an interest rate of 3 months Euribor (with a minimum of zero) plus a surcharge of 1.5%. This loan has a minimum repayment of € 12 thousand per year and an ultimate contractual repayment date of 31 December 2021. Earlier repayments are allowed without penalty. As at 31 December 2018 the minimum yearly repayment and the payment of interest had not been received. In 2019 interest payments were paid regularly and € 20,000 principal was reimbursed in June 2019.

11. Other current assets

	2018	2017
	€'000	€'000
Escrow account with ABN Amro Bank N.V.	-	2,539
Prepaid amounts	13	35
Other	288	515
	301	3,089

All other current assets are expected to be recovered or settled within 12 months. The fair value of the receivables does not differ materially from the recorded amount in the balance sheet.

The amount under "Other" includes a non-interest-bearing amount receivable of € 276 thousand (2016: € 274 thousand) from InsingerGilissen Bankiers N.V.

12. Cash and cash equivalents

These amounts represent bank balances with external banks. The fair value of the loans and advances to credit institutions does not differ materially from the recorded amount in the balance sheet.

13. Other current liabilities

	2018	2017
	€'000	€'000
Accrued audit fees	25	34
Accrued legal & consultancy fees	23	33
Director fees payable	50	-
Other payables	10	23
	108	90

14. Events after the balance sheet date

Please refer to page 37.

15. Contingent liabilities

As part of the transaction on the sale of the investment in the associate the Group has provided certain warranties and specific indemnities in respect of the former Italian branch activities of Bank Insinger de Beaufort N.V. (see notes 9 and 10 for further details).

COMPANY FINANCIAL STATEMENTS
for the year 31 December 2018

Company profit and loss account

for the year ended 31 December 2018

	Notes	2018	2017
		€'000	€'000
Personnel costs		(129)	(229)
Other administrative expenses	2	(227)	(289)
Operating profit/(loss)		(356)	(518)
Interest income / (expense)	3	-	(105)
Net income from subsidiary undertakings	4	(200)	42,232
Profit/ (loss) before taxation		(556)	41,609
Taxation	5	(5)	(5)
Net profit/ (loss) - total comprehensive income		(561)	41,604

The notes on pages 12 to 22 and 34 to 37 are an integral part of these financial statements.

Company statement of financial position

as at 31 December 2018 (after appropriation of result)

	Notes	2018 €'000	2017 €'000
Assets			
Non-current assets			
Shares in subsidiary undertakings	6	14,279	17,979
		<u>14,279</u>	<u>17,979</u>
Current assets			
Related party receivables	7	287	287
Other current assets	8	47	66
Cash and cash equivalents		1,181	437
		<u>1,515</u>	<u>790</u>
Total assets		<u>15,794</u>	<u>18,769</u>
Liabilities			
Current liabilities			
Other current liabilities	9	84	61
		<u>84</u>	<u>61</u>
Total liabilities		<u>84</u>	<u>61</u>
Net assets		<u>15,710</u>	<u>18,708</u>
Equity			
Share capital and share premium		3,899	4,874
Legal reserve		390	487
Retained earnings		11,421	13,347
Total equity attributable to the owners of the Company		<u>15,710</u>	<u>18,708</u>

The notes on pages 12 to 22 and 34 to 37 are an integral part of these financial statements.

Blue Marlin Holdings S.A. Annual report 2018

Company statement of changes in equity

for the year ended 31 December 2018

	Number of Shares	Share capital €'000	Legal reserve €'000	Retained earnings €'000	Total €'000
Balance at 31 December 2016	4,873,930	9,748	975	12,075	22,798
Net profit/(loss) for the period				41,604	41,604
Other comprehensive income				-	-
Total comprehensive income for the period				41,604	41,604
Transactions with owners in their capacity as owners:					
Redemption of ordinary shares	(2,436,965)	(4,874)		(35,946)	(40,820)
Movement in legal reserve due to redemption of shares		-	(488)	488	-
Interim cash dividend				(4,874)	(4,874)
		(4,874)	(488)	(40,332)	(45,694)
Balance at 31 December 2017	2,436,965	4,874	487	13,347	18,708
Net profit/(loss) for the period				(561)	(561)
Other comprehensive income				-	-
Total comprehensive income for the period				(561)	(561)
Transactions with owners in their capacity as owners:					
Redemption of ordinary shares	(487,393)	(975)		(1,462)	(2,437)
Movement in legal reserve due to redemption of shares			(97)	97	-
Interim cash dividend		(975)	(97)	(1,365)	(2,437)
Balance at 31 December 2018	1,949,572	3,899	390	11,421	15,710

The total authorised number of ordinary shares at year-end was 115,000,000 (2016: 115,000,000) with a par value of € 2 per share (2017: € 2 per share). All issued shares are fully paid.

