

Annual Financial Statements

Facilicom Group | 2019 Annual Report

Financial | Financial Statements

Consolidated balance sheet (before profit appropriation)

| Assets | | | |
|---|-----|------------------|------------------|
| X € 1,000 | | 31 December 2019 | 31 December 2018 |
| Fixed assets | | | |
| Intangible fixed assets | 1) | 5,611 | 5,130 |
| Tangible fixed assets | 2) | 113,772 | 117,762 |
| Financial fixed assets | 3) | 60,458 | 60,717 |
| | | 179,842 | 183,608 |
| Current assets | | | |
| Stocks | 4) | 10,046 | 11,159 |
| Trade receivables | 5) | 214,445 | 213,855 |
| Other receivables, prepayments and accrued income | 6) | 18,659 | 9,127 |
| Liquid assets | 7) | 98,851 | 86,868 |
| | | 342,001 | 321,009 |
| | | 521,843 | 504,617 |
| Liabilities | | | |
| X € 1,000 | | 31 December 2019 | 31 December 2018 |
| Group equity | | | |
| | 8) | 239,855 | 204,222 |
| Provisions | | | |
| Personnel and other provisions | 9) | 7,083 | 7,376 |
| Taxation | 10) | 1,058 | 2,196 |
| | | 8,141 | 9,572 |
| Long-term liabilities | | | |
| | 11) | 19,553 | 40,251 |
| Current liabilities | | | |
| Amounts owed to credit institutions | | 3,292 | 2,793 |
| Debts to suppliers | | 63,223 | 55,969 |
| Debts to group companies | | 1,130 | 8,761 |
| Tax liabilities and social security premiums | | 56,128 | 45,977 |
| Debts in respect of pensions | | 7,020 | 5,351 |
| Other debts, accruals and deferred income | 12) | 123,500 | 131,721 |
| | | 254,293 | 250,572 |
| | | 521,843 | 504,617 |

Consolidated profit and loss account

| Liabilities | | | |
|--|-----|------------------|------------------|
| X € 1,000 | | 2019 | 2018 |
| Operating income | 13) | 1,225,109 | 1,263,938 |
| Operating expenses | | | |
| Costs of (auxiliary) materials | | 56,993 | 94,387 |
| Outsourced work and other external costs | | 229,150 | 212,800 |
| Staff costs | 14) | 792,962 | 814,422 |
| Amortisation of intangible fixed assets | | 3,300 | 2,637 |
| Depreciation of tangible fixed assets | 15) | 24,300 | 23,771 |
| Impairments | 16) | 5,066 | 1,512 |
| Other operating expenses | | 105,103 | 100,546 |
| | | 1,216,874 | 1,250,074 |
| Operating result | | 8,235 | 13,864 |
| Financial income and expenses | | | |
| Interest income and similar income | | 962 | 669 |
| Interest charges and similar charges | | 1,148 | 1,467 |
| | | -186 | -798 |
| Result from ordinary activities before taxation | | 8,049 | 13,066 |
| Taxation | 17) | 3,614 | 6,055 |
| | | 4,435 | 7,011 |
| Results from participating interests | | 32,725 | 1,230 |
| Profit after taxation | | 37,160 | 8,241 |
| Share of third parties | | -1,891 | -702 |
| Net profit | | 35,269 | 7,539 |

Consolidated cash flow statement

| X € 1,000 | 2019 | 2018 |
|--|----------------|----------------|
| Cash flow from operating activities: | | |
| Operating result | 8,234 | 13,864 |
| Depreciation of fixed assets | 34,047 | 28,612 |
| | 42,281 | 42,475 |
| <i>Changes in operating capital:</i> 18) | | |
| Trade receivables | -4,379 | -10,883 |
| Stocks | 335 | -3,908 |
| Other receivables, prepayments and accrued income | -8,534 | 7,966 |
| Current liabilities | 19,764 | -1,748 |
| | 7,186 | -8,574 |
| | 49,468 | 33,902 |
| <i>Financial results and taxes</i> 19) | | |
| Interest income and similar income | 681 | 669 |
| Interest charges and similar charges | -1,237 | -1,088 |
| Dividends received | 2,394 | 1,117 |
| Profits tax | -2,485 | -6,027 |
| Change in provisions | -531 | 1,410 |
| | -1,178 | -3,919 |
| Cash flow from operating activities | 48,290 | 29,983 |
| Cash flow from investment activities 20) | | |
| Change in group companies | 30,663 | - |
| Investments in financial assets | 419 | 635 |
| Investments in intangible financial assets | -178 | -329 |
| Investments in tangible fixed assets | -34,152 | -28,098 |
| Disinvestments of tangible fixed assets | 5,389 | 3,021 |
| | 2,141 | -24,771 |
| | 50,431 | 5,212 |
| Cash flow from financing activities | | |
| Dividend paid to shareholders | -1,130 | - |
| Dividend paid out to related parties | - | -10,000 |
| Repayment on loan | -30,671 | -933 |
| | -31,801 | -10,933 |
| Net cash flow | 18,631 | -5,722 |
| Liquid assets gained in acquisition of group companies | -6,929 | - |
| Exchange rate and conversion differences | 281 | -70 |
| Change in liquid assets | 11,983 | -5,791 |

Notes to the Annual Financial Statements

Risk Management

The risk management aspects specifically related to the year under review are contained in the Report of the Board of Directors. The Board of Directors is responsible for the internal risk management and control systems and ensures that these systems perform as required. The systems have been designed to manage significant risks and to achieve operational, financial and social/public targets. Optimal risk management comprises the timely identification of risks and the management of risks that could potentially affect our operating activities over the short and long term. The system ensures that predictability improves and that value is added to the company. We are aiming for a single comprehensive Enterprise Resource Planning (ERP) system to enable us to create a clear information reference framework. We have defined the key management instruments in terms of KPIs and have incorporated these into a dashboard. This dashboard is used at different levels within the organisation to generate the right and timely information in support of the management processes. This runs from the operational management level to the overall Board of Directors and Governing Board management levels.

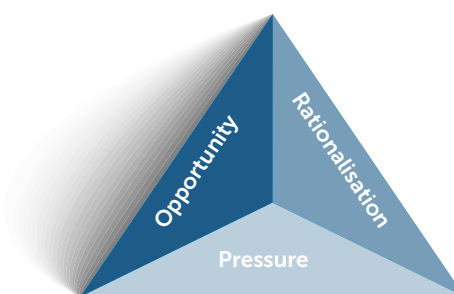
The key risk management principles are as follows:

- It is only sensible to take a business risk if the likelihood of this risk arising and its potential consequences do not pose a threat to the continuity of the company. In general, the company takes a cautious approach with regard to accepting operational and financial risks.
- The Board - at all levels of the organisation - identifies, analyses and manages risks at the operational level within the areas of responsibility assigned to it, such that these risks are manageable and in keeping with the division's objectives and those of the company in general.
- Social risk management is of major importance in our labour-intensive company; our people are our capital. Employee satisfaction leads to loyalty and commitment, and we believe that this benefits our quality and service provision.
- The relevant legislation and regulations and the internal rules of conduct are complied with as a matter of course. All within generally acceptable social standards for Facilicom Group and all of its stakeholders (Profit, Planet, People). The company applies strict quality standards based on internal rules and external bodies, such as ISO and NEN certification at the operational level and for example, the Horizontal Supervision Agreement at the financial and fiscal level, as well as internal and external audits and control of operational processes, management reporting and annual accounts.

