2018 Annual report

Oranjewoud N.V.

The 2018 Annual Report Oranjewoud N.V. is an unofficial translation of the Dutch version.
In the event of any inconsistency between this translation and the Dutch version, the Dutch version shall prevail.

Contents

Foreword

In this annual report, we present our figures for 2018 and update you on the development of the various segments within Oranjewoud N.V.

Oranjewoud N.V. was founded on October 18, 2001 and is listed on the official Euronext N.V. Market in Amsterdam. Oranjewoud N.V. is 98.20% owned by Sanderink Investments B.V., has over 10,000 employees, and recorded a revenue of €2.3 billion in 2018.

Since 2005, Oranjewoud N.V. has been expanding, both autonomously and through acquisitions. On February 6, 2018, Oranjewoud increased its 50% stake in A1 Electronics Netherlands B.V. to 80%. On May 29, Oranjewoud increased its stake in Promofer S.r.l. from 60% to 100%. On June 8, 2018, Oranjewoud acquired Hurks' and Heijmans' equity stakes in MEET RIVM CBG B.V. and MEET Strukton Holding B.V.

One-offs
In 2018, revenue from contracts with customers was down slightly to €2.3 billion (2017: €2.4 billion). The operating profit (EBITDA) amounted to €72.4 million (2017: €96.9 million), a drop of €24.5 million. Net profit for 2018 totaled €15.4 million (2017: €40.1 million), down €24.7 million due in part to one-off results at the Rail and Civil Infrastructure segments (international projects) and implementation of the new IFRS 15 financial reporting standard.

The Consulting and Engineering Services segment (Antea Group) recorded an operating profit of €31.4 million in 2018, which is €1.6 million up on 2017 and, in absolute terms, the Group's highest segment-specific profit. Coming in at €30.9 million, the Rail Systems segment's operating profit fell sharply, compared to an EBITDA of €63.4 million in 2017. The other segments posted small profits in 2018.

The Board of Directors

Corporate profile

Oranjewoud N.V., top holding of Strukton Groep and Antea Group, is a listed enterprise encompassing companies that operate both nationally and internationally. The companies that are part of Oranjewoud N.V. are active in the fields of civil infrastructure, rail systems, technology and buildings, the environment, spatial planning, water and recreation. This covers the whole process, from preliminary studies, consultancy, design, planning and organization, right up to realization, management and operation.

Strukton Groep is passionate about technology and professionalism, focusing primarily on railroad and civil engineering, as well as on technology-driven specialist products and services. These latter specialist products and services are unique in the industry and really set Strukton apart from the competition. Maintenance and management using high-end technology, domain expertise, and professionalism are the basis of Strukton's operations. Strukton has clients both in Europe and beyond.

Strukton operates in three markets:

- Rail Systems: design, construction, refurbishment, management, and maintenance of light and heavy railroad infrastructure, electric train systems, and mobility systems (Strukton Rail);
- Civil Infrastructure: design, implementation, management, and maintenance as part of infrastructure projects (Strukton Civiel);
- Technology and Buildings: design, development, implementation, maintenance, and operation of technical systems and buildings across the Netherlands (Strukton Worksphere).

Strukton also provides integrated railroad and civil infrastructure solutions on an international scale, which are used primarily in the construction of transport systems in densely populated areas, in ports, and as part of port hinterland connectivity infrastructure.

Antea Group is an internationally operating consulting and engineering firm that specializes in full-service solutions in the areas of the environment, infrastructure, spatial planning, and water. By combining strategic thinking, engineering expertise, and a pragmatic approach, Antea Group is able to deliver effective and sustainable solutions for its clients.

In the area of sports and leisure facilities, Antea Group can take care of the whole process, from preliminary studies, consultancy, design, planning and organization, right up to realization, management and operation.

The temporary staff division focuses on the secondment of engineering staff in a broad range of fields, including architectural engineering, civil engineering, industrial automation, mechanical engineering, electrical engineering and technical business administration.

Oranjewoud N.V. operating companies work under contract from national and local government bodies and the private sector.

Key figures

Total revenue and profit	2018 *	2017	2016	2015	2014
Results (in millions of euros)					
Revenue from contracts with customers	2,268.8	2,384.7	2,315.6	2,305.6	2,136.8
Ebitda	72.4	96.9	71.4	88.7	16.3
Net profit	15.4	40.1	13.9	19.2	(25.1)
Total net cash flow	86.0	(11.7)	43.9	56.5	17.0
Equity (in millions of euros)					
Equity (E)	285.4	311.3	273.9	242.1	206.5
Total assets (TA)	1,629.3	1,436.9	1,632.8	1,661.3	1,467.3
E/TA	17.5%	21.7%	16.8%	14.6%	14.1%
Employees (headcount)					
Number at end of financial year	10275	10232	9864	10187	10499
Backlog (in millions of euros)					
Consulting & Engineering Services	239.0	241.7	234.9	248.6	230.7
Rail Systems	1,881.4	1,896.8	1,486.0	1,290.0	1,196.4
Civil infrastructure	442.0	612.5	861.0	1,390.2	1,332.3
Technology & Buildings	619.3	549.3	502.0	538.2	445.2
Other	16.7	16.9	16.4	12.0	12.8
Total	3,198.3	3,317.2	3,100.3	3,479.0	3,217.4

* After adjustments in the principles for financial reporting concerning Financial instruments (IFRS 9) and Revenue from contracts with customers (IFRS 15). See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

Member profiles

Board of directors

Mr. G.P. Sanderink (1948, nationality: Dutch)
Gerard Sanderink has spent a large part of his career in the IT software sector. In 1978, he co-founded and became managing director of ICT Automatisering. After selling his shares, Gerard Sanderink started up Centric. Centric has grown into a leading provider of information technology in the Netherlands, and also operates in Belgium, Germany, Norway, Romania, Switzerland and Sweden. In late 2005, Gerard Sanderink acquired the Oranjewoud consulting and engineering firm, which was brought under the listed company Oranjewoud N.V. in late 2006. Driven by his passion for technology, his entrepreneurial spirit and his global vision, he then acquired engineering firms in the United States, France, Colombia, India, Spain, and Brazil. In late 2010, Oranjewoud N.V. acquired Strukton Groep, and Gerard Sanderink has been chairman of its Board ever since.

Supervisory board

Mr. H.G.B. Spenkelink (1947, nationality: Dutch)
Herman Spenkelink was a member of the Board of Directors at Dura Vermeer Groep N.V. between 1983 and 2008. Starting from 1974 he held various positions at the Dura Vermeer Groep. After stepping down as director in 2008, he has continued to serve Dura Vermeer Groep in various advisory roles. Owing to his long tenure at Dura Vermeer, Herman Spenkelink can boast considerable experience and expertise in the construction and real estate market segments. He also holds a number of directorships and sits on several supervisory boards (‘Aqua+’ Beheer B.V. in Goor, AGAR Holding B.V. in Hengelo, Stichting Sacon Administratiekantoor in Zwolle and Van Kamperdijk Exploitatie B.V. in Almelo, all in the Netherlands).

Ms. H.P.J.M. Jans (1974, nationality: Dutch)
Rianne Jans has extensive experience as a financial director and in the area of risk management. From 2002 to 2003, she was Investment Manager at Residex (part of the Achmea insurance group). In 2003, she joined IT service provider Atos, where she fulfilled the business unit controller role at various business units through to 2009. In 2010, Rianne became CGI’s financial director and she has been Eindhoven Airport N.V.’s financial director since 2015. On July 1, 2019, Rianne joined Centric Holding B.V. as the new CFO. In 2018, Rianne was, alongside her membership of Oranjewoud N.V.’s Supervisory Board, also appointed to the Supervisory Board of Centraal Boekhuis B.V.

Mr. J.P.F. van Zeeland (1946, nationality: Dutch)
Jan van Zeeland brings key financial and corporate governance expertise and experience to the company. Between 1964 and 2004, Jan van Zeeland worked in accounting; from 1981 as a partner at the accounting firms Vis & Van Zeeland, Zeeland and Ernst & Young Accountants LLP. Between 2008 and 2010, he was also an alderman on the local council of the town of Geldrop-Mierlo.

Supervisory Board Report

General

As at December 31, 2018, the membership of the Supervisory Board is as follows:

- Mr. H. G. B. Spenkelink, Chairman of the Supervisory Board. Year of birth: 1947. Nationality: Dutch. Most significant past position: Member of the Board of Directors of Dura Vermeer Groep N.V.
- Ms. H.P.J.M. Jans. Year of birth: 1974. Nationality: Dutch. Significant current position: Financial Director at Eindhoven Airport N.V.
- Mr. J. P. F. van Zeeland. Year of birth: 1946. Nationality: Dutch. Most significant past position: partner at Ernst & Young Accountants LLP.

