Rotterdam, 8 March 2019

# Press Release
# European Assets Trust NV

## Statement of Results for the year ended 31 December 2018

- **Total return* performance for the year ended 31 December 2018**

| | Sterling | Euro |
|---|---|---|
| Market price per share | (23.9%) | (24.7%) |
| Net asset value per share | (15.4%) | (16.3%) |
| EMIX Smaller European Companies (ex UK) Index | (12.7%) | (13.6%) |

- **Distributions‡ for the year ended 31 December 2018 totalled 8.15p or 9.30c per share (2017: 7.22p or 8.22c)**

- **The annual dividend for 2019, net of Dutch withholding tax, is 6.84c per share equivalent to 6% of the closing net asset value per share on 31 December 2018**

| | Sterling | Euro |
|---|---|---|
| January 2019 dividend, net of Dutch withholding tax, paid per share∞ | 1.49p | 1.71c |

* Capital performance with dividends reinvested
‡ Gross of Dutch withholding tax
∞The 2019 dividend will be paid in four instalments with further dividends payable in March, July and October. The actual amounts to be received by UK shareholders will be determined by the rates of exchange ruling at the dates when these dividends are paid.

**Chairman's Statement**

Fellow shareholders,

European Assets Trust NV ('EAT NV') recorded a Sterling net asset value ('NAV') total return for the year ended 31 December 2018 of -15.4% (2017: +22.6%). This compares to the total return of its benchmark the EMIX Smaller European Companies (ex UK) Index which fell -12.7% (2017: +23.3%) during the same period. With the share price recording a discount of 9.5% at the year end in comparison to a small premium of 0.7% as at 31 December 2017, the Sterling share price return for the year was -23.9% (2017: +35.8%).

2018 was a more challenging year for equity assets as investor optimism at the beginning of the year gave way to multiple economic and political concerns culminating in an aggressive rout in the fourth quarter. Our NAV suffered in this market and returned below the benchmark, with the share price suffering further as our discount widened through the year.

Concerns over the reversal of central bank monetary support, led by tightening by the Federal Reserve in the US, precipitated the market fall. This negative sentiment was further impacted by trade tensions between the US and China which fed its way into deteriorating economic data and a slowdown in global growth. For Europe this manifested in softening activity led by weaker export data as US tariffs on China began to bite.

Sentiment was therefore poor heading into 2019, and with expectations so low, the usual January optimism has reflected more strongly so far this year with almost record returns in January. However for Sterling holders of EAT NV, these have been dampened by a rally in Sterling driven by expectations of a soft-Brexit. It is of course unwise to predict the outcome of political events, just as it does not make sense to predict market direction. After all, last year started strongly before leading to the worse year of returns for global equity markets since the financial crisis.

The Investment Manager's Review, which follows, discusses EAT NV's performance in more detail.

**Migration**

On 27 November 2018, EAT NV announced the migration of its legal seat and structure from the Netherlands to the United Kingdom by means of a cross border merger (the "Migration"). The Migration results in the entire portfolio of investments of EAT NV transferring to European Assets Trust PLC ("EAT PLC"), with shareholders entitled to receive one ordinary share in EAT PLC in exchange for each share held in EAT NV.

The Board of EAT NV believes that the benefits associated with the Migration include:

- a simplified corporate structure. The Company will become a United Kingdom resident investment trust. An investment vehicle that is widely accepted and understood in the UK intermediated and direct (retail) marketplace;
- a single jurisdiction for current and future regulation – the United Kingdom;
- a reduction in the ongoing charges rate; and
- a premium listing on the London Stock Exchange and expected inclusion in the FTSE UK Index Series.

At the Extraordinary General Meeting of EAT NV held on 9 January 2019 shareholders voted overwhelmingly in favour of the Migration.

The Migration remains subject to the satisfaction (or if capable of waiver, the waiver) of the other conditions to the Migration, which are set out in the Common Draft Terms of Merger and the Prospectus published by EAT PLC in relation to the proposed listing on the London Stock Exchange of the shares to be issued by EAT PLC in connection with the Migration. The Common Draft Terms of Merger and the Prospectus are both available on EAT PLC's website.