The company Inluzio is undergoing a significant expansion into the social services domain. The management factors in a number of areas have a different dimension from our 'regular' companies where the key concern often relates to effective and efficient business operations combined with the objective of having committed, satisfied and motivated employees, client satisfaction, and mutual loyalty between client and contractor. In the social domain, the management focus is on other indicators as well, so that the service provision in terms of all social aspects meets the applicable requirements. Actions here occur within an important triangle involving the contracting party (healthcare institution, municipality), the client (care recipient) and Inluzio as service provider. Our dashboards have been adjusted accordingly.

Risk management is of crucial importance to the organisation and therefore has been embedded into our organisation structure.

Another key risk faced by companies due to their nature relates to internal and/or external fraud and corruption. We apply a zero tolerance policy and actively disseminate this policy to our employees and stakeholders. We approach the fraud risk factors on the basis of the following triangle:



Opportunity: We try to as much as possible prevent risks by working on the basis of standardised procedures, implementing Enterprise Resource Planning, transparency and a firm control mentality throughout the entire organisation.

Rationalisation: We use a clear Company Code that sets out a zero tolerance policy. We expect our employees to be ambassadors of an organisation that we are collectively proud of and in which we display exemplary behaviour.

Pressure: The company does not apply any pressure. We are not dependent on external equity providers, financial ratios and the like. We do not have a bonus culture and we do not only manage by quantitative factors but also by high-quality service delivery and professional conduct.

Another key agenda item is the implementation of the General Data Protection Regulation (GDPR). We have appointed a dedicated Data Protection Officer and in 2018 started working on the integral identification of the affected areas and on the awareness creation process within the organisation. We have made good progress in this area in 2019, and are aware of the fact that compliance with the GDPR will require constant attention from the organisation. Protecting the privacy of the large amount of information we maintain about our employees and clients is of increasing importance. We therefore continue to devote specific attention to data protection and view privacy as a key issue, in part also with respect to the data leaks reporting obligation, for example.

Doing business is inextricably linked with taking risks. The risks inherent in our company are not of a special nature and do not deviate from accepted practices within the sector. With respect to the financial reporting risks, the Board of Directors declares that the internal risk management and control systems in place provide a high degree of assurance

and that the financial reporting is free of any material misstatements. Facilicom Group guarantees its operating companies; this is evident from the declarations of liability of its 100% owned Dutch companies, as recorded in the List of Equity Investments. The risk management aspects pertaining to the operational situations are described in this Annual Report.

In 2019, no significant changes were made to the control systems, although it should be noted that in addition to financial controls, business controls were also implemented at the division level. This combination enables the company to analyse any disruptions of the process effectively and on a timely basis, and to make adjustments accordingly; both at the operational and financial level. The combination of these two functions is crucial. They can reinforce each other and thus optimise the control systems. In this respect we are also working on the implementation of internal control function domains, well-supported by big data, data analyses and the like. However, optimisation of the control systems will continue to be a recurring area for attention. This may result in the further refinement of and/or additions to our current systems.

Risk management is a key policy component of our Business Technology organisation. The operation of our organisation is to a significant extent affected by the continuity and reliability of the automated provision of information. In addition to an independent Business Technology department, supported by external knowledge and expertise, we have outsourced the management of our IT organisation and we have further optimised the procedures for safeguarding the continuity of our IT organisation (contingency centres, backup and disaster recovery, and other IT controls). Furthermore, in 2019 we staffed the Manager Information Security position as part of our direction to have this discipline fulfil a more important role in our company. In addition, in 2019, our data centre for the AlarmServiceCentrale was the first control room in the Netherlands to be ISAE 3402-type 2 certified. Moreover, the control room is also ISO 27001 certified.

General accounting principles used in preparing the annual financial statements

The annual financial statements are prepared on a historical cost basis and in accordance with Book 2, Part 9 of the Dutch Civil Code. Assets and liabilities are valued and results determined on the basis of historical costs, unless otherwise indicated. Income and expenses are allocated to the year to which they relate. Profits are only recognised if they have been realised on the balance sheet date. Liabilities and potential losses originating before the end of the reporting year are included to the extent that they were known before the preparation of the annual financial statements.

Consolidation principles

The consolidation includes the financial data of Facilicom Group N.V. and those participating interests in which it directly or indirectly holds more than 50% of the share capital and over which it has effective control (see List of Equity Investments in the Annual Report). The consolidation is based on the parent company's accounting policies. The results from acquired companies are included in the consolidated profit and loss account from the date of joining on which Facilicom carries the economic risk.

In the notes to the 2018 annual financial statements, the list of subsequent events states that Facilicom transferred its participation in Albron to Stichting Albron (Albron Foundation) in 2019. The 2019 financial statements no longer include the Albron figures. This means that the 2019 financial statements no longer include any catering turnover and related costs for the Netherlands. The goodwill realised on the sale has been added to the Results from participating interests.

At the time of the sale, a settlement agreement was signed, pursuant to which only that portion of the sales price that was mutually agreed upon is recognised in the 2019 financial statements; the additional proceeds to be realised cannot be determined with sufficient certainty at this point in time.

The key supplies of goods and services provided among group companies have been eliminated from the turnover, as well as from the miscellaneous figures in the profit and loss account.

Pursuant to the annual reporting guidelines, related parties over which Facilicom Group exercises dominant control are also consolidated. The company Facilicom Bedrijfsgebouwen B.V. is not directly associated with the Group in a legal sense. However, the Group can exercise dominant control and in past years has granted a loan to finance the tangible fixed assets it leases. This loan has been converted into a holding consisting of preference shares. The company's operating activities primarily involve the letting of property to the Group.

A number of activities is being carried out in the form of a foundation formed for that purpose. In general, Facilicom Group and persons and/or companies affiliated with Facilicom Group and Inluzio have a policy-setting position in these foundations, so that these are included in the scope of the consolidation.

Acquisitions in 2019

Facilicom Group completed a limited number of acquisitions in 2019: SecMan B.V., Degenaar Gevelonderhoud B.V., DGR Materieel B.V. and Synorga Groep B.V. The acquisitions were financed from the Group's own funds and the goodwill paid has been capitalised. Unless where indicated otherwise, acquisitions are included in operations in the year of acquisition. This way, Facilicom Group provides insight into the impact of these acquisitions on its annual and future operations.

The acquisitions generally involve an acquisition with retroactive economic effect since the parties have been affiliated together for a longer period of time and consider their business operation as a joint operation.

Social reporting

In addition to their financial aspect, acquisitions also have a social aspect for Facilicom Group. In past years, this is also endorsed by the expansion into the social domain. The social domain is characterised by a great deal of unrest since the commercial market model at start-up does not equally apply here and consequently does not contribute to the result, or may even be loss-making, during the start-up years. Facilicom Group considers it a social responsibility to provide this service with its capacity and know-how and to make a contribution this way to the development of a qualitative and socially responsible service. Facilicom has always consistently applied this motto to its core activities, whereby the goal is to achieve long-term success rather than aiming for short-term profits.

Foreign Currency

All items in foreign currency are converted into euros at the rate of exchange on the balance sheet date. The euro exchange rate used to convert the British pound sterling as at the 2019 balance sheet date was € 0.88508 (2018: € 0.894526). Translation differences are credited or charged to the other reserves, respectively.

Estimates

To apply the accounting policies and rules for the preparation of the financial statements, it is necessary for the Board of Directors to form opinions on various matters and to prepare estimates that may be essential to the amounts included in the financial statements. If necessary to provide the insight required in accordance with Article 2:362 paragraph 1 of the Dutch Civil Code, the nature of these opinions and estimates, including the associated assumptions, is included in the notes to the relevant items in the financial statements.