Mr. Spenkelink and Mr. Van Zeeland were initially appointed at the extraordinary general meeting of October 29, 2010. In 2016, Mr. Spenkelink was reappointed to a three-year term. Mr. Van Zeeland was reappointed to a four-year term in 2017. The 2017 general meeting appointed Ms. Jans to a four-year term.

All members of the Supervisory Board are independent, as stipulated in best practice clauses 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code.

Owing to her accepting the CFO position at Centric Holding B.V. as of July 1, 2019, Ms. Jans would, based on these best practice provisions, no longer be independent from that date. This was one of the reasons why Ms. Jans stepped down as a member of Oranjewoud N.V.'s Supervisory Board as of June 30, 2019.

For personal reasons, Mr. Van Zeeland has decided to resign his seat on the Supervisory Board as of the close of the General Meeting of October 24, 2019.

In response to the resignations of Ms. Jans and Mr. Van Zeeland, the Supervisory Board discussed the composition of the Supervisory Board. Besides the level of expertise, competencies, and independence that Supervisory Board members are required to have, the Supervisory Board also considers it very important that members know the organization – especially given the fact that there are currently two vacancies on the board.

The Supervisory Board will propose the following appointments to the General Meeting.

Appointment of Mr. Te Kamp

Mr. Te Kamp was member of the Supervisory Board from 2010 through to 2018. Since standing down as a member, Mr. Te Kamp has continued to assist the Supervisory Board in an advisory role. The Supervisory Board has asked Mr. Te Kamp to again stand for member of the Supervisory Board. Mr. Te Kamp has agreed and is available to be appointed to a two-year term.

Appointment of Mr. Janmaat

The Supervisory Board proposes the General Meeting to appoint Mr. Janmaat to the Supervisory Board for a term of four years.

Following his career as a legal counsel in the public sector and as a management consultant in the technology industry, Mr. Janmaat has gained wide-ranging experience in the international business-to-business software industry as an entrepreneur, CEO, and industry regulator over a period of thirty years. In his previous position as a non-executive board member at Centric Holding B.V., he became familiar with the organization and activities of Oranjewoud N.V.

Reappointment of Mr. Spenkelink

The general shareholders' meeting appointed Mr. Spenkelink to the Supervisory Board in 2010. Mr. Spenkelink is available for reappointment as member of the Supervisory Board for a two-year term.

The Supervisory Board held five ordinary meetings in 2018 with the Board of Oranjewoud N.V. There were further meetings with the auditor, PwC, to go over interim findings, to discuss the audit committee, and to finalize the financial statements.

In addition to this, the members of the Supervisory Board have met with various people across the organization, including Strukton International and employee representatives.

Four of the five ordinary meetings were attended by all members of the Supervisory Board. Mr. Van Zeeland was unable to attend one of the five ordinary meetings.

These meetings were intended to arrive at an effective and efficient working relationship between the Supervisory Board and the Board of Directors and to discuss the strategy. Aside from that, meetings were used to provide insight into the organization’s strategic, operational and financial goals. Items discussed at the meetings include the interim financial reports and the semi-annual figures for 2018.

The Supervisory Board furthermore sets great store by building personal relationships through meetings with the management of the operating companies, which also help create understanding of their competencies and skills.

The effectiveness of the internal audit function was also reviewed in 2018. While there is no formal internal audit function at Oranjewoud N.V. level, an audit function does exist embedded at the various operating companies.

Reports have been prepared of all meetings.

Auditor appointment

PricewaterhouseCoopers Accountants N.V. (PwC) was appointed for the 2018 financial year. 2018 is PwC’s fourth year as Oranjewoud’s auditor. To gain even better insight into the organization, PwC Netherlands visited the various group companies outside the Netherlands (including the Riyadh subway project) on several occasions in 2018 and 2019.

State of Affairs

The Group’s profits for 2018 were impacted significantly by one-off results at the Rail and Civil Infrastructure segments (international projects) and implementation of the new IFRS 15 financial reporting standard.

For the fourth year in a row, the Group was profitable, albeit that profits posted in 2018 (EBITDA and net profit) were down on the previous year and 2015. All segments recorded an operating profit in 2018, with the Civil Infrastructure and Technology and Buildings segments growing their operating profits and Antea Group (especially Antea Netherlands) improving on already strong performance.

Implementation of IFRS 15 lowered the Group’s shareholders’ equity as at January 1, 2018, by €30.4 million, while the downward impact on profits for 2018 totaled €5.7 million.

Oranjewoud recorded €2.3 billion in revenue from contracts with customers in 2018 (2017: €2.4 billion), while operating profits (EBITDA) fell €24.5 million in 2018, from €96.9 million to €72.4 million. Net profits fell €24.7 million in 2018, from €40.1 million to €15.4 million.

The Rail Systems (€30.9 million) and Consulting and Engineering Services (€31.4 million) segments together represent 86% of the Group's operating profit recorded in 2018 (2017: 96%).

The Supervisory Board wants to single out the Consulting and Engineering Services segment (Antea Group) for particular praise for posting operating profits of €31.4 million in 2018, improving on an already strong performance shown in 2017 (EBITDA: €29.8 million).

The aforementioned circumstances and their consequences were regular topics of discussion at meetings of the Supervisory Board and the Board of Directors. These meetings were always held in a positive, open, and constructive atmosphere.

Continuity in financing

In April 2018, Strukton Groep sealed a new long-term financing deal with its banks. For details of this financing arrangement, please refer to the Directors’ Report and the financial statements.

Acquisitions

2018 saw discussion of acquisition proposals from the Board of Directors. The acquisitions completed were in accordance with the Group's strategic line. The report from the Board of Directors provides further details on these acquisitions.

Performance of the Supervisory Board and the Board of Directors

A separate meeting was held to discuss the performance of the Board of Directors and its individual members, as well as the performance of the Supervisory Board. It concluded that the special areas of knowledge and experience for the organization are represented adequately in the current make-up of the Boards.

Supervisory Board Profile

Oranjewoud N.V.'s Supervisory Board compiled a profile of the Supervisory Board, in consultation with the Board of Directors and the works council. It was agreed that this profile would be subject to periodic reviews of its compatibility with social developments (such as corporate governance) and Oranjewoud N.V.'s policy and where necessary amended in consultation with the Board of Directors and the works council. The Corporate Governance Code contains both principles and best practices to which persons (directors and Supervisory Board members, among others) and parties affiliated with a company should mutually adhere. This profile was adopted on July 6, 2011 under the Oranjewoud N.V. Supervisory Board Regulations, Section 2.2 (c). The 2018 profile does not feature any amendments with respect to 2011. Please visit the Oranjewoud N.V. website for the full text of the Supervisory Board Profile: www.oranjewoudnv.nl.

Diversity

The Dutch Management and Supervision Act (*Wet Bestuur en Toezicht*), which came into force on January 1, 2013, included imposition of a best efforts obligation on large corporations to appoint at least 30% women and at least 30% men to the seats filled by natural persons, on both the Board of Directors and the Supervisory Board. Both the members of the Board of Directors and the members of the Supervisory Board were appointed for long terms. The Supervisory Board has set out to achieve greater diversity when filling vacancies (not including reappointments).

Committees

For a large part of 2018, the Supervisory Board had three members. In May 2018, Mr. Te Kamp stepped down from the Supervisory Board. Given the size of the Supervisory Board, the Board collectively fulfills the roles of audit committee and remuneration committee. Specific items for the audit and remuneration committees were discussed during the ordinary Supervisory Board meetings and with the auditor.

Governance of the Company

Mr. Sanderink was appointed to the position of general director for an indefinite period of time. Besides holding a directorship under the articles of association, he also has a special position and responsibility at the company as a nominal director and the company's major shareholder. The Supervisory Board recognizes this position and holds it in high esteem. Until February 28, 2018, Mr. Pijper was the company's financial director (CFO). On February 28, 2018, the Oranjewoud N.V.'s Supervisory Board and Mr. Pijper decided to part ways.

Remuneration of the Board of Directors

The Board of Directors is made up of Mr. G. P. Sanderink. Mr. Sanderink was appointed to an indefinite term and does not receive any remuneration in exchange for his work. Mr. P. G. Pijper was CFO until February 28, 2018. Remuneration provided by the company for the financial year consists of fixed and variable remuneration, as well as pension expenses and severance packages.

There are no special agreements between the members of the Board of Directors and Oranjewoud N.V. that provide for a payment on termination of employment or dismissal as a member of the Board of Directors after a public takeover bid on the company. There were no changes to the system of remuneration for the members of the Board of Directors in 2018 in comparison to the 2017 financial year. For further details, please refer to note 21 in the financial statements.