Subject to satisfaction or waiver of those conditions, the Migration is expected to become effective on 16 March 2019. EAT NV shares will be delisted from Euronext Amsterdam two trading days before the Effective Date. The Board of EAT NV will apply to the Financial Conduct Authority for the cancellation of the standard listing of EAT NV on the Official List, and to the London Stock Exchange to cancel the admission to trading of its shares on the Main Market, effective as of the first trading day after the Effective Date, expected to be 18 March 2019.

Application has been made for the EAT PLC shares to be admitted to the premium segment of the Official List and to trading on the premium segment of the Main Market of the London Stock Exchange, with expected admission to trading at 8.00 a.m. on 18 March 2019. EAT PLC will not be listed in the Netherlands.

EAT NV has been a Dutch company since 1931 and the Migration represents a significant event in its long history. It has been well served by its Dutch service providers including KAS BANK and De Brauw Blackstone and I would like to make special mention of Messrs van Twuijver and Koster who have represented the Managing Board Director, FCA Management BV, since 2003. Their advice and guidance has made a significant contribution to the long-term growth and success of EAT NV and I thank them on behalf of the Supervisory Board and EAT NV's shareholders.

**Brexit**

The Board has continued to monitor the potential impact of Brexit on the Company. Following migration of the company from the Netherlands to the UK as discussed above, the Company has ensured that it will have continuity of investment management services, governance and regulatory oversight. While the impact of Brexit on financial and currency markets both in the UK and the EU cannot be assessed, any volatility would be managed as part of our normal investment processes.

**Distribution**

The level of dividend paid each year is determined in accordance with EAT NV's distribution policy. EAT NV has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to six per cent of its net asset value at the end of the preceding year. EAT PLC has stated its intention to continue with this policy. Its dividends will be funded by the creation of distributable reserves which will be subject to the anticipated completion and approval by the UK High Court of a capital adjustment process.

The 2019 dividends will be paid in four instalments on 31 January, 15 March, 31 July and 31 October 2019. Subject to the completion of the proposed migration and the capital adjustment process the dividends in July and October will be paid by EAT PLC and will no longer be subject to Dutch withholding tax. The January dividend of €0.019665 (net: Euro 0.0171) per share was paid to shareholders on 31 January 2019 and amounted to 1.71 (net: 1.49) pence per share in Sterling terms. The January gross dividend is increased to offset the element of Dutch withholding tax applicable. The total dividend for 2019 in Sterling will be determined by the exchange rates ruling on the dates of payment.

**Liquidity management**

During the year ended 31 December 2018 EAT NV issued and sold 12,050,000* new shares raising £15.4 million. These shares, which were sold according to the provisions of the Liquidity Enhancement Agreement, were issued at a small average premium to net asset value. The benefits of this issuance include improved stock liquidity, a reduction in EAT NV's expense ratio (Ongoing Charges figure) and a marginal uplift to the net asset value of existing shares resulting from issuance at a small premium.

The share price of EAT NV which had traded very close to NAV since April 2017 declined into a discount during May 2018. An initial recovery in June 2018 was short lived and as at 31 December 2018, EAT NV's shares traded at a discount of 9.5% to net asset value in comparison to a small premium of 0.7% at 31 December 2017. The average discount of its European peer group at 31 December 2018 was 11.6·%. The Board receives regular updates from its advisers with regard to movements in demand for EAT NV's shares. It is anticipated that following the Migration demand for EAT PLC's shares will benefit from its premium listing on the London Stock Exchange and its expected inclusion in the FTSE UK Index series.

The current Liquidity Enhancement Agreement will cease on Migration. EAT PLC has, however, authority to undertake share buybacks and share issuance as part of a planned discount/premium control policy to minimise the volatility of its share price to NAV.

**Stock split**

In response to shareholder comment and to improve marketability, EAT NV received shareholder approval at its 2018 General Meeting to undertake a stock split. With effect from 3 May 2018 each shareholder received ten shares for every one share held.