In accordance with Luxembourg law, the Company must transfer at least 5% of its annual profit to the legal reserve until this reserve equals 10% of the subscribed capital. As at 31 December 2018, the legal reserve amounts to € 390 thousand (2017: € 487 thousand). The legal reserve is not distributable.

The notes on pages 12 to 22 and 34 to 37 are an integral part of these financial statements.

2017 transactions with owners in their capacity as owners:

In the extra ordinary general meeting of shareholders held on 10 February 2017, the shareholders approved the reduction of the ordinary share capital from 4,873,930 ordinary shares of € 2.00 each to 2,436,965 ordinary shares of € 2.00 each via the redemption of 1 ordinary share for every 2 ordinary shares at an amount of € 16.75 per share redeemed, and cancellation of the ordinary shares redeemed. The redemption of the € 16.75 per ordinary share redeemed is funded from € 2.00 out of share capital and the remainder of € 14.75 out of distributable reserves.

On 20 November 2017, the Company declared an interim dividend payable on 22 November 2017.

2018 transactions with owners in their capacity as owners:

In the extra ordinary general meeting of shareholders held on 22 May 2018, the shareholders approved the reduction of the ordinary share capital from 2,436,965 ordinary shares of € 2.00 each to 1,949,572 ordinary shares of € 2.00 each via the redemption of 1 ordinary share for every 5 ordinary shares held at an amount of € 5.00 per share redeemed, and cancellation of the ordinary shares redeemed. The redemption of the € 5.00 per ordinary share redeemed is funded from € 2.00 out of share capital and the remainder of € 3.00 out of distributable reserves.

The notes on pages 12 to 22 and 34 to 37 are an integral part of these financial statements.

Company statement of cash flows

for the year ended 31 December 2018

	Notes	2018	2017
		€'000	€'000
Cash flows from operating activities			
Profit/(loss) for the year		(561)	41,604
Adjustment for:			
Taxation	5	5	5
Net income from subsidiary undertaking	4	200	(42,232)
<i>Net cash (outflow)/inflow from operating activities</i>		(356)	(623)
Decrease/(Increase) in operating assets:			
Related party receivables	7	-	(287)
Other current assets	8	18	645
(Decrease)/Increase in operating liabilities:			
Related party payables		-	(4,658)
Other current liabilities	9	23	(150)
<i>Net cash (outflow)/inflow from operating activities before payment of taxation</i>		(315)	(5,073)
Taxation (paid)	5	(4)	(5)
<i>Net cash inflow from operating activities after payment of taxation</i>		(319)	(5,078)
Cash flows from investing activities			
Dividends received from subsidiary		3,500	47,900
<i>Net cash inflow from investing activities</i>		3,500	47,900
Cash flows from financing activities			
Redemption of ordinary shares		(2,437)	(40,820)
Interim dividend paid		-	(4,874)
<i>Net cash (outflow) from financing activities</i>		(2,437)	(45,694)
Net (Decrease)/Increase in cash and cash equivalents		744	(2,872)
Cash and cash equivalents at beginning of year		437	3,309
Cash and cash equivalents at end of year		1,181	437
Cash flows from operating activities include:			
Interest paid	3	-	(105)

The notes on pages 12 to 22 and 34 to 37 are an integral part of these financial statements.

Notes to the Company Financial Statements for the year ended 2018

1. General

The Company represents Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) For the accounting policies reference is made to note 2 of the Consolidated Financial Statements. For the critical accounting estimates of the Company reference is made to note 3 of the Consolidated Financial Statements. For the financial risk management of the Company reference is made to note 4 of the Consolidated Financial Statements.

The fair value of assets and liabilities does not differ materially from the amounts presented, unless indicated otherwise.

2. Other administrative expenses

	2018	2017
	€'000	€'000
Legal & Consultancy fees	66	86
Audit fees	30	59
Insurance costs	100	107
Rent & rates	17	17
Other	14	20
	227	289

3. Interest expense

This relates to interest payable to Blue Marlin Finance S.à r.l. (formerly IdB Finance S.à r.l.).

4. Net income from subsidiary undertakings

During the year, the Company received a dividend for a total amount of € 3,500 thousand (2017: € 47,900 thousand) from its subsidiary Blue Marlin Finance S.à r.l.