Financial Statements

The 2018 financial statements have been drawn up and signed by the Board of Directors in accordance with legal requirements under Section 2:101(2) of the Dutch Civil Code. The management report and the financial statements were discussed by the Supervisory Board in the presence of the external auditor. After assessing the external auditor's findings, summarized in a report submitted to the Supervisory Board and the Board of Directors, and after reviewing the approving auditor's report issued by PricewaterhouseCoopers Accountants N.V., the financial statements were approved and signed by all members of the Supervisory Board in accordance with their legal obligations by virtue of Section 2:101(2) of the Dutch Civil Code. The Supervisory Board proposes that the Shareholders' Meeting finalize the financial statements. In addition to this, it is proposed that the Board of Directors be granted discharge for the management services provided and the Supervisory Board be granted discharge for its supervision services.

Dividend
In principle, Oranjewoud N.V. aims to earmark 30% of net profits for dividend. Dividend payment is subject to future profit developments, market developments, desired solvency and the leverage under existing and future bank covenants. Dividends will be made available as optional dividends (cash and/or shares).

Shareholders' equity fell in 2018. Realized gains (+€10.9 million) were positive. Unrealized gains (-€5.2 million) were negative. Implementation of IFRS 15 had the most impact on shareholders' equity at the start of 2018, lowering it by €30.4 million. On balance, shareholders' equity was down €25.9 million in 2018. The balance sheet total has increased considerably, causing solvency to drop from 21.7% (19.4% when factoring in the impact of IFRS 15) to 17.5%, which is below the internal target of 25%.

The company needs sufficient resources to be able to cover possible operating capital growth resulting from an increase in the scale of our operations. Aside from that, the financing terms and conditions impose certain restrictions with respect to dividend distribution. The combination of these facts prompted the proposal from the Board of Directors to forgo payment of dividends for the 2018 financial year, with the approval of the Supervisory Board.

FIOD
On Friday February 15, 2019, the Group was surprised by a raid of the offices of Strukton Groep by the Dutch Fiscal Intelligence and Investigation Service (FIOD), who were acting on a suspicion of corruption and forgery of documents in landing a contract for the Riyadh subway project. Together with the board, the Supervisory Board maintains that there was no need whatsoever for this raid, and that it was conducted without any kind of preparation. Strukton Groep would happily have provided FIOD with the information obtained through the raid.

Supervisory Board meetings held after the raid by FIOD discussed the measures the Group has taken in response to FIOD's investigation. These measures include an internal investigation by Strukton Groep's Compliance Officer, commissioned by the board of Strukton Groep. There are currently no specific indications of irregularities.

The Supervisory Board has sought external advice on the process to follow and the quality of the internal investigation, appointing an independent expert who ultimately concluded that the internal investigation was adequate and meticulous, that the Supervisory Board has fulfilled its supervisory role correctly, and that the Supervisory Board has always acted adequately as a supervisory body in response to information it received relating to the risks involved in the Riyadh subway project. Given the present circumstances, the Supervisory Board has, pending the criminal investigation, intensified its supervision.

In conclusion
Although the Group was profitable for the fourth year in a row, one-off results at the Rail and Civil Infrastructure (international projects) segments once again show that certain segments are more vulnerable to incidents than others. Lowering the risk profile will certainly help reduce this vulnerability, but the risk of volatility remains. The underlying recurring performance, corrected for one-offs and the impact of implementation of IFRS 15, shows that all of the Group's segments, and therefore the Group as a whole, have chosen the right strategic course for themselves.

The aim in 2019 will be to further reduce risk and eliminate volatility, as well as to recalibrate strategic goals and to stand out in the market and be focused. Despite the recent one-offs, the Supervisory Board is confident that the strategic proposition of the company as a whole is sufficiently solid to face the future with confidence.

The Oranjewoud N.V. Supervisory Board thanks the management and employees for all of their hard work in 2018.

The Supervisory Board
Mr. H. G. B. Spenkelink
Mr. J. P. F. van Zeeland

September 12, 2019

Directors' Report

Introduction

Oranjewoud N.V. (Oranjewoud) is a leading partner in the development and application of sustainable and integral solutions for all facets of the environment in which we live, work, play and travel. Oranjewoud N.V. has pinpointed four strategic growth sectors for the medium to long term – the environment, water, infrastructure, and spatial planning.

De facto, Oranjewoud N.V. is made up of two groups, Antea Group and Strukton Groep. In 2018, the Board of Antea Group and the Group Board of Strukton Groep have again each put a lot of effort into further developing and improving a strategy that sets both groups apart from the competition.

One-offs

One-off results in the Rail segment (Rolling Stock and Sweden in particular) and the Civil Infrastructure segment (international projects) exerted strong downward pressure on profits for 2018, as did the implementation of the new financial reporting standard IFRS 15 (net downward impact of €5.7 million in 2018).

Key points to note for 2018 are that:

- The Group has made a profit for the fourth year in a row.
- All segments posted operating profits in 2018.
- The operating profit in the Rail segment was down considerably.
- Operating profits in the Civil Infrastructure, Technology and Buildings, and Consulting and Engineering Services segments were up.
- The highly profitable Antea Group (and Antea Netherlands in particular) has become even more profitable
- The reorganization and optimization drive in France and the United States has resulted in profit growth.
- The Group's continuity has been guaranteed by new (ring-fenced) financing for Strukton Groep N.V. for a period of three years with two one-year extension options.

Implementation of IFRS 15 lowered the Group's shareholders' equity as at January 1, 2018, by €30.4 million.

State of Affairs

Oranjewoud recorded €2.3 billion in revenue from contracts with customers in 2018 (2017: €2.4 billion). The reason behind this slight drop is that work on the three subway lines in Riyadh has reached the finishing stage, meaning that annual output is past its peak. Nevertheless, the Group is satisfied with revenue from contracts with customers, given that its growth is not a goal in its own right.

Revenue growth in the Consulting and Engineering Services segment, where revenue grew €20.6 million to €417.2 million, was generated mainly by Antea Netherlands and Iceacsa Grupo. The drop in the Rail Systems segment, where revenue fell €51.3 million to €826.6 million, was caused by lower output from Rail Sweden's maintenance operations. In the Civil Infrastructure segment, revenue was down €108.7 million to €580.2 million as a result of lower output of the Riyadh subway project. Revenue in the Technology and Buildings segment reached €367.9 million, a €20.4 million rise.

Operating profits (EBITDA) fell €24.5 million in 2018, from €96.9 million to €72.4 million. Civil Infrastructure (+ €5.1 million), Technology and Buildings (+ €1.7 million) and Consulting and Engineering Services (+ €1.6 million) all showed improved performance. Rail Systems saw its profits drop considerably (- €32.5 million). The Other segment reported a significantly lower EBITDA (-€0.5 million). Net profits fell €24.7 million in 2018, from €40.1 million to €15.4 million.

For further details on the segments for which the Group presents figures, please refer to the Segmentation section of the Directors' Report.

Strategy

The key points of the strategy are targeted at:

- creating and capitalizing on our ability to set ourselves apart from the competition;
- investing in technology and specialist products;
- focusing on innovation and digital transformation;
- optimizing the risk profile of projects;
- striking a balance between revenue-risk-profit;

- pursuing business development in selected industries and countries.
- achieving synergy within and across segments.

The specific strategic focus of the segments for which the Group presents figures will be detailed below.

Strukton Groep seeks to keep up with global developments, including urbanization and the associated growing need for subway and light rail transit solutions. Strukton has also identified opportunities in the area of access to mining and port areas through reliable and sustainable infrastructure, also in combination with asset management solutions.

The company is increasingly focusing on activities in which it excels. Maintenance and management using high-end technology, domain expertise, and professionalism are the basis of Strukton's operations. This solid basis ensures stability and offers Strukton the opportunity to set itself apart from the competition by making targeted use of data in management and maintenance activities. Aside from that, Strukton focuses on projects with a strong technology component, as well as on projects that will allow Strukton to use its specialist capabilities and that are aligned with Strukton's proven expertise and skills. Knowledge of these integrated technologies is what makes Strukton unique, and what enables Strukton to really help customers progress. The focus is mainly on, and growth is primarily generated in technology-oriented specialist areas in Europe, the Middle East, the United States, Canada, and Australia.

The Rail segment (Strukton Rail) reported good results in the Netherlands, Denmark, and Italy. Performance in Sweden is disappointing, due largely to unsatisfactory output from a number of maintenance contracts. In Belgium, Strukton Rail is still struggling with a difficult market. Strukton Rolling Stock has been running a loss, but expects performance to improve in 2019.

Strukton Rail generates an increasingly large share of its operating income outside the Netherlands. The intention is to sustain the upward trend, in part through growth in the United States and Australia. Prospects in those two countries are good. The emphasis in both these markets is on data and smart maintenance.