Each share has a nominal value of €0.10 in comparison to the previous nominal value of €0.46 with the resulting obligation to increase share capital by €0.54 for every ten shares met by an accounting adjustment to the share premium reserve of EAT NV.

**The Manager**

During the year, EAT NV's investment manager re-branded from F&C Investment Business Limited to BMO Investment Business Limited. BMO Investment Business Limited, became part of the BMO Financial Group in 2014. BMO was founded over 200 years ago as Bank of Montreal and is now the 8th largest bank by assets in North America. It provides a broad range of financial products to over 12 million customers worldwide.

The investment policy and process of EAT NV is unchanged and remains under the same management team with Sam Cosh as Lead Manager.

**The Board**

The Board recognises the value in both attracting fresh talent to the Board as well as the maintenance of continuity. Accordingly, a plan has been developed which will ensure an orderly succession as existing Board members retire. The Board welcomes the new UK Corporate Governance Code and is confident that its succession plan respects both the letter and the spirit of the Code regarding Board composition, diversity and how effectively members work together to achieve EAT's objectives. A further discussion of succession planning is provided in the Corporate Governance section of the annual report.

**Outlook**

It is of course challenging to have a definitive view of market direction. To see the folly of this, we only have to look to the beginning of last year, when investor optimism was universally upbeat, yet global returns proved the worst since 2008. Our belief in investing in good companies, and not paying too much for investments, is not therefore dictated by attempts at such predictions. We believe that this is the best way to look after our shareholders' capital, and while this has been more challenging in recent years, over the long term, this approach has been vindicated.

It would however be remiss not to note the challenges we see ahead of us. We are particularly concerned about the unknown consequences of the slow withdrawal of central bank support. The flood of liquidity over the last decade has provoked areas of unnatural activity. It seems peculiar, for example, that debt levels have only increased since the financial crisis, with corporate debt in the US doubling over that period. It is some comfort that in aggregate European companies have not engaged in this financial re-leveraging, and our investment process treats leverage with suspicion. When we look at the characteristics of the portfolio, it has less leverage than the market, has better levels of profitability, and only trades at a marginal valuation premium. This, we believe gives it the best chance of delivering good returns over the long term.

**Shareholder meeting**

Following Migration, EAT NV will effectively dissolve. Its successor, EAT PLC will convene an Annual General Meeting which will take place on 15 May 2019 at 3.00pm at the offices of BMO Global Asset Management (EMEA), Exchange House, Primrose Street, London EC2A 2NY and will include a presentation from the Investment Manager, Sam Cosh, on the Company and its investment portfolio. This is a good opportunity for shareholders to meet the investment manager and the Board and we look forward to welcoming as many shareholders as are able to attend. In addition, to reach a wider audience of shareholders, the presentation will be recorded and will be available to view on the EAT PLC's website shortly thereafter.

**Jack Perry CBE**
**Chairman**

*Adjusted for ten for one stock split effective 3 May 2018.

**Investment Manager's Review**
**Market Review**

At the outset of 2018, the investment consensus was universally bullish as a coordinated global economic upturn was supported by a market friendly US president. The returns in most developed equity markets reflected this over the first five months with strong performance. Sentiment however deteriorated through the latter half of the year, culminating in an aggressive rout in the fourth quarter. Precipitated by a US Federal Reserve led tightening of liquidity, it was also supported by a litany of political and economic issues. Ultimately investment returns in 2018 were poor across the globe.

2019 in contrast has started strongly. This probably reflects the usual new year optimism combined with the excessive level of bearishness heading into this year. In retrospect it is not surprising that sentiment only needed a little bit of positive news to change the outlook from such pessimistic levels. While there has been little in the way of positive economic data, an apparent thawing in the US and Chinese trade discussions and an agreement between the EU and the Italian government have all been taken well. More dovish comments coming out of the central banks of the US, Europe and China has also helped, while oil price falls are now providing a tail wind.