Balance Sheet Accounting Policies

Intangible fixed assets

Goodwill represents the difference between the acquisition cost and the net asset value of the acquired subsidiary or participating interest at the date of acquisition. The fee paid in connection with asset and liability transactions that cannot be attributed to individual assets is also classified as goodwill. The purchased goodwill is stated at acquisition cost, less straight-line amortisation and, if necessary, impairment due to a lower realisable value. Development costs are capitalised insofar as these relate to projects that are considered commercially feasible. At Ploos, this concerns the in-house developed energy management system. A statutory reserve was formed for the book value. The miscellaneous costs for research and development are charged to the result in the period in which they are incurred.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less straight-line depreciation calculated on this basis. The item 'Company buildings and lands' includes a company building that pursuant to a DBFMO contract is made available to the client. The asset is designated as property for own business use in connection with the provision of facilities services as stated in the contract. The book value on the balance sheet date was € 16.4 million.

Financial fixed assets

The participating interests in which the Company exercises significant influence on business and financial policy are valued at the net asset value, but never less than zero. The net asset value is calculated on the basis of the Group's accounting policies. Participating interests with a negative net asset value are valued at zero. When the Group wholly or partially guarantees the debts of the relevant participating interests, a provision is formed primarily against the receivables from these participating interests. For the rest, a provision is formed according to the size of the share in the losses sustained by the participating interests, or for the expected payments by the company in respect of these participating interests.

The participating interests in which the Company exercises significant influence on business and financial policy are valued at the acquisition price, less impairments, if any.

Receivables from and loans to participating interests, as well as the other receivables are stated at fair value on initial recognition after which they are stated at an amortised cost, which is equal to the face value, if necessary net of a provision for bad debts.

The financial fixed assets include deferred tax receivables, if and insofar as it is probable that the realisation of the taxation claim will be settled in due course. These deferred tax receivables are stated at face value or realisable value and are predominantly of a long-term nature.

The financial fixed assets include the expenditures related to the investments in support of PPP contracts that from delivery are charged via the availability payments.

Impairment

At each balance sheet date, the Company assesses if there are any indications that a fixed asset may be subject to impairment. If such indications are detected, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the relevant cash-generating unit is determined. Impairment is required if the book value of an asset exceeds the recoverable amount; the recoverable amount is the highest of the net selling price and the value in use. An impairment loss is taken directly to the profit and loss account as an expense, with a simultaneous decrease of the book value of the relevant asset.

Stocks

The stocks of tangibles and goods for resale are stated at the lower of cost or market value. The valuation of stocks takes account of the risk of obsolescence.

Work in progress for third parties

The work in progress for third parties is valued as the cost of manufacture plus the attributed profit in proportion to the progress of the project, less any foreseeable losses on the balance sheet date. The cost of manufacture includes the direct consumption of materials, direct machinery and wage costs and miscellaneous costs that can be directly attributed to the manufacture, and a mark-up for indirect manufacturing costs. The profit to be allocated to a completed project is determined on the basis of the costs expended on the project on the balance sheet date in proportion to the total costs expected to be spent on the project. Income and expenses are reported in the profit and loss account on the basis of this progress. The invoiced instalments related to work in progress are deducted from the work in progress. Any negative balances for work in progress that may consequently arise will be reported under current liabilities.

Receivables

Receivables are stated at fair value on initial recognition after which they are stated at the amortised cost, which is equal to the face value, if necessary net of a provision for bad debts.

Liquid assets

Liquid assets are stated at face value. Unless indicated otherwise, these assets are at the free disposal of the Group.

Third Party Interest in Group Equity

The third party interest in group equity concerns the minority interests of third parties in the shareholders' equity of consolidated companies. The third party interest in the result from consolidated companies is deducted from the Group result in the profit and loss account.

Provisions

Taxation

The provision for taxes concerns the tax liabilities expected to emerge in the future due to the differences between the commercial and fiscal valuation of certain assets and liabilities. These liabilities are calculated on the basis of the tax rate in effect on the balance sheet date.

Provisions for Employee Benefits

Pension Scheme

The majority of the pensions of the group's employees in the Netherlands and abroad is administered by industry pension funds. Implementation agreements have been concluded at the corporate level with the industry pension funds in which the employer cannot be held liable to make up for any deficits that may be accrued, other than possibly by way of higher premiums in the future. It turns out that the funding ratios for some industry pension funds are not in compliance with the criteria imposed by De Nederlandsche Bank. The formulation of any recovery plans does not directly affect the employer's contribution. For companies that are not subject to an industry pension fund, the pension scheme is primarily administered by a life insurance company on the basis of a Collective Defined Contribution Pension Scheme under which the Group cannot be held liable in a material sense to make up for any accrued deficits during the contractual period with the pension insurers. The pension liabilities pursuant to the Dutch as well as the foreign pension schemes are stated in accordance with the 'commitment to the pension provider approach'. Under this approach, the premium due to the pension provider is reported as a charge in the profit and loss account.

Provision for long-term employee benefits

This provision concerns other long-term employee benefits that form part of the employee benefits package, such as long-service payments, (early) retirement and the like, that are of a long-term nature. These benefits are subject to the accrual of entitlements. The recorded liability represents the best estimate of the amounts that will be needed to settle the relevant liabilities as at the balance sheet date. This estimate takes the mortality risk, the probability of dismissal, as well as the present value of these liabilities into account.

Provisions for Self-insured Status

Facilicom Group has self-insured the Invalidity Insurance Act (WAO), the Return to Work (Partially Disabled Persons) Regulations (WGA) and the Sickness Benefits Act (ZW) for most of its Dutch operating companies. The liabilities arising from payments, pre-existing risks and the related costs are charged to the result on the date of disbursement. A provision is formed on the date that the expected costs arising from the company's self-insured status (or any run-off risks for Gom, which has since returned to the public system) exceed the attributable benefits.

Miscellaneous

The other provisions are stated at the face value of the expenditures that are expected to be necessary to settle the liabilities, unless otherwise indicated. The other provisions are primarily formed for risks relating to business operations.

Debts

Current and non-current liabilities are stated at fair value on initial recognition and subsequently at amortised cost.

Coronavirus

When this Annual Report was published, the coronavirus was playing an all-important role in the world. Government has introduced support measures designed to curb the impact on employment and the business community. The effects of these measures are still difficult to oversee.

The consequences of the corona pandemic are different for each division of the Facilicom Group. One major common denominator is that Facilicom is a company that provides labour-intensive services. As a result, coronavirus-related

developments can have a major impact on absence due to sickness, on employment and on our financial results. In some divisions, the consequences of the corona crisis are noticeable due to a significant reduction in operations and even the cancellation of virtually entire operations. We are reviewing each division separately in order to adjust to the measures.

Facilicom has a strong financial position and is financed conservatively. At the same time, credit risk and market prices are uncertain; no one really knows at the present time. The Board is confident that the continuity of employment and business operations within our company are safeguarded, provided that the measures taken have the anticipated effect. It is certain, however, that the situation relating to the coronavirus will have a serious impact on our operations and performance in 2020. On the basis of our current liquidity position, we have prepared a three-month analysis of the current developments in our divisions and the generic support measures provided by government. We now presume that normal operations will gradually resume in the second half of the year. We are also reviewing the situation in Belgium, the United Kingdom and Ireland as part of this process. With the measures announced by the relevant governments, we expect that the impact for the foreign divisions will also become clear. In addition, we also prepared an analysis of the impact on operations for each division. With the indicated government measures, the Board is confident that the continuity is safeguarded given the currently anticipated scenario. Government has not yet clearly indicated when the suspended tax payments must be resumed.

Aside from the generic support measures, various sector-specific measures were also announced. This includes the deferral of pension payments and the agreement between the Central Government and the Association of Netherlands Municipalities (VNG) designed to provide their suppliers (Incluzio in our case) with financial security and room.