In 2018, Strukton International was moved to the Civil Infrastructure segment (Strukton Civiel), and the financial reporting on these two units has consequently also been merged. The fact that the results these two units achieved in 2018 are roughly on a par with the sum of their results for 2017 could suggest that they have not made any progress. Nothing is further from the truth, however. The Dutch division of Strukton Civiel has clearly picked up an upward trend: results achieved in the Netherlands were up slightly. Although earnings from international contracts were positive, they were down considerably on 2017. This is primarily due to a number of loss-making projects and lower revenue from the Riyadh subway project, which is nearing the final stage.

In the Netherlands, the three regional units and specialist areas have contributed substantially towards the results. The project department is still a cause for concern and will be a major focus point in 2019. The emphasis will increasingly be on integrated rail and civil engineering work. These contracts revolve around Strukton's tried-and-tested expertise and skills, allowing Strukton to stand out in the market.

In its international operations, Strukton Civiel had to make multiple project adjustments, which will in 2019 again galvanize its resolve in focusing on certain kinds of contracts to bid for. Profits made on the Riyadh subway project have stayed stable and the project is making good progress.

The Technology and Buildings segment (Strukton Worksphere) recorded sound results in 2018. Management and maintenance operations are performing well, representing a growing share of the profit and achieving excellent customer satisfaction ratings. The newly charted course for projects and development has brought a significant boost in this respect. In its strategy, Strukton Worksphere is now focusing more on digitization and sustainability. Activities in these two areas showed considerable growth in 2018, and these areas are also expected to generate sufficient work over the coming years. For a number of projects that were completed in 2018, an additional reserve has been created, significantly reducing the organization's risk profile. Progress on the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG) was good: this ppp project is on schedule. The backlog is ample.

The Consulting and Engineering Services segment (Antea Group) is an international consulting and engineering firm that specializes in full-service solutions in the areas of the environment, water, infrastructure, and spatial planning. By combining strategic thinking, multidisciplinary perspectives, and engineering expertise, we are able to deliver sustainable results for a better future and solve our clients' challenges in the most effective way possible. The various country organizations that make up Antea Group each focus on providing services in their respective countries. As the overarching organization, Antea Group bids for international contracts — such as from donor agencies — and is active in product development, innovation, and digital transformation, as well as in international focus areas such as water, remediation, and data and asset management.

With over 3,200 employees across the globe, we serve clients ranging from international energy companies and manufacturers to donor agencies, national governments, and local authorities.

Every day, we set out to make our activities grow sustainably by building an international enterprise that makes the most of its expertise from its sources to deliver innovative solutions to partners and clients across the globe.

We offer client value through a varied range of consulting and engineering services that are aligned with current challenges in the market and that promote fit-for-purpose solutions. Our employees are passionate about what they do and committed to translating complex requirements to workable solutions. Thanks to our agility and capacity for adaptation, we are able to innovate and make the most of our global resources to continue to be a leading player in the industry. By engaging Antea Group, customers will reap the benefits of successful projects that protect the planet, enable business growth, and guarantee social well-being.

With the excellent figures for 2018, Antea Group has picked up where it left off in the preceding year. Progress through innovation is the best way to sum up 2018 — a year in which we made significant investments in our capacity for innovation and were able to reap the first rewards of our innovations. We were also able to further expand our position as an international firm, for instance, by reinforcing the international connections between the various country organizations.

Antea Group Netherlands achieved its best result ever for the second time in a row, as our thousand-day plan helped us raise our profile, increase profitability, galvanize our client focus, and boost capacity for innovation. Antea Group Belgium also continued the positive trend, bettering its result in comparison to 2017.

We also saw positive developments in France and the US. Antea Group USA saw its profit grow significantly, partly thanks to a recovering oil and gas market, but also thanks to the diversification of services and customers and improved productivity. In France, significant investments have been made in the organization’s optimization over the past two years, including through the “Smart Builders” program, which paid off in 2018, leading to improved returns and a positive outlook for the future.

Iceacsa Grupo’s first annual result deserves a special mention. This newcomer made a positive contribution to the group result in 2018, nicely playing the role of “stepping stone” in Latin America. The network helped to increase the number of joint projects in countries such as Panama, Colombia and Mexico.

Disruptive developments

In the various countries where they operate, the segments are directly or indirectly experiencing disruptive conditions to varying degrees, conditions such as: availability of sufficiently qualified staff, (lack of clarity on future) legislation and regulations, exchange rates, availability and prices of resources, digitization, and robotization. The Board and the management of the segments and units are working dynamically on analyzing the potential risks and designing measures to mitigate the impact of the expected disruptions. In 2018, Antea Netherlands used targeted campaigns and other initiatives, such as a pop-up store at Utrecht Central Station, to raise its profile and present itself as an attractive employer. In the area of the digital transformation and innovation, several initiatives were launched and are now underway at both segment level (Antea Group’s Innovation Hub in Orléans, France) and more broadly across the organization.

Acquisitions

If deemed expedient for the development of the strategy of and long-term value creation for the Group’s segments, the Group will make acquisitions as and when the opportunity arises. Decisions to take part in an acquisition process will not be made until various conditions are met, such as the conditions that the acquiring segment must have sufficient cash and cash equivalents available, also in relation to current bank covenants, that the acquisition target must conform to a certain profile (minimum scope, spread of customer base and products, limited financial, legal, and tax risks, ratios), and that the target business must be able to contribute promptly to the development of the segment's strategy and long-term value creation. The value of a business that is an acquisition target is measured using various measurement methods, factoring in considerations such as future cash flows and capital costs.

After acquisition, the acquired entity will be monitored as an independent unit or as part of a larger cash-generating unit (CGI), while its figures will be presented as an integrated part of the Group's regular reports. The value of the business combination is reviewed on a regular basis, which will again take account of future cash flows and capital costs. The outcome of this review is a key status indicator.

In the event that any Group unit does not contribute or no longer contributes to the Group's strategy and long-term value creation, a decision can be made to sell the business unit in question. This kind of decision will never be made lightly and will be made only after careful consideration of all potential risks (including reputation-related risks) and adverse effects.

There were no material acquisitions in the 2018 financial year.

Financing and Equity Interest

Financing

On April 13, 2018, Strukton Groep agreed a new financing arrangement with an expiry date of April 13, 2021, plus an option for an extension through to April 13, 2023 at the latest. The main features of this financing arrangement are:

- three-year term with two options for a one-year extension;
- no compulsory repayments up to the end date;
- committed revolving credit facility of €115 million, the credit margin is 150 bps (all-in) through to year-end 2018. From 2019, the credit margin depends on a price grid that is linked to the leverage ratio (price range of 100 to 175 bps);
- committed bank guarantee facilities totaling €130 million specifically for the Riyadh subway project in Saudi Arabia;
- uncommitted (bank) guarantee facilities amounting to €180 million, granted by a total of five guarantors.

Based on the agreed financing, Strukton has adequate credit and bank guarantee facilities.

Bank Covenants

Oranjewoud N.V. is in compliance with the conditions agreed with the banks for the entirety of 2018 and as of December 31, 2018.

Strukton Groep N.V. (Strukton) has its own financing arrangement that is fully ring-fenced from Oranjewoud N.V.'s financing. As at December 31, 2018, Strukton is compliant with the covenants agreed with the banks and has been throughout 2018.

Equity Interest

Oranjewoud N.V. is 98.20% owned by Sanderink Investments B.V. (year-end 2018: 97.73%).

Separate Companies

Antea Group's consulting and engineering services and Strukton Groep's implementation activities have not been and will not be merged. There will, of course, be collaboration whenever clients can be given the opportunity to take advantage of the Group's combined knowledge, capabilities and references, and the Group will also exchange knowledge and share best practices.

Antea Group and Strukton Groep each have their respective strategic objectives. Oranjewoud N.V.'s policy in terms of preventing possible conflicts of interest has been shaped by compartmentalizing companies and procedures that will be adapted to internal organizational changes and the requirements set by tender legislation and regulations. These procedures comprise: organizational separation of projects, separation of companies, separation of management systems, securing confidentiality and the corporate code (of conduct). Staff at Oranjewoud N.V.'s relevant entities will be briefed on conflicts of interest, integrity and the importance of compliance with (internal) regulations. Antea Group and Strukton Groep have separate IT systems and management teams.

Subsequent Events

On January 16, 2019, Strukton Rail increased its stake in Italian railroad construction firm CLF Group (Costruzioni Linee Ferroviarie) from 60% to 100%. Strukton Rail acquired the remaining 40% of the shares from Unieco. Strukton Rail's stake in CLF dates back to 1998, and was increased to a majority stake in 2013. CLF Group is made up of CLF SpA, the UNIFER and S.I.F.EL subsidiaries, and the TES engineering firm.

CLF Group is a leading player in railroad, subway, and tram line design, construction, maintenance, and upgrades in Italy and elsewhere (Algeria, Morocco, Venezuela, and Bulgaria). The company's primary focus is on ensuring safe and reliable transport by rail. CLF has sites in Bologna, Alessandria, and Spigno Monferrato.