Nonetheless, the outlook is as uncertain now as at any time since the financial crisis. After all, the upturn in equity markets has lasted more than a decade. While valuations in European equities as a whole look very reasonable, the big concerns centre on deteriorating economic activity and monetary conditions across the world. Central banks, and the US Federal Reserve in particular, are trying to withdraw their unprecedented monetary support at the same time as global growth appears anaemic. China specifically looks vulnerable at the same time as tariffs imposed by the US are biting. This has caused Europe's trade dependent sectors to be hit particularly badly, though we believe that their valuations reflect a poor outlook already.

As discussed at the outset, the aggressive market falls in the fourth quarter, and evidence of a more uncertain outlook has caused the Federal Reserve to, at least temporarily, decelerate the level of liquidity withdrawal. Nonetheless, we are at the start of a long path of monetary normalisation following a decade of unprecedented support. It is not clear how this will manifest itself, but the most worrying aspect of the last decade is that global debt levels have increased significantly since the financial crisis. Of note is US corporate debt. Zero rate interest policies and quantitative easing encouraged US corporates to increase their borrowing by more than 200% over that period. Little of this debt was used productively, but more to fund an unprecedented level of financial engineering, that is, buying back shares to boost growth of earnings per share. Of course, we do not know whether there will be a day of reckoning but such statistics are of concern.

The European corporate sector has in contrast repaired balance sheets and valuations on a relative and absolute basis look attractive. In this uncertain period, we have cast a critical eye over the portfolio and the trades we made last year were aimed to marginally reduce the cyclicality of the portfolio and avoid high levels of debt in our invested companies. While stock picking will determine the portfolio's performance we do not want to take significant risks at this stage of the market cycle. The portfolio in aggregate therefore represents a good balance of good quality businesses, with strong balance sheets, that trade at attractive prices.

**Portfolio Performance**

The absolute annual return was dominated by a challenging fourth quarter and we ended the year with negative returns overall. While there are a number of ways of looking at components of performance, in aggregate, our stock picking within sectors was positive, but our sector weightings detracted. This was particularly the case in April this year where the portfolio struggled in an aggressively rising market. Our negative relative return that month has dominated the year.

In fact, we had no exposure at all to the two best performing sectors of the year; utilities and real estate. Both sectors are sensitive to interest rates and both benefitted from lower expectations for rate increases, particularly in the fourth quarter. For utilities, which are also seen as defensive, lower rates allow their relatively predictable cash flows to be discounted to a higher value, whilst real estate companies' assets are also discounted at the prevailing interest rates. We do not have holdings in these sectors because we have struggled to find investments that meet our quality criteria. We tend to avoid utility companies because they are dependent on the local regulator who dictates their profit levels. These can be suddenly impacted by regime changes. The real estate sector has been a strong beneficiary of quantitative easing and therefore potentially is valued on asset levels that are boosted by artificially low rates. We are also not particularly comfortable that in an era of rapidly changing property market dynamics 'outsiders' can have sufficient confidence over the valuation of underlying assets. It is therefore likely that we would not ever have significant holdings in either sectors.

Perhaps the most disappointing aspect of last year's performance, sector wise, was a negative contribution from healthcare. We like a lot of the characteristics of healthcare in that it generally isn't cyclically sensitive, and the profits can be protected from competition by high barriers to entry. We would also expect our holdings in the sector to hold up well during more challenging market conditions. This was not the case last year. Two of our positions, Gerresheimer, the German pharmaceutical packaging company, and Diasorin, the Italian immunodiagnostics testing company, underperformed the benchmark. Gerresheimer suffered following a period of soft organic growth driven by de-stocking from their end clients in response to uncertainty relating to the US government's intervention in the sector. We believe that organic growth should improve this year and we therefore continue to hold the position. There was not any company specific news for Diasorin, they did however get caught in the selloff in Italian stocks in response to the country's political ructions with the European Union. We continue to like the stock.