Accounting Principles for the Result

Operating income

The operating income included in the profit and loss account consists of the proceeds from the goods and services supplied to third parties less any discounts granted to clients. Invoiced turnover on current projects is accounted for as turnover to the extent that it can be regarded as realised, taking into consideration the current progress of the work.

Depreciation of tangible fixed assets / amortisation of intangible fixed assets.

The depreciation of tangible fixed assets / amortisation of intangible fixed assets detailed in the profit and loss account is calculated on the basis of a fixed percentage of the cost price.

Financial income and expenses

Interest income and interest expenses relate to the interest received from or paid to third parties.

Taxes on the Operating Result

Corporation taxation is calculated on the commercial result before taxation, subject to tax-deductible items and costs that are non-deductible for taxation purposes. The difference between the taxation on the result according to the profit and loss account and the taxation on the taxable result is debited or credited to the appropriate provision for taxes. The effective tax burden in the various business units is in accordance with the applicable rates.

Cash Flow Statement

The cash flow statement is prepared using the indirect method, in which the operating result according to the profit and loss account forms the basis for deducing the change in liquid assets. The financial implications of group company acquisitions are reflected in the item 'Acquisitions of group companies'.

Related parties

In addition to its equity interest, Facilicom Group also has a business relationship with most of its participating interests. This also applies to these participating interests in relation to each other, with services and/or products being procured from the relevant participating interests. These business relationships are always based on (contractual) arrangements for which conditions have been agreed that are in line with the market.

The company Facilicom Bedrijfsgebouwen B.V. owns much of the real estate in use in the Netherlands on behalf of Facilicom Group, and leases this property to the Group. The leases are concluded subject to prevailing market conditions. The policy of this company is in part determined by the Board of Directors of Facilicom Group, and the company has therefore been included in the scope of consolidation. Reference is also made to the consolidation, which states that the scope of consolidation in part is determined on the basis of the control structures adopted by Facilicom or its affiliated persons and/or companies. On this basis, the scope of consolidation also includes the following:

Stichting ATA

Stichting Buurteamorganisatie Sociaal Utrecht

Stichting Radar WMO

Stichting Radar Inclusio Uitvoering

Auditor's Fees

In accordance with Article 2:382a of the Dutch Civil Code, the independent position of the audit organisations involved in the audit of the annual financial statements has been clarified. Of the amounts charged, which totalled € 1,198,000, the audit of the annual financial statements and other audit assignments accounted for 62% and 16%, respectively; tax matters accounted for 19% and other non-audit services made up 3%.

Financial Risk Management

Facilicom recognises financial risk factors related to currency, interest rate, price, credit and liquidity. These financial risks are not of a special nature and do not deviate from accepted practices within the sector. Facilicom employs a strict policy that aims to mitigate and manage these risks as much as possible. To this end, a range of general management measures, such as internal procedures and instructions, specific measures and financial instruments are used. These measures are accompanied by proper reporting systems and short lines of communication. Facilicom's financial risk factors, the control measures and the residual risks are explained in greater detail below.

Note: the specified risks are stated on the basis of 'normal' business operations. Additional and/or new risks may arise due to the corona situation. For example, credit risk. Part of our turnover is government-related and no credit risk is assigned to this. As a result of the corona crisis, other clients may run into payment problems. Facilicom applies an active accounts receivable policy to this area. The corona crisis may also create price risks. There is no real insight into this at the present time.

Currency Risks

Facilicom operates in the United Kingdom. Its result and shareholders' equity are therefore subject to fluctuations in exchange rates. In general, Facilicom operates in this market via local subsidiaries. This minimises currency-related risks in view of the fact that most transactions take place in the same monetary unit. The associated translation risk is not hedged.

With regard to the financial instruments, Facilicom primarily runs currency-related risks in relation to the financing ratios in British pounds sterling between the Netherlands and subsidiaries in the United Kingdom. These risks are not hedged. Positions are monitored on the basis of an active treasury policy that tracks the international interest rate and currency market trends as an indicator in general, and the exchange rate of the British pound sterling in particular. However, there are no major active monetary flows. The positions are passive and consist of provided loans that do not fluctuate significantly. The effect on Facilicom's result and shareholders' equity is limited.

Interest Rate Risks

Facilicom's interest rate risk is related to the interest-bearing receivables and liquid assets on the one hand, and interest-bearing debts on the other. In the case of variable interest, Facilicom is subject to a cash flow interest rate risk. In view of the financing ratios within Facilicom, whereby shareholders' equity is largely used as the source for funding and (bank) credit is only used to a very limited extent, the interest rate risk is minimal. Positions are monitored on the basis of an active treasury policy which tracks the international interest rate and currency market trends as an indicator in general, and the position of the Euribor in particular, since the provided loans in general depend on the Euribor in terms of the interest rate.

Price Risks

Facilicom's price risks are related to the procurement of raw and auxiliary materials and the outsourcing of work. The difference is calculated on the basis of the market price at the time of tendering or submitting the project and/or service proposal and the market price at the time it is actually executed (procured).

The aim of Facilicom's policy is to agree on the option of indexation at the time of tender and/or contract award. In addition, framework contracts are used with the most important suppliers. Although the effect of price fluctuations can never be entirely excluded, Facilicom believes that the most economical decision can always be made in the course of business operations and as such, risks are limited; they are therefore generally not hedged.

Credit Risks

Facilicom is exposed to credit risks due to its financial assets, including (trade) receivables, liquid assets and deposits with banks. The credit risk from receivables is monitored by the subsidiaries involved and at the corporate (staff) level. The credit rating of clients is strictly analysed beforehand and subsequently monitored during the project and/or performance of the service.

Facilicom's liquid assets and deposits are held with various banks. Facilicom limits the credit risk of liquid assets and deposits held by banks by choosing to do business with banks with respectable reputations. Facilicom's policy is to limit the concentration of credit risks of liquidities where possible by means of prudent distribution and active treasury management.

Notes to the consolidated balance sheet

| Intangible fixed assets | | | |
|--|--------------|-------------------|--------------|
| | 1) | | |
| X € 1,000 | Goodwill | Development costs | Total |
| Beginning of the financial year | | | |
| Purchase value | 19,090 | 954 | 20,044 |
| Cumulative impairment | -4,703 | - | -4,703 |
| Cumulative amortisation | -9,811 | -401 | -10,212 |
| Book value | 4,576 | 553 | 5,129 |
| Changes in the book value | | | |
| Investments | 3,848 | - | 3,848 |
| Impairment | - | -66 | -66 |
| Amortisation | -3,174 | -126 | -3,300 |
| Balance of changes | 674 | -192 | 482 |
| End of the financial year | | | |
| Purchase value | 22,938 | 954 | 23,892 |
| Cumulative impairment | -4,703 | -66 | -4,769 |
| Cumulative amortisation | -12,985 | -527 | -13,512 |
| Book value | 5,250 | 361 | 5,611 |
| Amortisation percentages | 20% | 10% | |