Over the past years, Strukton Rail and CLF have worked closely together in the areas of mechanization and digitization. The two companies use each other's specialist high-output machines for fast and efficient construction, upgrade, and maintenance work. CLF crews and machines have in recent years successfully been deployed for Strukton projects in Denmark and the Netherlands. CLF also partners with Strukton in the application of smart maintenance products in Italy, such as Dual Inventive's IoT sensors.

On Friday February 15, 2019, we were surprised by a raid of the offices of Strukton Groep by the Dutch Fiscal Intelligence and Investigation Service (FIOD), who were acting on a suspicion of corruption and forgery of documents in landing a contract for the Riyadh subway project. We maintain that there was no need whatsoever for this raid, and that it was conducted without any kind of preparation. Strukton Groep would happily have provided the information obtained through the raid. The exact reason behind the Fiscal Intelligence and Investigation Service's raid remains unclear.

We are fully prepared to cooperate with the Fiscal Intelligence and Investigation Service in any way as may be required and to disclose the full state of affairs. Immediately after the raid, we launched an internal investigation. The list of all information confiscated by the Fiscal Intelligence and Investigation Service has been reviewed for indicators of irregularities. This review did not reveal any indications of non-compliance with applicable legislation and regulations.

We are committed to upholding business ethics and our internal investigation has shown that no bribes were paid in acquiring the Riyadh subway project. We abide by our Code of Business Ethics at all times as part of the Strukton All Right program, and we also see to compliance with this code across the organization.

Antea Group's acquisition of the Polish entity of Tractebel-Engie was made official on May 29, 2019. This engineering and consultancy firm employs around 75 people and has made a good name for itself as a specialist in thermal and renewable energy and the transportation and distribution of energy. This firm is also a well-established player in the area of water, wastewater, and infrastructure. Since the acquisition, the firm has been operating under the name of Antea Group Poland.

On June 14, 2019, major shareholder Sanderink Investments B.V. granted Oranjewoud N.V. a subordinated loan of €10 million, which has been used to secure the continuity of financing in Sweden by shoring up Strukton Rail Sweden's shareholders' equity.

Segmentation

Oranjewoud N.V. reports on the following segments: Consulting & Engineering Services, Rail Systems, Civil Infrastructure, Technology & Buildings and Other.

Consulting & Engineering Services

in millions of €	**2018**	**2017**
Revenue from contracts with customers	417.2	396.6
Operating profit (EBITDA)	31.4	29.8
Backlog	239	242
Number of employees (at year-end)	3213	3155

Revenue from contracts with customers in the Consultancy and Engineering Services segment came in at €417.2 million in 2018 (2017: €396.6 million). Operating profit amounted to €31.4 million (2017: €29.8 million). By year-end 2018, the workforce had grown to 3213 (2017: 3155). Workforce growth was almost entirely achieved in the Netherlands.

The **Dutch** economy was stable in 2018. An overheated labor market, however, means that demand for qualified workers still outstrips supply. We are not the only organization facing this situation, as numerous public and private sector clients are also looking for well-trained and competent staff and fishing in the same talent pool as we are. In 2018, Antea Netherlands managed to maintain its leading position, once again increasing its revenue and operating profit. The backlog grew to €91.2 million (2017: €84.0 million). Standing at 1487, the number of employees grew compared to 2017 (1434).

Pressure to reduce prices, fierce competition, and relatively high bidding costs are continuing to affect development in **Belgium**. Nevertheless, Antea Belgium still managed to grow its revenue and raise its backlog to €32.1 million (2017: €31.8 million). The number of employees in Belgium has grown slightly (2018: 207 and 2017: 201).

The modest economic recovery in **France** stagnated in the first quarter of 2018. Widespread civil protests over that period have made both public and private sector clients cautious in their contracting. Against the backdrop of these turbulent market conditions, Antea France held its own and achieved a small rise in its operating profit. The backlog dropped to €56.6 million (2017: €57.7 million). At 837, the number of employees remained virtually unchanged (2017: 839).

Antea continued to diversify its range of products and services in the **United States** in 2018. Revenue was down slightly due to a drop in the number of ELT projects, but the operating profit was up, partly on the back of a recovering oil and gas market, but also thanks to improved productivity. The backlog fell to €44.3 million (2017: €53.0 million), while the workforce remained largely unchanged at 384 (2017: 385).

Acquired in 2017, **Iceacsa Grupo** showed satisfactory performance in **Spain and Latin America** in 2018. Both revenue and operating profit helped push up the overall profit posted by the Consulting and Engineering Services segment. By the end of 2018, Iceacsa had 100 employees (2017: 88).

Corporate Social Responsibility and Sustainability at Antea Group

Anticipating today's questions and tomorrow's answers. That is what Antea Group stands for. 'Understanding today. Improving tomorrow'. Together with our clients, we work to build a better and sustainable living environment every single day. An environment where we can all live, work and play in comfort — not only today, but also in the future Sustainable business practices are possible only in harmony with the world around us. Antea Group takes its responsibility seriously, internally and in relationships with clients and partners, as well as across the chain. To Antea Group, sustainability and corporate social responsibility stand for sensible practices at the company, aimed at striking a balance between the Ps of Profit, People and Planet to ensure the company continues to be relevant in both the market and society.

Rail Systems

Strukton Rail’s core activities include new development, maintenance and management of railroad infrastructure, both heavy rail and light rail (including traction and overhead lines, signaling, telecommunications and information and control systems), design, manufacturing, installation and commissioning of power supply systems for rolling stock, data acquisition, data management and system integration. Strukton Rail specializes in asset management, high-output working methods, monitoring systems, measuring and inspection systems, energy systems, traction electronics and on-board power grids, and installation and integration of ERTMS and other train safety systems.

in millions of €	**2018**	**2017**
Revenue from contracts with customers	826.6	877.9
Operating profit (EBITDA)	30.9	63.4
Backlog	1,881	1,897
Number of employees (at year-end)	3817	3743

Poor performance of a number of maintenance contracts in Sweden has resulted in the Rail Systems segment posting a disappointing operating profit. Rail Italy, on the other hand, recorded excellent profits, while projects and maintenance contracts in the Netherlands also contributed significantly to the overall profit. In Belgium, Strukton Rail is still struggling with a difficult market. Strukton Rolling Stock has been running a loss, but expects performance to improve in 2019.

The backlog in the Netherlands was up on the previous year and Sweden also has a strong backlog. The backlog in Italy is down slightly on 2017, due to the fact that output on a number of major maintenance contracts that were landed in 2017 has meanwhile been realized.

Civil Infrastructure

Strukton Civiel's core activities are the design, execution, management and maintenance of integrated infrastructure projects, civil structures, road construction, hydraulic engineering, concrete construction, and generation and distribution of (sustainable) energy, and underground construction. Strukton Civiel specializes in foundation engineering, immersion and underwater engineering, bitumen, injection techniques, environmental engineering, asset management, bridge resurfacing, traffic management technology (traffic and tunnel engineering systems), prefab concrete, noise barriers, raw and waste material management, traffic routing, incident management, bridge and lock renovation, pressing, shifting, and jacking up, and rail-based civil infrastructure.

in millions of €	**2018**	**2017**
Revenue from contracts with customers	580.2	688.9
Operating profit (EBITDA)	1.1	-4.0
EBITDA plus income from participating interests	7.3	6.8
Backlog	442	613
Number of employees (at year-end)	1291	1357

The Civil Infrastructure segment's results were up on 2017, mainly on the back of the solid performance of regional companies and in specialist areas. The profit recorded by the project department was disappointing. The focus in 2019 will, therefore, be on improving this department's performance. The emphasis will increasingly be on integrated rail and civil engineering work. These contracts revolve around Strukton's tried-and-tested expertise and skills, allowing Strukton to stand out in the market. Profits made on the Riyadh subway project have stayed stable and the project is making good progress.

The backlog for the Civil Infrastructure segment was down on 2017, due to the fact that much of the output as part of the Riyadh subway project has meanwhile been completed.

Technology & Buildings

The core business of Strukton Worksphere (Technology & Buildings segment) is building engineering, management and maintenance, project design and realization, operation and revitalization, and development. Strukton Worksphere specializes in asset management, risk-based maintenance, Strukton PULSE, monitoring systems, data management, energy management, system engineering, electrical engineering and mechanical engineering, DBMO contracts, operating management (including Energy Service Companies) and sustainability consulting.

in millions of €	**2018**	**2017**
Revenue from contracts with customers	367.9	347.5
Operating profit (EBITDA)	6.0	4.3
Backlog	619	549
Number of employees (at year-end)	1751	1765

The operating profit posted by the Technology and Buildings segment is up on the previous financial year. Management and maintenance operations have contributed substantially towards the result. For a number of projects that were completed in 2018, an additional reserve has been created, significantly reducing the organization's risk profile. Progress on the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG) was good, as this ppp project is now on schedule.