Turning to more positive contributors, our outstanding performer for the year was Tomra, the Norwegian recycling company. They have a dominant market share in reverse vending machines, which aid the recycling of plastic bottles. Plastic pollution is attracting increasing attention and legislators are beginning to address the challenge. Recycling rates where countries have implemented reverse vending systems are high and this has encouraged the Scottish and UK governments to announce implementation of the system. With still relatively few countries following this approach, the expectation is that the addressable market is increasing and the shares performed well on the back of this.

Other performers of note were Coor Service Management, the Swedish provider of integrated facilities management, who performed well following stronger growth pointing to further evidence that their integrated approach was taking share. IMCD the specialist chemical distributer also performed well through a combination of strong organic growth and sensible acquisitions that improved their market position further. Our two regional banks, Denmark's Ringkjoebing Landbobank, and Norway's Sparebank also did well. The former continued to show good loan growth whilst also announcing an acquisition of a small bank in an adjacent region, while Sparebank's level of profitability continued to improve as loan losses were reported better than expected.

**Outlook**

The outlook is of course uncertain and more often than not reflects current market sentiment. It would therefore be wrong to let the myriad of highlighted challenges dictate what we are trying to do. After all, investors entered 2018 with high hopes of continuing market gains, yet global returns proved the worst since 2008. It is therefore best to focus on companies which have the best chance of delivering attractive returns through, and irrespective, of the market cycle. We therefore continue to focus on companies that deliver good levels of profits and cash flow, protect those cash flows from competition with strong business models, and benefit from sensible capital allocation by their management teams. We want to buy these companies at valuations that imply a conservative or realistic outlook. This is, we believe, the best way to deliver good long term returns to shareholders.

At this juncture, it is also worth noting that this approach has delivered a good portfolio return for us year to date. The particularly pleasing aspect of this performance is that it has been driven by the announcement of good full year results from our portfolio holdings along with encouraging outlooks. This should bode well for the year ahead.

**Sam Cosh**

**Lead Investment Manager**
**BMO Investment Business Limited**

## STATEMENT OF COMPREHENSIVE INCOME

| | Year ended 31 December 2018 | | | Year ended 31 December 2017 | | |
|---|---|---|---|---|---|---|
| | NON GAAP Revenue Return €000 | NON GAAP Capital Return €000 | IFRS Total Return €000 | NON GAAP Revenue Return €000 | NON GAAP Capital Return €000 | IFRS Total Return €000 |
| **Income** | | | | | | |
| Dividends from securities | 14,933 | - | 14,933 | 12,009 | - | 12,009 |
| Other net changes in fair value on financial assets at fair value through profit or loss | - | (88,792) | (88,792) | - | 70,066 | 70,066 |
| **Total net income/(loss)** | **14,933** | **(88,792)** | **(73,859)** | **12,009** | **70,066** | **82,075** |
| **Expenses** | | | | | | |
| Investment management fee | (808) | (3,234) | (4,042) | (752) | (3,009) | (3,761) |
| Depositary and custodian fees | (263) | - | (263) | (265) | - | (265) |
| Management Director remuneration | (117) | - | (117) | (115) | - | (115) |
| Remuneration of the Supervisory Directors | (206) | - | (206) | (197) | - | (197) |
| Other operating expenses | (817) | - | (817) | (728) | - | (728) |
| Restructuring costs | - | (1,700) | (1,700) | - | - | - |
| Interest charges | (31) | (123) | (154) | (21) | (86) | (107) |
| **Total expenses** | **(2,242)** | **(5,057)** | **(7,299)** | **(2,078)** | **(3,095)** | **(5,173)** |
| **Profit/(loss) before tax** | **12,691** | **(93,849)** | **(81,158)** | **9,931** | **66,971** | **76,902** |
| Corporation tax | - | - | - | - | - | - |
| **Profit/(loss) for the year** | **12,691** | **(93,849)** | **(81,158)** | **9,931** | **66,971** | **76,902** |
| **Other comprehensive income** | **-** | **-** | **–** | **-** | **-** | **–** |
| **Total comprehensive income/(loss)** | **12,691** | **(93,849)** | **(81,158)** | **9,931** | **66,971** | **76,902** |
| | *Euro* | *Euro* | *Euro* | *Euro* | *Euro* | *Euro* |
| **Earnings per share – basic*** | **0.035** | **(0.262)** | **(0.227)** | **0.029** | **0.199** | **0.228** |