| Tangible fixed assets | | | | |
|--|----------------------------------|-------------------------|------------------------------|----------------|
| 2) | | | | |
| X € 1,000 | Commercial property and premises | Plant and installations | Other fixed operating assets | Total |
| Beginning of the financial year | | | | |
| Purchase value | 63,652 | 30,447 | 139,564 | 233,663 |
| Cumulative impairment | - | - | -1,936 | -1,936 |
| Cumulative depreciation | -23,099 | -18,955 | -71,911 | -113,965 |
| Book value | 40,553 | 11,492 | 65,717 | 117,762 |
| Changes in the book value | | | | |
| Investments | 420 | 3,892 | 29,840 | 34,152 |
| Consolidation/deconsolidation of group companies | -1,810 | -532 | 337 | -2,005 |
| Disinvestments | 343 | -315 | -5,417 | -5,389 |
| Impairment | - | - | -5,000 | -5,000 |
| Depreciation | -1,911 | -3,086 | -20,751 | -25,748 |
| Balance of changes | -2,957 | -43 | -990 | -3,990 |
| End of the financial year | | | | |
| Purchase value | 62,606 | 33,491 | 164,325 | 260,422 |
| Cumulative impairment | - | - | -6,936 | -6,936 |
| Cumulative depreciation | -25,010 | -22,042 | -92,662 | -139,714 |
| Book value | 37,596 | 11,449 | 64,727 | 113,772 |
| Depreciation percentages | 0.0% - 20% | 10% - 33% | 10% - 33% | |

| Financial fixed assets | | | | |
|---|-------------------------------|-------------------|---------------|---------------|
| 3) | | | | |
| X € 1,000 | Other participating interests | Other receivables | Deposits | Total |
| Balance at the beginning of the financial year | 2,747 | 36,979 | 20,991 | 60,717 |
| Share in the result | 969 | - | - | 969 |
| Dividends received | -400 | - | - | -400 |
| Changes | - | -133 | -695 | -828 |
| Balance at the end of the financial year | 3,316 | 36,846 | 20,296 | 60,458 |

The other receivables include an amount of € 2.1 million in (deferred) tax receivables, valued at the nominal taxation rate. This receivable will be realised within a period of 5 years. The other receivables include a sum of € 31.4 million recognised in the context of a 30-year receivable on a PPP project, with annual repayments.

The deposit was provided as security for the project financing, as reported under Long-term liabilities.

| Stocks | | 4) | |
|---|--|-----------------------|--------------------------------|
| X € 1,000 | | End of financial year | End of previous financial year |
| Tangibles and goods for resale | | 4,700 | 5,972 |
| Work in progress for third parties | | 5,346 | 5,187 |
| Balance at the end of the financial year | | 10,046 | 11,159 |

An amount of € 16.8 million in projects (end of previous financial year: € 10.9 million) is included in the balance of Work in progress for third parties whose invoiced instalments are higher than the attributed charges.

The balance of Work in progress can be broken down as follows:

| | | | |
|---|--|--------------|--------------|
| Costs incurred including attributable cover | | 119,151 | 105,505 |
| Invoiced instalments | | 124,789 | 106,083 |
| | | -5,638 | -578 |
| Value of Work in progress | | 10,985 | 5,766 |
| Balance at the end of the financial year | | 5,346 | 5,187 |

| Trade receivables | | 5) | |
|--|--|-----------------------|--------------------------------|
| X € 1,000 | | End of financial year | End of previous financial year |
| Balance at the end of the financial year | | 218,713 | 218,746 |
| Provision for bad debts | | -4,268 | -4,890 |
| | | 214,445 | 213,855 |

Other receivables, prepayments and accrued income mature within one year.

| Other receivables, prepayments and accrued income | | 6) | |
|---|--|-----------------------|--------------------------------|
| X € 1,000 | | End of financial year | End of previous financial year |
| Other receivables | | 11,988 | 1,677 |
| Prepayments and accrued income | | 6,671 | 7,449 |
| | | 18,659 | 9,127 |

The other receivables, prepayments and accrued income have a term of less than one year.

| Liquid assets | | 7) | |
|------------------------------|--|-----------------------|--------------------------------|
| X € 1,000 | | End of financial year | End of previous financial year |
| Cash, bank and giro accounts | | 98,851 | 86,868 |

The above includes escrow accounts pursuant to the Wages and Salaries Tax and National Insurance Contributions (Liability of Sub-contractors) Act up to an amount of € 3.2 million (year-end 2018: € 1.2 million). These are not immediately claimable. Aside from our receivables from institutions, the maximum credit limit granted is € 21.0 million.

| Group equity | | 8) | |
|---|--|-----------------------|--------------------------------|
| X € 1,000 | | End of financial year | End of previous financial year |
| Balance at the beginning of the financial year | | 204,223 | 206,595 |
| Other changes | | 67 | -229 |
| Conversion differences for foreign participating interests | | 490 | -122 |
| Total direct changes in equity | | 557 | -352 |
| Dividends paid | | -1,130 | - |
| Transfer from net profit in accordance with proposed profit appropriation | | 35,269 | 7,539 |
| Total result | | 34,696 | 7,187 |
| Change in share of third parties | | 936 | -9,560 |
| Balance at the end of the financial year | | 239,855 | 204,223 |

The group equity includes the share of third parties of € 6.2 million (year-end 2018: € 5.2 million).

The exchange rate differences reserve amounted to € +0.2 million at the end of the financial year (year-end 2018: € -0.3 million).

| Personnel and other provisions | | 9) | | |
|---|---------------------|-----------------|-----------------------|--------------------------------|
| X € 1,000 | Personnel provision | Other provision | End of financial year | End of previous financial year |
| Balance at the beginning of the financial year | 6,393 | 983 | 7,376 | 5,799 |
| Deconsolidation | -899 | - | -899 | - |
| Changes | 263 | 343 | 606 | 1,577 |
| Balance at the end of the financial year | 5,757 | 1,326 | 7,083 | 7,376 |

This concerns a provision for (early) pension payments as well as commitments arising from long-service anniversaries and statutory requirements. With the exception of the provision for statutory regulations, the benefit expires in the event employment is terminated prematurely. The provision is mostly of a long-term nature. The Other provision concerns a maintenance provision for a number of PPP assets.

| Provision for taxes | | 10) | |
|---|--|--------------|--------------|
| The provision for taxes pertains to differences between accounting principles for commercial purposes and for tax purposes. | | | |
| X € 1,000 | | 2019 | 2018 |
| Balance at the beginning of the financial year | | 2,196 | 2,363 |
| Change relating to difference between commercial and tax result | | -1,138 | -167 |
| Balance at the end of the financial year | | 1,058 | 2,196 |

The provision for taxes is calculated on the basis of the applicable taxation rate on the balance sheet date and is long-term in nature.

| Long-term liabilities 11) | | | | |
|---|-------------------------|---------------|-----------------------|--------------------------------|
| X € 1,000 | Loan to group companies | Loan | End of financial year | End of previous financial year |
| Balance at the beginning of the financial year | 20,000 | 20,251 | 40,251 | 41,184 |
| Withdrawal | - | - | - | - |
| Repayments in the financial year | -20,000 | -698 | -20,698 | -933 |
| Balance at the end of the financial year | 0 | 19,553 | 19,553 | 40,251 |

The loan to group companies in the amount of € 20 million concerned a current account credit facility of a long-term character and has been fully repaid. The loan concerns PPP project financing For the duration of the negotiated DBFMO contract up to and including the end of 2045, with an annual annuity payment. The interest rate is 2.443%.

The repayment obligation for the coming financial year is recorded under current liabilities.

A blocked deposit was pledged as security for the provided financing.

| Other debts, accruals and deferred income 12) | | | |
|---|--|-----------------------|--------------------------------|
| X € 1,000 | | End of financial year | End of previous financial year |
| Other liabilities | | 27,618 | 35,335 |
| Accruals and deferred income | | 95,882 | 96,386 |
| | | 123,500 | 131,721 |

Off-balance sheet financial obligations

Long-term obligations have been entered into in connection with tenancy and leasing. The annual obligations arising from this amounted to approximately € 7.0 million at year-end 2019 (year-end 2018: approximately € 4.9 million). Bank guarantees have been issued on behalf of third parties up to a sum of € 12.9 million at year-end 2019 (year-end 2018: € 8.6 million). At the end of 2019, (replacement) investment obligations were entered into for more than € 7.5 million (year-end 2018: € 5.0 million), including an ERP software package. At the end of the financial year, various claims and/or issues of liability were received. To the extent possible, the outcomes and/or scope of these issues are stated in the annual financial statements, but in addition there are still a number of issues for which outcomes cannot be predicted. For this reason, there could be no valuation of them. A several liability clause was also issued relating to a number of ongoing contracts up to the amount of the principal.