The Technology and Buildings segment's order backlog contains ample work. In June 2018, stakes in MEET RIVM CBG B.V. were acquired from Hurks and Heijmans, adding further work to the backlog.

Corporate Social Responsibility and Sustainability at Strukton Groep

Strukton does business with its surroundings in mind. Corporate Social Responsibility plays a prominent role in the company's operations. Captured in the tagline of 'thinking in terms of service life together', the company's CSR policy has people, planet, and profit as its three mainstays.

Strukton partners with employees, clients, suppliers, sub-contractors and other chain partners in working on sustainability and service life extension. This approach is reflected in the importance of the word ‘together’ in Strukton’s CSR tagline. Strukton also sets great store by pursuing a pragmatic approach, with a view to anchoring corporate social responsibility at all levels across the company. The focus is on safety, life span of material, product and service quality, nature conservation, building long-term business relationships, and employee health and well-being.

Other

in millions of €	**2018**	**2017**
Revenue from contracts with customers	76.9	73.8
Operating profit (EBITDA)	2.9	3.4
Backlog	17	17
Number of employees (at year-end)	203	212

The Other segment includes reporting on the Sports and Temporary Staff units.

Sports
The Sports segment is made up of Antea Sport Netherlands, J&E Sports, and Edel Grass. Sports’ revenue was up on the previous year, while the operating profit was down. At €13.7 million (2017: €14.0 million), the backlog is satisfactory, while the workforce grew to 56 (2017: 55).

Temporary Staff
Compared to last year, both revenue and operating result fell slightly. Attracting qualified engineering staff continues to be a challenge. Coming in at €3.0 million, the backlog showed modest growth, while the number of employees fell to 147 (2017: 157).

Internal Control

Oranjewoud N.V.’s operations are wide-ranging and performed by a varied group of operating companies that are active in the areas of hydraulic engineering, infrastructure, the environment and spatial planning. Internal control is handled by each of the operating companies separately, so there is only limited internal control at the level of Oranjewoud N.V. itself. Organizing internal control in this way was a conscious choice, prompted by the fact that it fosters entrepreneurship. However, due to increased complexity of the environment in which the group operates (in terms of risks, legal context and increased international business), a need has arisen to design and implement additional procedures at Oranjewoud N.V. level, in the area of internal auditing and related processes for example, on top of existing procedures. These procedures will be detailed in a handbook and, as a minimum requirement, they will govern the activities of the operating companies.

The group’s strategy is focused on reducing risk exposure in the backlog and order intake. In 2018, important steps were taken in this area.

Amortization

Total gross amortization of intangible fixed assets, purchase price allocation (PPA) depreciation and other amortizations amount to €9.6 million (2017: €11.5 million). Amortization of intangible fixed assets had a major impact on net profit in 2018.

In the 2018 financial year, a gross amount (non-cash) of €3.8 million (2017: €8.4 million) relating to PPAs was amortized at the expense of the profits.

Capital Structure

The authorized capital stock as at December 31, 2018 amounted to €10,000,000, consisting of 100,000,000 A and B shares of €0.10 each. The subscribed and fully paid-up share capital amounted to 62,872,869 shares of €0.10 each. As at December 31, 2018 (and 2017), subscribed capital amounted to €2,955,307 in A shares and €3,331,980 in B shares. Unlike with A shares, stock exchange listing has not been requested for B shares. There is no difference in terms of control between the A shares and B shares.

Financing and Financial Instruments

General

The Group's main financial instruments comprise bank loans and credits and cash and cash equivalents. The Group also uses interest rate swaps and inflation swaps to hedge interest and inflation risks arising from corporate and project financing. The main purpose of the financial instruments is to attract financing for the Group's operating activities. In addition, there are various other financial fixed assets and liabilities, including trade receivables and debts to suppliers, which arise directly from the operating activities. No derivatives or financial instruments are held for trading purposes.

All financial assets and liabilities, excluding ppp-receivables and derivatives measured at fair value, have been measured according to the ‘loans and receivables’ category as referred to in IAS 39.

Financial Covenants

Oranjewoud N.V. is in compliance with the conditions agreed with the banks for the entirety of 2018 and as of December 31, 2018.

Strukton Groep N.V. (Strukton) has its own financing arrangement that is fully ring-fenced from Oranjewoud N.V.'s financing. As at December 31, 2018, Strukton is compliant with the covenants agreed with the banks and has been throughout 2018.

Interest Rate Risk

Loans and credit are needed due to the mismatch between receivables and liabilities. Loans and credit with a variable rate of interest are exposed to the risk of cash flow changing due to interest rate fluctuations. The Group’s policy aims to acquire long-term financing at a fixed rate of interest by taking out interest rate swaps. Interest rate swaps are always used to hedge interest rate risks on the financing of ppp projects.

Currency Risk

The majority of the Group's activities are carried out in the eurozone. Outside Europe, the Riyadh subway project in Saudi Arabia got underway in 2013. The currency risk on a large part of future cash flows from the Riyadh subway project is hedged in US dollars. Incidental non-euro positions are hedged using forward exchange contracts. Currency risk on foreign subsidiaries’ shareholders’ equity and on long-term loans granted to these subsidiaries, known as the translation risk, is not hedged, with the exception of Antea United States.

Credit Risk

Given that a large number of our clients are public-sector organizations (governments), our exposure to credit risk is minimal. For projects above a certain value for private-sector clients, credit risk is also a factor in the assessment of the contract. Aside from that, billing for contracts (in advance) is based on project progress. The available cash and cash equivalents are held with credit-worthy banking institutions.

Liquidity Risk

Liquidity risk is the risk of the Group being unable to meet its financial obligations at the required time. The basic principles of liquidity management are that there must be sufficient liquidity to be able to meet current and future financial obligations, both under normal and exceptional circumstances, without incurring unacceptable losses or jeopardizing the Group’s reputation. The Group uses ongoing liquidity forecasting to monitor whether the available liquidity is sufficient. In case of long-term contracts, clients are generally asked to pay installments to cover the financing of project expenditure.

Bank Guarantees

Bank guarantees have been issued by the Group for projects, lease agreements and investment relief.

Corporate Social Responsibility and Sustainability

Investing in the Future

Finding a balance between financial/economic results, social and staff interests and the environment; not only thinking about the here and now, but also thinking about future generations: Oranjewoud N.V. actively works to ensure corporate social responsibility. This includes sustainability in business, sustainable operational management, volunteer work by employees and sponsorship of social initiatives. We are seeing a constant increase in market demand for sustainable solutions and applications. Oranjewoud N.V. is keeping pace with this significant development. Please refer to the sections on the different segments for specific information about activities and projects as part of Corporate Social Responsibility and Sustainability efforts.

Integrity
We are committed to integrity. Integrity means that we always work to the highest professional and ethical standards, and that we earn trust by being transparent and fair to all stakeholders, including clients, shareholders, partners, and employees.

Reliable Partner
We are a reliable partner to our clients, and our overriding aim is to deliver our products and services without ever losing sight of our partners' interests. We offer our products and services under terms and conditions that do not impair our independent professional judgment or obstruct our pursuit of optimum value creation for clients.

Dilemmas
Although it would simply be impossible to plan for all eventualities, we do encourage our employees to discuss dilemmas with each other and the management.

Anti-Corruption
We are committed to the principles of the free market and fair competition, and we adhere to all applicable rules. Our company code offers specific guidelines on gifts, hospitality, and payments to third parties. Specific instructions to combat corruption are also given. Awareness of the importance of business ethics among staff is raised in a variety of ways, including the electronic newsletter, presentations, and training programs. All employees are quizzed on their knowledge of the company code every year.

Responsible Employer
Our employees are our assets and the key to the Group's success. Aside from offering our employees a broad and flexible package of employment conditions and employee benefits, we are committed to supporting our employees in developing their knowledge and skills. And we want them to work and develop in a healthy, safe, and professional work environment. All employees have equal opportunity when it comes to personal recognition, general and career development, and remuneration, regardless of their gender, age, background, or beliefs.

Social Affairs
In all countries where the Group has a presence, we abide by current legislation and regulations and respect the local culture and interests of society. We aim to improve the quality of the world around us.

Personal Affairs
The Group appreciates its staff and respects their human and workers' rights, so that they can work in a safe, healthy, and professional work environment, an environment where co-workers work together. The Group has the ambition to be one of the top employers in every country in which it operates. All employees have equal opportunity when it comes to personal recognition, general and career development, and remuneration, regardless of their gender, age, background, or beliefs. When it comes to discrimination and intimidation, the Group has a zero-tolerance policy. Personal data are only processed and handled in compliance with current data protection legislation.