** At the General Meeting of EAT NV held on 18 April 2018, the shareholders approved a resolution for a ten for one stock split such that each shareholder would receive ten shares with a nominal value of €0.10 each for every one share held with record date 2 May 2018. For comparison purposes and in accordance with IAS 33.64, the number of shares before the split as well as all per share amounts in these financial statements for the year ended 31 December 2018 have been adjusted on a ten for one basis.*

*The total column of this statement represents EAT NV's Income Statement and Statement of Comprehensive Income, prepared in accordance with IFRS as endorsed by the European Union. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.*

*All income is attributable to the equity holders of European Assets Trust N.V.*

## BALANCE SHEET

| | As at 31 December 2018 €000 | As at 31 December 2017 €000 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Financial assets at fair value through profit or loss | 414,714 | 509,879 |
| Investment in subsidiary | 57 | - |
| Other receivables and prepayments | 1,111 | 1,251 |
| Cash and cash equivalents | - | - |
| **Total assets** | **415,882** | **511,130** |
| **Equity** | | |
| **Capital and reserves attributable to equity holders of EAT NV** | | |
| Share capital | 35,976 | 15,982 |
| Share premium account | 271,344 | 273,936 |
| Other reserves | 104,274 | 218,233 |
| **Total equity** | **411,594** | **508,151** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Banking facility | 3,647 | 2,748 |
| Accrued liabilities | 641 | 231 |
| **Total liabilities** | **4,288** | **2,979** |
| **Total equity and liabilities** | **415,882** | **511,130** |

| **Net asset value** | **As at 31 December 2018 Euro** | **As at 31 December 2017 Euro** |
|---|---|---|
| **Net asset value per share – Basic*** | **1.14** | **1.46** |

** At the General Meeting of EAT NV held on 18 April 2018, the shareholders approved a resolution for a ten for one stock split such that each shareholder would receive ten shares with a nominal value of €0.10 each for every one share held with record date 2 May 2018. For comparison purposes and in accordance with IAS 33.64, the number of shares before the split as well as all per share amounts in these financial statements for the year ended 31 December 2018 have been adjusted on a one to ten basis.*

## STATEMENT OF CHANGES IN CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS

| | Share capital | Share premium* | Other reserves* | Total capital and reserves |
|---|---|---|---|---|
| | €000 | €000 | €000 | €000 |
| As at 1 January 2017 | 15,267 | 252,567 | 168,386 | 436,220 |
| Total comprehensive income for the year | - | - | 76,902 | 76,902 |
| Interim dividends distributed | 12 | (12) | (27,055) | (27,055) |
| Sale and issue of shares | 703 | 21,381 | - | 22,084 |
| As at 31 December 2017 | 15,982 | 273,936 | 218,233 | 508,151 |
| Total comprehensive loss for the year | - | - | (81,158) | (81,158) |
| Interim dividends distributed | 20 | (20) | (32,801) | (32,801) |
| Issue of shares | 628 | 16,774 | - | 17,402 |
| Redenomination of shares | 19,346 | (19,346) | - | - |
| As at 31 December 2018 | 35,976 | 271,344 | 104,274 | 411,594 |

* *The share premium account and other reserves are freely distributable to shareholders.*