Notes to the consolidated profit and loss account

| Operating income | 13) | |
|--|------------------|------------------|
| X € 1,000 | 2019 | 2018 |
| Net turnover | 1,220,471 | 1,255,106 |
| Change in work in progress | 4,638 | 8,832 |
| | 1,225,109 | 1,263,938 |
| Operating income can be subdivided into the following areas of operations: | | |
| Cleaning Maintenance / Hospitality Services | 439,927 | 423,276 |
| Building and technical maintenance | 139,816 | 136,506 |
| Surveillance and security services | 367,397 | 356,413 |
| Catering management | 18,771 | 109,257 |
| Healthcare and welfare services | 123,852 | 107,755 |
| Facility management | 135,346 | 130,731 |
| | 1,225,109 | 1,263,938 |
| Net turnover was generated in the following countries: | | |
| Netherlands | 979,135 | 995,717 |
| Belgium | 194,022 | 215,814 |
| United Kingdom | 51,952 | 52,407 |
| | 1,225,109 | 1,263,938 |

| Staff costs | 14) | |
|-------------------------|----------------|----------------|
| X € 1,000 | 2019 | 2018 |
| Wages and salaries | 621,176 | 628,290 |
| Social security charges | 106,607 | 115,601 |
| Pension contributions | 30,950 | 30,099 |
| Other staff costs | 34,229 | 40,432 |
| | 792,962 | 814,422 |

The remuneration paid to the Governing Board during the reporting year was € 1.6 million.

The average number of people in permanent employment of the group companies was 25,532 in 2019 (2018: 27,218), broken down as follows:

| | | |
|---|---------------|---------------|
| Cleaning Maintenance / Hospitality Services | 14,011 | 14,151 |
| Building and technical maintenance | 451 | 485 |
| Surveillance and security services | 6,695 | 6,467 |
| Catering management | 200 | 1,732 |
| Healthcare and welfare services | 2,482 | 2,762 |
| Facility management | 528 | 430 |
| Management and administration | 1,166 | 1,192 |
| | 25,532 | 27,218 |

| Depreciation of tangible fixed assets 15) | | |
|---|---------------|---------------|
| X € 1,000 | 2019 | 2018 |
| Depreciation of tangible fixed assets | 25,748 | 24,463 |
| Profit from sale of tangible fixed assets | -1,448 | -692 |
| | 24,300 | 23,771 |

| Impairments 16) | | |
|-------------------------|--------------|--------------|
| X € 1,000 | 2019 | 2018 |
| Intangible fixed assets | 66 | 512 |
| Tangible fixed assets | 5,000 | 1,000 |
| | 5,066 | 1,512 |

| Taxation 17) | | |
|----------------|--------------|--------------|
| X € 1,000 | 2019 | |
| Netherlands | 2,178 | 34.4% |
| Belgium | 1,094 | 473.3% |
| United Kingdom | 342 | 22.9% |
| | 3,614 | 44.9% |

The income taxation rate in the Netherlands differs from the nominal rate due to non-deductible depreciation, due to losses that are not fully offsettable against tax and goodwill impairments. The income taxation rate in Belgium differs from the nominal rate due to losses that are not fully offsettable against tax.

Notes to the consolidated cash flow statement

| X € 1,000 | | Change in financial statements | Change in cash flow | Total |
|---|-----|-----------------------------------|------------------------|---------|
| Changes in operating capital | 18) | | | |
| Trade receivables | | -590 | -3,789 | -4,379 |
| Other receivables, prepayments and accrued income | | -9,532 | -999 | -8,534 |
| Current liabilities | | 3,721 | 16,043 | 19,764 |
| Financial results and taxes | 19) | | | |
| Interest charges and similar charges | | -1,148 | -89 | -1,237 |
| Profits tax | | -3,614 | 1,129 | -2,485 |
| Cash flow from investment activities | 20) | | | |
| Investments in financial assets | | -20,697 | -9,966 | -30,663 |

Company Balance Sheet (before profit appropriation)

| Assets | | |
|---|------------------|------------------|
| X € 1,000 | 31 December 2019 | 31 December 2018 |
| Fixed assets | | |
| Financial fixed assets 22) | 57,083 | 21,549 |
| Current assets | | |
| Receivables from group companies | 179,677 | 181,611 |
| Other receivables, prepayments and accrued income | 2,838 | 2,199 |
| Liquid assets | 2,536 | 34 |
| | 185,051 | 183,845 |
| | 242,134 | 205,394 |
| Liabilities | | |
| X € 1,000 | 31 December 2019 | 31 December 2018 |
| Shareholders' equity | | |
| Issued Share Capital 23) | 59 | 59 |
| Share premium reserve | 29,529 | 29,529 |
| Statutory reserves | 361 | 553 |
| Other reserves 24) | 168,538 | 161,377 |
| Undistributed profit | 35,269 | 7,539 |
| | 233,755 | 199,057 |
| Provisions | | |
| Employee benefits 25) | 4,790 | 4,790 |
| | 4,790 | 4,790 |
| Current liabilities | | |
| Debts to suppliers | 2,431 | 1,447 |
| Debts to group companies | 1,130 | - |
| Other debts, accruals and deferred income | 28 | 100 |
| | 3,589 | 1,547 |
| | 242,134 | 205,394 |

Governing Board

J.A. Gennissen, M.J.S. Geurts, G.C.A.H. van de Laar, T.C.L.A Bouvy RC, W.P. Geurts, M.J.M Krom, A.J. Pasman

Company profit and loss account

| X € 1,000 | 31 December 2019 | 31 December 2018 |
|--------------------------------------|------------------|------------------|
| Results from participating interests | 34,979 | 8,673 |
| Facilicom Group N.V. result | 290 | -1,134 |
| Net profit | 35,269 | 7,539 |

In view of the fact that the financial data of Facilicom Group N.V. is included in the consolidated financial statements of Facilicom Group, the Company profit and loss account has been summarised pursuant to Book 2, Article 402 of the Dutch Civil Code.

Notes to the company balance sheet

| Financial fixed assets 22) | | | |
|---|--|----------------------|---------------|
| X € 1,000 | Participating inter- ests in group companies | Other receivables | Total |
| Balance at the beginning of the financial year | 21,207 | 342 | 21,549 |
| Share in the result | 34,979 | - | 34,979 |
| Exchange rate and conversion differences | 490 | - | 490 |
| Other changes | 65 | - | 65 |
| Balance at the end of the financial year | 56,741 | 342 | 57,083 |

The item Other receivables concerns deferred tax receivables valued at the applicable tax rate.
The receivables are of a long-term nature.

| Issued share capital 23) | | | |
|------------------------------------|--|--------------------------|-----------------------------------|
| X € 1,000 | | End of financial year | End of previous financial year |
| Authorised capital | | 91 | 91 |
| Non-paid-up and non-issued capital | | 32 | 32 |
| Issued share capital | | 59 | 59 |

The issued share capital comprises 1,250 ordinary shares and 50 priority shares, each with a face value of € 45.

| Statutory reserves 24) | | | |
|---|--|------------|------------|
| X € 1,000 | | 2019 | 2018 |
| Balance at the beginning of the financial year | | 553 | 606 |
| Changes | | -192 | -53 |
| Balance at the end of the financial year | | 361 | 553 |

The statutory reserve was formed for the capitalised development costs.