As at 31 December 2018, in view of the financial situation of Blue Marlin Finance S.à r.l., the Directors of the Company decided to book a total impairment of € 9,368 thousands on this investment, an increase of € 3,700 thousand for the year (2017: € 5,668).

5. Taxation

Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) was converted into a fully taxable Luxembourg holding company (société de participations financières or “Soparfi”) on 30 December 2010. A Soparfi is a fully taxable Luxembourg resident company that takes advantage of the participation exemption in Luxembourg and that may benefit from double taxation treaties signed by Luxembourg as well as the provisions of the EU Parent-Subsidiary Directive.

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Current income tax income / (expense) in respect of the current year	(5)	(5)
	<u>(5)</u>	<u>(5)</u>

The income tax expense for the year can be reconciled to the accounting result as follows:

	Tax rate	2018	2017
	%	<u>€'000</u>	<u>€'000</u>
Profit / (loss) before tax		(556)	41,609
Tax calculated at a tax rate of 26.01% (2016: 27.08%)	26.01%	145	(11,267)
Tax effect of non-taxable income/ non-deductible expenses	(7.4%)	(41)	11,436
Tax effect of unused tax losses not recognised as deferred tax asset	(18.7%)	(104)	-
Net wealth tax	(0,9%)	(5)	(5)
Effective tax rate/tax expense for the year (2017: 0.01%)	(0.9%)	<u>(5)</u>	<u>(5)</u>

The Company has no deferred tax liabilities and due to the outlook of a lack of sufficient taxable income has not recognised the tax losses carried forward.

6. Shares in subsidiary undertakings

This relates to the 100% subsidiary Blue Marlin Finance S.à r.l.

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Cost at the beginning of the year	23,647	23,647
<i>Provision for impairment</i>		
Balance at the beginning of the year	(5,668)	-
Value adjustment during the year	(3,700)	(5,668)
Balance at the end of the year	<u>(9,368)</u>	<u>(5,668)</u>
Net book value	<u>14,279</u>	<u>17,979</u>

The subsidiary has been valued at the lower of cost or net asset value as used in the consolidated accounts. This net asset value is equal to the estimated net realisable value.

A list of subsidiaries held as direct and indirect investments of Blue Marlin Holdings S.A. is disclosed in Note 1 of the Consolidated Financial Statements.

7. Related party receivables

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Amounts receivable from Blue Marlin Finance S.à r.l. (formerly IdB Finance S.à r.l.).	287	287
	<u>287</u>	<u>287</u>

8. Other current assets

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Prepaid expenses	13	34
Taxation receivable	17	18
Other	17	14
	<u>47</u>	<u>66</u>

9. Other current liabilities

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Accrued audit fees	25	34
Director fees	50	-
Other accruals	9	27
	84	61

10. Related parties

Key personnel consist of the board of the Company. Each director receives remuneration on a cost-to-company basis. The remuneration of the directors is set out below.

The split between executive and non-executive directors is specified as follows:

	2018	2017
	<u>€'000</u>	<u>€'000</u>
Non-Executive	50	150
Executive	75	75
	125	225

Other than the above, related party transactions and balances for the Company are not significantly different from those of the Group. Refer to note 5 of the Consolidated Financial Statements for more details.

OTHER INFORMATION

Appropriation of the result

The result for the year is at free disposal of the general meeting of shareholders. The board of directors of the Company proposes to deduct the loss for the year from retained earnings.

EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date.



Audit report

To the Shareholders of
Blue Marlin Holdings S.A.

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Blue Marlin Holdings S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2018;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated annual report but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 9 July 2019

A large, stylized handwritten signature in black ink, appearing to read "Olivier Delbreuck".

Olivier Delbreuck



Audit report

To the Shareholders of
Blue Marlin Holdings S.A.

Our opinion

In our opinion, the accompanying company financial statements give a true and fair view of the financial position of Blue Marlin Holdings S.A. (the "Company") as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Company's financial statements comprise:

- the company statement of financial position as at 31 December 2018;
- the company profit and loss account for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the company financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the company financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the company financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report but does not include the company financial statements and our audit report thereon.

Our opinion on the company financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the company financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the company financial statements

The Board of Directors is responsible for the preparation and fair presentation of the company financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the company financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the company financial statements

The objectives of our audit are to obtain reasonable assurance about whether the company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these company financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the company financial statements, including the disclosures, and whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 9 July 2019

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a vertical line and a horizontal stroke.

Olivier Delbrouck