## STATEMENT OF CASH FLOWS

| For the year ended | 31 December 2018 €000 | 31 December 2017 €000 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Proceeds from sale of financial assets | 159,027 | 104,814 |
| Purchase of financial assets and settlement of financial liabilities | (152,655) | (125,843) |
| Investment in subsidiary | (57) | - |
| Dividends received | 15,073 | 11,518 |
| Investment management fees paid | (4,042) | (3,761) |
| Restructuring costs paid | (1,272) | - |
| Depositary fees, custody fees and other expenses | (1,433) | (1,276) |
| Interest expenses paid | (75) | (127) |
| **Net cash inflow/(outflow) from operating activities** | **14,566** | **(14,675)** |
| **Cash flows from financing activities** | | |
| Net proceeds from banking facility | 899 | 2,748 |
| Proceeds from shares issued and sold | 17,336 | 22,150 |
| Dividends paid | (32,801) | (27,055) |
| **Net cash outflow from financing activities** | **(14,566)** | **(2,157)** |
| **Cash and cash equivalents** | | |
| Net decrease in cash and cash equivalents | - | (16,832) |
| Cash and cash equivalents at beginning of the year | - | 16,832 |
| **Cash and cash equivalents at end of the year** | **-** | **-** |

**ACCOUNTING POLICIES**

EAT NV is a closed-end investment company with variable capital incorporated in the Netherlands. Up to and including the financial year ended 31 December 2017, EAT NV prepared its annual accounts in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving").

In connection with EAT NV's plans to migrate its investment enterprise to the United Kingdom through a cross-border merger with a new investment fund registered in London, EAT NV prepared special purpose financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union for the financial year ended 31 December 2017 with comparative figures for the financial years ended 31 December 2016 and 31 December 2015, for the purpose of presenting the financial position, results of operations and cash flows of EAT NV in a prospectus drawn up in relation to the issue of shares of a new investment fund to be listed in the United Kingdom at the London Stock Exchange, which financial statements were authorised for issue by the Management Board Director on 23 November 2018. For reasons of consistency and transparency EAT NV has decided to prepare its financial statements for the financial year ended 31 December 2018 also in accordance with International Financial Reporting Standards under the option of clause 362.8 of Part 9 of Book 2 of the Netherlands Civil Code.

The financial statements have also been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and the Statement of Recommended Practice (''SORP'') "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies (''AIC''). The audited financial statements comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Capital and Reserves Attributable to Equity Holders, the Statement of Cash Flows and the Notes to the Financial Statements.

**Notes**

1. Dividends per share are stated gross of applicable Dutch withholding tax. A dividend of €0.019665 was announced on 8 January 2019 and paid on 31 January 2019. This dividend was paid from other reserves. During 2019, a total distribution of €0.0684 per share, net of Dutch withholding tax, is payable in four instalments in January, March, July and October.

2. Listed investments are valued at the closing bid price on the valuation date on the relevant stock markets.

3. Based on 359,755,323 shares in issue (2017: 347,442,440). During the year EAT NV issued 262,883 shares through its scrip dividend option and sold 12,050,000 newly issued shares.

4. Financial instruments

   In the normal course of its business, EAT NV holds a portfolio of equities, and manages investment activities with on-balance sheet risk. Equities are valued at fair value, as described above. These financial instruments are subject to the risks described below.

   - Market and interest rate risk
     Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, caused by factors that exclusively apply to the individual instrument or its issuer or by factors that affect all instruments traded in the market. Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates.

     EAT NV minimises the risks by making a balanced selection of companies with regard to distribution across European countries, sectors and individual stocks.

     Any changes in market conditions will directly affect the profit or loss reported through the Statement of Comprehensive Income. A 10 per cent increase, for example, in the value of the securities portfolio as at 31 December 2018 would have increased net assets and net profit for the year by €41.5 million (2017: €51.0 million). A decrease of 10 per cent would have had an equal but opposite effect. The calculations above are based on investment valuations at the respective balance sheet dates and are not representative of the year as a whole, nor reflective of future market conditions.

- Credit risk
  Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with EAT NV. EAT NV has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

  Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the financial stability and credit quality of brokers used, which are monitored on an ongoing basis by the investment manager. The investment manager also monitors the quality of service provided by the brokers used to further mitigate this risk.

  There were no significant concentrations of credit risk to counterparties at 31 December 2018 or 31 December 2017. No individual investment exceeded 3.9% if the investment portfolio at 31 December 2018 (31 December 2017: 3.6%). EAT NV's investment in securities, all of which are traded on a recognised exchange, are held in segregated accounts on behalf of EAT NV by KASBANK N.V., EAT NV's custodian. Bankruptcy or insolvency of the custodian may cause EAT NV's rights with respect to securities held by the custodian to be delayed. The Board monitor's EAT NV's risk by reviewing the custodian's audited internal control reports.