Notes to the company balance sheet

| Other reserves | | 25) | |
|---|-----------------------|--------------------------------|--|
| X € 1,000 | | | |
| | End of financial year | End of previous financial year | |
| Balance at the beginning of the financial year | 161,377 | 141,624 | |
| Addition to the statutory reserves | 192 | 53 | |
| Other changes | 70 | -229 | |
| Exchange rate and conversion differences | 490 | -130 | |
| Profit appropriation from previous financial year | 7,539 | 20,060 | |
| Paid dividend | -1,130 | - | |
| Balance at the end of the financial year | 168,538 | 161,377 | |

Profit appropriation

The Board has proposed to add the net profit of € 35,268,612 to the other reserves.

| Provision for employee benefits | | 26) | |
|---|--------------|--------------|--|
| X € 1,000 | | | |
| | 2019 | 2018 | |
| Balance at the beginning of the financial year | 4,790 | 4,790 | |
| Changes | - | - | |
| Balance at the end of the financial year | 4,790 | 4,790 | |

This concerns a provision for (early) pension payments as well as commitments arising from long-service anniversaries and statutory regulations. With the exception of the provision for statutory regulations, the benefit expires in the event employment is terminated prematurely. The provision is of a long-term nature.

Off-balance sheet financial obligations

Please refer to the notes to the consolidated balance sheet with regard to the long-term obligations.

Statutory provisions regarding profit appropriation

The profit as stated in the adopted annual financial statements is fully at the disposal of the General Meeting of Shareholders, with due consideration to the relevant provisions.

Equity Investments

See list of equity investments on the next page.

Subsequent events

When this Annual Report was published, the coronavirus was playing an all-important role in the world. This is further addressed in the Report of the Board of Directors and in the notes to the financial statements. On 4 March 2020, Compartijn Beheer BV sold its shares in Compartijn Exploitatie BV.

Formally, Facilicom Group N.V. is a foreign company incorporated under the laws of the Netherlands Antilles, with its registered office in Curaçao and its principal place of business in Schiedam, the Netherlands. Facilicom Group is active in the Netherlands, Belgium and the United Kingdom.

List of Equity Investments

| Group Companies at year-end 2019 | Registered Office | Holding |
|---|-------------------|---------|
| Facilicom Group N.V. | | |
| Facilicom Bedrijfsdiensten B.V. | Schiedam | 100% |
| Facilicom Beheer B.V. | Schiedam | 100% |
| Facilicom Solutions B.V. | Rotterdam | 100% |
| Facilicom PPS Contracten B.V. | Schiedam | 100%* |
| Incluzio B.V. | Schiedam | 100% |
| Facilicom Bedrijfsdiensten | | |
| Cleaning | | |
| Gom Schoonhouden B.V. | Schiedam | 100% |
| Kleentec Reiniging & Onderhoud B.V. | Rijssen | 100% |
| Kleentec B.V. | Almelo | 100% |
| Kleentec Zuid B.V. | Rijssen | 100% |
| Kleentec Noord-West B.V. | Schiedam | 100% |
| Atris Groep B.V. | Nieuwegein | 100% |
| Degenaar Gevelonderhoud B.V. | Den Haag | 100%* |
| DGR Materieel B.V. | Den Haag | 100%* |
| Security | | |
| Trigion Beveiliging B.V. | Schiedam | 100% |
| Trigion Services B.V. (Embrace) | Schiedam | 100% |
| Trigion AlarmCentrale B.V. | Schiedam | 100% |
| Trigion Safety B.V. | Schiedam | 100% |
| Trigion Brand- en Beveiligingstechniek B.V. | Schiedam | 100% |
| Hoffmann Bedrijfsrecherche B.V. | Amsterdam | 100% |
| Axxicom Airport Caddy B.V. | Schiedam | 100% |
| A Company B.V. | Schiphol | 100% |
| Safety Group B.V. | Zwolle | 100% |
| Traffic Support B.V. | Zwolle | 100% |
| Traffic Support Events B.V. | Zwolle | 100% |
| Event Travel B.V. | Zwolle | 100% |
| Online Ticket.nl B.V. | Zwolle | 100% |
| IVON Opleidingen B.V. | Zwolle | 100% |
| Kenniscentrum Evenementenveiligheid B.V. | Zwolle | 100% |
| Crowd Support B.V. | Zwolle | 100% |
| Crowd Support Services B.V. | Zwolle | 100% |
| City 360 B.V. | Zwolle | 100% |
| City 360 Personeel B.V. | Zwolle | 100% |
| SecMan B.V. | Sassenheim | 100% |
| Hospitality Services | | |
| Tapwacht Service B.V. | Schiedam | 100% |
| Facilicom Technische Service B.V. | Schiedam | 100% |
| Holding Activity | | |
| Facilicom Wagenpark B.V. | Schiedam | 100% |
| Kleentec Holding B.V. | Rijssen | 100% |
| Facilicom Arbodiensten B.V. | Schiedam | 100% |
| Facilicom Buitengewoon B.V. | Schiedam | 100% |
| Facilicom Solutions | | |
| Asset Facility Management B.V. | Rotterdam | 100% |
| Synorga Groep B.V. | Rotterdam | 100%* |
| Synorga Elektrotechniek B.V. | Rotterdam | 100%* |
| Synorga Beveiliging & Telecommunicatie B.V. | Rotterdam | 100%* |
| Synorga Electrical Management B.V. | Rotterdam | 100%* |
| Energy Management | | |
| Ploos B.V. | Maarheeze | 100% |
| Construction and Contracting | | |
| Breijer Projecten B.V. | Rotterdam | 100% |
| Breijer Schilders B.V. | Rotterdam | 100% |
| Breijer Betonconservering B.V. | Rotterdam | 100% |
| Breijer Techniek West B.V. | Rotterdam | 100% |
| Management and Administration | | |
| Breijer Holding B.V. | Rotterdam | 100% |
| Schaap & Woudsma Beheer B.V. | Huizen | 100% |