Human and Workers' Rights
The Group respects human rights and workers' rights as an integral part of responsible business conduct; prohibits the use of any kind of form of forced labor and human trafficking, including child labor; does not accept intimidation or disrespectful or inappropriate behavior; focuses on safety, health, and well-being; promotes work-life balance, and strives for competitive pay.

Diversity Policy
With a view to being a reflection of society, workforce diversity is an important consideration for the Group. The Group's aim is to achieve a balanced workforce in terms of age, gender, and educational and professional background. Diversity inspires appreciation of all aspects of our internal and external environment and of our relationship with all stakeholders, and it supports our strategy internationally and in the areas of innovation and digital transformation. Our aim for 2019 is to define our diversity policy and, where possible, make it quantifiable.

2019

The Group's backlog continues to be ample, which inspires confidence. The market situation is also encouraging. Even so, the Board of Directors refrains from making quantitative statements regarding results projected for 2019.

Statement from the Board as per Section 5:25C(2c) of the *Wet op het financieel toezicht* (Dutch Financial Supervision Act)

We confirm that the financial statements were prepared in compliance with International Financial Reporting Standards (IFRS) as ratified by the European Union, as well as in compliance with Title 9, Book 2 of the Dutch Civil Code and give a true and fair view of the assets, liabilities, financial position and profits of Oranjewoud N.V. and consolidated companies, and that the annual report prepared by the Board of Directors gives a true and fair view regarding the situation as at the balance sheet date and operations during the financial year, as well as of affiliated companies whose data was incorporated into Oranjewoud N.V.'s financial statements, and that important risks the Group is facing have been reflected in the annual report.

Corporate Governance

Organization

Oranjewoud N.V. is governed by a Board of Directors, which is supervised by a Supervisory Board. The members of the Board of Directors and the Supervisory Board are appointed and dismissed by the general shareholders' meeting (the "General Meeting").

Board of Directors

The Board of Directors is in charge of running the company, guided by the interests of the company and associated companies. Members of the Board of Directors are appointed by the General Meeting. A member of the Board of Directors must step down by no later than the day on which the annual general meeting is held in the fourth calendar year following his or her last appointment and will also immediately qualify for reappointment – provided that the candidate has stepped down in accordance with this clause. The Supervisory Board nominates one or multiple candidates for each vacancy. The General Meeting can revoke the binding nature of a binding nomination through a decision adopted with a simple majority of votes cast representing at least a third of the company's subscribed share capital. The General Meeting is authorized to suspend or dismiss any member of the Board of Directors. The General Meeting can only suspend or dismiss a director following a proposal to this effect from the Supervisory Board or with a simple majority of the votes cast representing at least one third of the company's subscribed share capital. A member of the Board of Directors can also be suspended by the Supervisory Board.

Supervisory Board

The Supervisory Board is charged with monitoring the company's management policy and general operations at the company and associated companies. The Supervisory Board also advises the Board of Directors. In fulfilling their task, Supervisory Board members are guided by the interests of the company and associated companies. The Supervisory Board must have at least three members. Supervisory Board members are appointed by the General Meeting on the recommendation of the Supervisory Board. Each Supervisory Board member must step down by no later than the day of the first General Meeting held in the fourth calendar year following his or her last appointment. The Supervisory Board members step down periodically according to a schedule set by the Supervisory Board. The General Meeting can hold a vote of no confidence in the Supervisory Board with an absolute majority of the votes cast, representing at least one third of the subscribed share capital.

Shareholders' Meeting

Oranjewoud N.V. convenes a general shareholders' meeting at least annually. The General Meeting is convened either by the Supervisory Board or by the Board of Directors. The General Meeting will at least deliberate on and/or adopt: the annual report, the financial statements, the proposal for appropriation of the profits (if applicable), and the appointment of the external auditor. Other issues that may be put on the agenda for the General Meeting and announced by the Supervisory Board or the Board of Directors, under observance of the relevant provisions in the articles of association, include the granting of discharge to members of the Board of Directors and the Supervisory Board, assignment of a body within the company that is authorized to issue shares, and/or authorization of the Board of Directors to have the company acquire its own shares.

Articles of Association
Oranjewoud N.V. is a public limited liability company under Dutch law. The General Meeting is authorized to amend the articles of association, on the understanding that a decision to that effect can only be made at the proposal of the Board of Directors. A proposal by the Board to amend the articles of association is subject to the approval of the Supervisory Board. Oranjewoud N.V.'s articles of association were last amended on October 29, 2010.

Shares
Oranjewoud N.V.'s authorized capital stock amounts to €10,000,000, consisting of 50,000,000 A shares and 50,000,000 B shares with a nominal value of €0.10 each. As at December 31, 2018, the subscribed share capital stands at €6,287,286.90, consisting of 29,553,066 A shares and 33,319,803 B shares. Unlike the A shares, the B shares are not listed. There is no difference in terms of control between the A shares and B shares.

New Share Issues
Shares are issued following a decision of the General Meeting or by virtue of a decision of the Board of Directors, if and insofar as the Board has been requested to do so by the General Meeting. The decision is subject to the approval of the Supervisory Board. This authority covers all unissued shares of the company's authorized capital stock. The duration of this authority is defined by a decision of the General Meeting and shall be five years at most. The General Meeting of May 2018 granted the Board the authority, for a period of 18 months starting from the date of the meeting, to issue shares and grant rights to take shares, up to a maximum of 10% of the outstanding capital at the time of the meeting, plus a maximum of 20% if the allocation or issue is carried out within the framework of a merger or acquisition.

Acquisition of Shares in the Company's Own Capital
The company is permitted to acquire its own fully paid-up shares, albeit only for no consideration or if: a) the payable equity is at least equal to the purchase price; and b) the total nominal amount of the shares that the company has acquired, holds, holds in pledge or holds through a subsidiary does not exceed 50% of the company's subscribed share capital. Acquisition, other than acquisition for no consideration, is only possible if the General Meeting has authorized the Board to do so. The Board has not asked the General Meeting for any authorization to purchase the company's own shares.

Corporate Governance Code
Unless stated otherwise, Oranjewoud N.V.'s Board of Directors and Supervisory Board endorse and adhere to the principles and best practice provisions of the Dutch Corporate Governance Code of December 8, 2016 (the Code). Oranjewoud N.V. deviates from the Code on the following best practice clauses:

- 2.2.1 Oranjewoud N.V. has a director under the articles of association, Mr. G.P. Sanderink, who was appointed to an indefinite term. Besides holding a directorship under the articles of association, he also has a special position and responsibility at the company as a nominal director and the company's major shareholder. Mr. Sanderink does not receive remuneration from the company in exchange for his work.
- 2.5.2 Oranjewoud N.V. has not published a code of conduct on its website. Oranjewoud N.V.'s operations are performed by the various operating companies. Strukton Groep and Antea Group have published their codes of conduct on their respective websites. The management of the operating companies sees to compliance with the code of conduct.
- Oranjewoud N.V. does not apply best practices provision 2.7.3 insofar as it concerns the reporting of transactions with a potential conflict of interest to the Board of Directors; Oranjewoud N.V. has one director.

In 2018, there were no transactions of any significance involving a conflict of interests between the director and Oranjewoud N.V.

Risk Management

Business is about taking and managing risks. The Oranjewoud N.V. risk management policy is geared towards protecting the Group from events which may impede achievement of strategic objectives and which may have a material impact on the Group's financial position. A targeted market approach, consistent and regular reporting, and raising awareness across all echelons of the company are the mainstays of Oranjewoud N.V.'s risk management policy.

Oranjewoud N.V. minimizes risks by requiring effective internal risk management and control systems at the business units and also oversees application of and compliance with these systems. Key factors of risk management include employee commitment, exemplary behavior by management, and transparency and openness when it comes to voicing opinions and discussing dilemmas.

The different Oranjewoud N.V. business units focus on engineering and consulting services provided by Antea Group on the one hand, and on construction and implementation activities by Strukton Groep on the other. Strukton Groep and Antea Group each have their own risk management systems within the framework of Oranjewoud N.V.'s overarching risk management policy. Responsibility for maintenance, adaptation and application of these risk management systems primarily lies with the business units themselves.

The business units also have a code of conduct in place specifying things such as the managers' level of authorization. These codes of conduct are subjected to regular audits. These audits are conducted both on an ongoing basis (part of the planning and control cycle within the group) and on an as-needed basis (audits conducted by certification institutes or auditors).

Strukton Groep Risk Management
Like other companies, Strukton faces various commercial, operational, and financial risks. These risks are inherent in the company's operations. The company tries to limit these risks by taking a systematic approach, both on a strategic and on an operational level.

Strukton identifies and monitors risks across the company in a structured manner. Adequate risk management hinges on broad risk awareness across the company. Strukton works to raise risk awareness by creating an open and transparent corporate culture.