- Foreign currency risk
  Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates. EAT NV reports its results and financial position in Euros. EAT NV will have exposure to European currencies other than the Euro.

  If the value of the Euro had weakened by 5% (2017: 5%) against each of the other currencies in the portfolio, the impact on the profit or loss and the net asset value would have been positive €8.2 million (2017: €8.6 million). If the value of the Euro had strengthened by 5% (2017: 5%) against each of the other currencies in the portfolio, the impact on the profit or loss and the net asset value would have been negative €8.2 million (2017: negative €8.6 million). These calculations are based on the foreign currency exposure balances as at the respective balance sheet dates.

  It is not EAT NV's policy to hedge this risk.

- Liquidity risk
  Liquidity risk is the risk that EAT NV is not able to obtain the financial means required to meet its obligations. EAT NV minimises this risk by mainly investing in equities that are traded on a regular basis. EAT NV may use borrowings to seek to enhance returns for shareholders. This may include the use of financial instruments; such financial instruments are valued at fair value. Cash balances may be held from time to time and these will be held with reputable banks. Liquidity risk of EAT NV is mitigated by the fact that EAT NV is a closed-end investment company.

5. Restructuring costs during the year ended 31 December 2018 amounting to EUR 1,700,000 comprise advisory, audit and other costs in connection with the migration of EAT NV's investment enterprise from the Netherlands to the United Kingdom. The migration will be effective from 16 March 2019 through a cross-border merger under the European merger regulations of EAT NV with EAT PLC, the wholly owned subsidiary of the Company registered in London, United Kingdom. As part of planning for the migration, the Company prepared and issued the required merger documentation (laid down in the Common Draft Terms of Merger) and a prospectus published by EAT PLC in relation to the proposed listing of the EAT PLC shares on the London Stock Exchange. Also, an extraordinary general meeting of shareholders was convened in 2018 and held on 9 January 2019, during which general meeting the migration was approved.

   The restructuring costs also include a remuneration amounting to EUR 164,000 (EUR 135,000 excluding VAT) paid to the Company's Management Board director, FCA Management BV, for services rendered in connection with the migration. The audit remuneration paid to the independent auditor of EAT NV in connection with the audit work on EAT NV's special purpose financial statements for the years ended 31 December 2017, 31 December 2016 and 31 December 2015 as included in the prospectus published by EAT PLC as well as other audit work in relation to the migration amounted to EUR 146,000, including VAT, and is also included in restructuring costs.

6. These are not the full accounts. The full accounts for the year to 31 December 2018 will be sent to shareholders and will be available for inspection at EAT NV's registered office Weena 210-212, NL-3012 NJ Rotterdam, EAT PLC's registered office Exchange House, Primrose Street, London, EC2A 2NY and from the investment managers at BMO Investment Business, 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG. The website addresses are www.europeanassets.eu and www.europeanassets.co.uk where the accounts can also be found once available.

7. An Annual General Meeting of EAT PLC to adopt the 2018 Report & Accounts of EAT NV and other resolutions will be held at 3.00pm on 15 May 2019 at the offices of BMO Global Asset Management (EMEA), Exchange House, Primrose Street, London EC2A 2NY.

For further information, please contact:


Wilbert van Twuijver, Managing Director
FCA Management BV, Rotterdam +31 (0)10 201 36 25

Sam Cosh
BMO Investment Business Ltd, Investment Manager +44 (0)207 628 8000

Scott McEllen +44 (0)207 628 8000
BMO Investment Business Limited, Company Secretary


*This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.*

*European Assets Trust N.V. is een closed-end beleggingsmaatschappij met veranderlijk kapitaal.*
*European Assets Trust N.V. heeft een officiële notering aan de effectenbeurs van Euronext Amsterdam en Aan de London Stock Exchange, Londen.*