| Group Companies at year-end 2019 | Registered Office | Holding |
|---|-------------------|----------------------------|
| Facilicom PPP Contracts | | |
| Facilicom PPS B30 B.V. | Schiedam | 100%* |
| Facilicom PPS B30 DBMO B.V. | Schiedam | 100%* |
| Facilicom PPS Doetinchem OG. B.V. | Schiedam | 100% |
| Facilicom PPS Doetinchem Exploitatie B.V. | Schiedam | 100% |
| Incluzio | | |
| RadarIncluzio B.V. | Schiedam | 51% |
| Zorgcentrale B.V. | Schiedam | 100% |
| Axxicom Thuishulp B.V. | Schiedam | 100% |
| Cordaan Thuishulpdiensten B.V. | Amsterdam | 52.5% |
| Incluzio Hollands Kroon B.V. | Schiedam | 51% |
| Compartijn Beheer B.V. | Rotterdam | 55% |
| Compartijn Exploitatie B.V. | Rotterdam | 55% |
| Compartijn Vastgoed B.V. | Rotterdam | 55% |
| Stichting Incluzio Uitvoering | Venlo | 0%** |
| Stichting Radar WMO Diensten | Amsterdam | 0%** |
| Stichting ATA | Amsterdam | 0%** |
| Stichting BuurtteamOrganisatie Sociaal Utrecht | Utrecht | 0%** |
| Incluzio Randstad B.V. | Schiedam | 51% |
| International | | |
| Belgium | | |
| Facilicom Services Group Belgium N.V. | Antwerp | 100% |
| Gom N.V. | Antwerp | 100% |
| Prorest Catering N.V. | Antwerp | 100% |
| Facilicom Facility Solutions N.V. | Antwerp | 100% |
| Axxicom N.V. | Antwerp | 100% |
| Trigion B.V.B.A. | Aarschot | 100% |
| Facilicom Wheels B.V.B.A. | Antwerp | 100% |
| One Building Maintenance N.V. | Antwerp | 100% |
| Coworx B.V.B.A. | Antwerp | 100% |
| HEC B.V.B.A. | Mechelen | 100% |
| United Kingdom | | |
| Facilicom UK Ltd. | London | 100% |
| Facilicom Cleaning Services Ltd. | London | 100% |
| Trigion Security Services Ltd. | London | 100% |
| Management and Administration | | |
| Facilicom International B.V. | Schiedam | 100% |
| Other participating interests at year-end 2019 | | |
| H.O.D. Nederland B.V. | Utrecht | 50% |
| H.O.D. Presentie B.V. | Utrecht | 50% |
| Schoonzorg B.V. | Amsterdam | 49% |
| Radar Groep B.V. | Amsterdam | 40% |
| R. Creators Holding B.V. | Maarsse | 20% |
| GGB InBalans B.V. | Breda | 7.5% |
| Nach DBMO B.V. | Rosmalen | 10% |
| Related parties | | |
| Facilicom Bedrijfsgebouwen B.V. | Schiedam | 100%* Preference shares |

A declaration of joint and several liability within the meaning of Article 403 in Title 9 of Book 2 of the Dutch Civil Code has been filed for all 100% owned Dutch group companies (except for *) with the office of the Trade Register of the companies in question.

The above list only includes the active companies; a comprehensive list is available for inspection at the Chamber of Commerce.

**These foundations are included in the scope of the consolidation due to the decisive control exercised by or on behalf of the Facilicom Group.



To: Facilicom Group N.V.

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AUDIT REPORT BY THE INDEPENDENT ACCOUNTANT

A. Statement on the 2019 financial statements included in the annual report

Our opinion

We have audited the 2019 annual financial statements of Facilicom Group N.V. in Schiedam.

In our opinion, the annual financial statements as set out in this annual report provide a true and fair representation of the size and composition of the capital of Facilicom Group N.V. as at 31 December 2019 and of the result for the year 2019 in accordance with Title 9, Book 2 of the Dutch Civil Code.

The annual financial statements consist of:

1. The consolidated and separate balance sheet as at 31 December 2019;
2. The consolidated and separate 2019 profit and loss account; and
3. Notes, with an overview of the accounting policies applied and other disclosures.

The basis of our opinion

We audited these statements in accordance with Dutch law and the Dutch auditing standards. Our responsibilities pursuant to Dutch law are set out in the section 'Our responsibilities relating to auditing the annual financial statements'.

We are independent of Facilicom Group N.V. as required in the Audit Firms (Supervision) Act (Wta), the directive relating to the independence of auditors in assurance engagement (ViO) and other independence regulations applicable in the Netherlands relevant to our assignment. Furthermore, we complied with the VGBA, the Code of Conduct and Professional Rules for Auditors Regulation.

We believe that the audit information we acquired provides a reasonable and adequate basis for our opinion.

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B. Statement on the other information set out in this annual report

In addition to the annual financial statements and the associated audit report, the annual report contains other information consisting of:

- the Report of the Board of Directors;
- other information.

Based on the tasks performed as set out below, we are of the opinion that the other information:

- is in line with the annual financial statements and does not contain any material differences;
- sets out all information required pursuant to Title 9 Book 2 of the Dutch Civil Code.

We read the other information and based on our knowledge and understanding pursuant to the audit of the annual financial statements or otherwise, we duly considered if the other information contained material differences.

With the tasks we performed, we have fulfilled the requirements set out in Title 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. These tasks are not as specific and in-depth as our auditing activities relating to the annual financial statements.

The Company's board of directors is responsible for preparing the other information, including the Report of the Board of Directors and the other information in accordance with Title 9 Book 2 of the Dutch Civil Code.

C. Description of responsibilities with respect to the consolidated financial statements**Executive responsibility for the annual financial statements**

The Company's board of directors is responsible for preparing the annual financial statements in accordance with Title 9 Book 2 of the Dutch Civil Code. The Board is also responsible for internal control to such an extent as deemed necessary to enable preparing the annual financial statements without any material misstatement due to errors or fraud.

When preparing the annual financial statements, the Board must consider if the company is able to continue its activities on a going concern basis. Based on the above-mentioned accounting system, the Board must prepare the annual financial statements on a going concern assumption, unless the Board intends to liquidate the Company or suspend its operating activities, or if termination of activities is the only realistic alternative. The Board should include a Note in its annual financial statements about any events and circumstances that would create reasonable doubt relating to the Company's going concern assumption.

Our responsibilities relating to auditing the annual financial statements

Our responsibility is planning and performing an audit assignment to such extent that we obtain sufficient and appropriate auditing information, enabling us to issue an opinion.

Our audit was performed with a high degree of certainty; however, absolute certainty cannot be granted. This means it is possible that some material and minor misstatements, errors or fraud have remained undetected.

Deviations may arise from fraud or errors, and are material if it is reasonable to expect that these can jointly or separately affect the economic decisions that users may make on the basis of these annual financial statements. The degree of substantiation affects the nature, timing and scale of our auditing activities and the evaluation of the effect of the deviations detected on our assessment.

We performed this accounting audit with critical professionalism, and where relevant applied professional judgement in accordance with the Dutch auditing standards, ethical regulations and the independence requirements. Our audit included the following elements:

- Identifying and assessing the risks that the annual financial statements contain material misstatements or deviations due to errors or fraud; determining and performing auditing work in response to such risks; and obtaining audit information that is adequate and appropriate to be used as the basis of our assessment. In the event of fraud, the risk that a material deviation is not detected is greater than if errors are made. Fraud may consist of plots, counterfeiting, deliberately not recording transactions, deliberate misrepresentation of facts, or non-compliance with internal controls;
- Obtaining an insight into internal control relevant to the audit, with the aim of selecting auditing work appropriate to the circumstances. These activities are not designed to express an opinion on the effectiveness of the entity's internal control;
- Evaluating the suitability of the accounting policies applied and the reasonableness of the estimates provided by the Board and the relevant Notes in the annual financial statements;
- Determining that the going concern assumption applied by the Board is acceptable. Also, based on the auditing information obtained, determining whether there are any events and circumstances that would create reasonable doubt relating to the Company's going concern assumption. If we detect a material uncertainty, we must draw attention to the relevant Notes in our audit report in the annual financial statements. If the Notes are inadequate, we must adjust our statement. Our conclusions are based on the auditing information obtained until the date of our audit report. However, future events or circumstances may prevent a company from maintaining its continuity;
- Evaluating the presentation, structure and contents of the annual financial statements and the Notes included therein;
- Evaluating whether the annual financial statements accurately reflect the underlying transactions and events.

In the context of our final responsibility for the assessment, we are responsible for managing, supervising and performing the group audit. In that context, we determined the nature and scale of the work to be carried out for the group entities. The key factors are the scale and/or the risk profile of the group units or the activities. On this basis, we selected

the group units for which an audit or assessment of the comprehensive financial information or specific items was necessary.

We communicate with the Governance contacts, among others relating to the planned scope and timing of the audit and the significant findings that arose from our audit, including any significant shortcomings in internal control.

Alphen aan den Rijn, 1 April 2020

Grant Thornton Accountants en Adviseurs B.V.

M. Baks RA