To reduce the organization's risk profile, the boards of the respective operating companies use strict selection criteria for new projects. Strukton bids only for management and maintenance contracts that are a good fit with Strukton's core competencies, involve a limited level of risk, and offer good profit prospects. Projects that include a long-term maintenance and management component are of particular interest to Strukton. In line with the company's strategy, the Group board always weighs returns up against risks within the boundaries of the company's risk appetite. Continuity depends largely on good profit prospects. In 2018, the various risks were mapped out and analyzed once again.

The risk management and control systems in place significantly reduced the risk of incorrect decisions, deliberate circumvention of management processes and non-compliance with rules and regulations. However, it is virtually impossible to be aware of all risks at all times, let alone to fully describe and manage them.

Therefore, the existing systems cannot provide absolute certainty regarding attainment of objectives, nor can they fully prevent all inaccuracies of material significance, such as losses, fraud or transgressions of rules and regulations.

Antea Group Risk Management
In day-to-day operations, achieving business objectives and managing risk go hand in hand. When it comes to raising awareness of and preventing business risk, the following factors play a key role: attainability of targets, employee commitment and exemplary behavior by management, transparency and openness in voicing opinions and discussing dilemmas, and adherence to and monitoring of risk management systems. The risk management systems are aligned with the nature and scale of clients and contracts. For contracts involving a lower level of complexity, a simpler, but still tried-and-tested and effective, model is used, such as rules of conduct, authorized signatory instructions, a risk assessment protocol, and uniform terms and conditions for entering into obligations. Antea Group is one of the first engineering firms in the Netherlands to be ISO 27001 certified. This ISO standard stands for a process-based approach to defining, implementing, executing, monitoring, maintaining and improving information security using an Information Security Management System.

For cross-border and large-scale projects, a risk management system is used which is derived from the risk management systems of the major oil companies commissioning the work. Quotations and project progress are discussed in full with the responsible management and financial and legal managers. When putting together multinational bids and contracts, the Decision Making Framework is used to assess the various project-related and other risks, such as financial risks, local legislation and regulations, dealing with cultural differences, etc. Employees receive regular training in the use of this risk management system. Application of the risk management system is audited on a regular basis by Antea Group's financial and legal managers.

International (Legislation and Regulations)
As internationalization advances, Oranjewoud N.V. business units increasingly operate on an international scale. The board of Oranjewoud N.V. has drafted clear, verifiable rules for the management of the business units. Each of the countries where Oranjewoud N.V. has operations presents some special focus points. All country organizations are subject to the rules on matters such as hospitality, bribery, donations to political organizations or charities, and compliance with national legislation and regulations in the area of working conditions and employment terms. All business units have risk management systems, each with local focus points for legislation and regulations, governance and compliance, insurance terms and conditions, and risk management. Strategy, risk management, claims, clients, compliance and governance are fixtures on the agenda of those meetings. This provides a good picture of the financial and project administration and the operational state of affairs in the company.

IT
IT governance is focused on IT security and business continuity: effective and efficient use of IT resources and information security management. Means used to this end include technical solutions such as the creation of a secure IT environment, data backups, arranging and maintaining fallback and recovery plans, and awareness programs for employees who work in the area of personal data processing.

Information security
The Group's technological solutions depend on availability and continuity of information provision. Without information, the Group's processes will come to a standstill and operations will cease to be possible. Unavailability or public disclosure of the information used could have major impact on the Group. Risks with respect to information provision increase as a result of the various developments of the current age. To stay in control, the Group maintains a continuous and structured focus on protecting information and connections.

Financial Instruments
Please refer to note 17 'Financial Instruments' for details on financial risk management measures.

Sensitivity of the Results
Governments and private-sector parties acting on behalf of government bodies are important clients for Oranjewoud N.V.'s business units. The policies of these clients and the associated budgets are a critical factor for the operation of the companies within the Group. Delays in political decisions and adjustments in government investment budgets affect contract volumes. The impact of these cuts cannot be predicted. Through a targeted market approach and diversification, both in the Netherlands and on an international scale, Oranjewoud N.V. seeks to appeal to a more diverse range of clients and reduce dependency on large public-sector clients.

Joint Ventures
Joint ventures with different partners on an operational and financial level are always set up under the internal and external stewardship of specialists. As part of day-to-day operations, financial and project-related activities and results are discussed with the management of the unit participating in the joint venture, as well as with financial and legal experts of Antea Group and Strukton Groep.

Safety
The safety policy at the business units is geared toward control and preventing operational activities from leading to accidents, injury and loss of reputation, as well as toward ensuring activities are not in breach of legislation and regulations. Employees have access to the Quality, Labor and Environment (QLE) systems. The QLE systems are tested regularly by independently accredited certification institutes. Prevention takes top priority at the Group. Its safety policy also stresses human behavior as a risk factor. These risks must be minimized using careful work preparation, analysis of near-accidents and toolbox meetings.

Liability Risk
The Oranjewoud N.V. business units have an insurance policy primarily geared towards prevention of fluctuations in profits due to damage and/or losses in projects under the responsibility of a company in the Group. Oranjewoud N.V. has therefore formulated cover requirements and takes out insurance, such as liability insurance, professional indemnity insurance and more specific forms of insurance. Given the wide variety of projects, both in terms of size and complexity, as well as the requirements imposed by local and other legislation and regulations in the various countries where the companies operate, several supplementary insurance policies that take this diversity into account have been procured.

Agency Contracts
The Group uses agents to a limited degree. In actual fact, there is only one single relevant agency contract, namely the one with the local agent for the Riyadh subway project in Saudi Arabia. This project started in mid-2013. The contract with the local agent was signed in the first quarter of 2013.

In the second quarter of 2017, Oranjewoud N.V.'s Supervisory Board, with the help of external experts, conducted a review of how this contract came about, looking also at the effectiveness of internal procedures with respect to anti-corruption and integrity. The review by Oranjewoud N.V.'s Supervisory Board did not turn up any concrete indications of possible irregularities. The review did, however, find that internal procedures in areas such as compliance and standardization of agency contracts needed further tightening. Given the Group's international ambitions, this process will require continuous focus. Improving compliance and risk management is an ongoing process that is partly subject to the continuously changing social context in which the Group operates.

The Group has meanwhile taken the following rectification measures:
- Internal procedures in the area of anti-corruption and integrity procedures were tightened further, including through additional Strukton All Right provisions in the Code of Conduct. The company also draws on third-party expertise in designing such procedures.
- Compliance officers have been appointed and employees involved in international bidding procedures and contracts receive compliance training.
- Best practices in the areas of compliance and duty of care are shared with peer companies in the industry.
- The current standard agency agreement now includes provisions on the obligation to provide information, on anti-corruption, and on compliance with the Code of Business Ethics. Agents with current agreements are required to confirm compliance with the Code of Business Ethics on an annual basis through a Letter of Representation.
- Agents outside the Netherlands are screened for good conduct using, among other sources, a database in the U.S.
- Internal controls were performed and supporting documentation has been compiled to keep track of the activities of agents (minutes, emails, letters).
- Existing agency agreements will be improved and amended wherever possible.

In response to suspicions of corruption and forgery of documents in bidding for the Riyadh subway project, we launched an internal investigation in February 2019. The list of all information confiscated by the Fiscal Intelligence and Investigation Service has been reviewed for indicators of irregularities. This review did not reveal any indications of non-compliance with applicable legislation and regulations.

Status
The status of risk management efforts at Oranjewoud N.V. was discussed several times in 2018 during individual and joint meetings of the Board of Directors and the Supervisory Board. The conclusion was that internal risk management was effective in the financial year under review.

In Control Statement

The Board of Directors declares acceptance of responsibility for the set-up and functioning of the internal risk management and control system tailored to the Group. During 2018, the Board of Directors systematically analyzed and assessed the relevant significant risks as well as the control environment. Based on this, the Board of Directors declares that the risk management and control systems in the financial reporting provide a reasonable degree of certainty that the financial reporting does not contain any inaccuracies of material significance. We do intend, however, to further tighten risk management and control systems in 2019 by investing in highly educated financial professionals.

The risk management and control systems in place significantly reduced the risk of incorrect decisions, deliberate circumvention of management processes and non-compliance with rules and regulations. However, it is virtually impossible to be aware of all risks at all times, let alone to fully describe and manage them. Therefore the existing systems cannot provide absolute certainty regarding attainment of objectives, nor can they fully prevent all inaccuracies of material significance, such as losses, fraud or transgressions of rules and regulations.

On behalf of the Board of Directors

Mr. G. P. Sanderink

September 12, 2019

Financial Statements 2018

Oranjewoud N.V.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of euros)

	12-31-2018 *		12-31-2017	
Non-current assets				
Intangible assets (1)	**78,160**		79,228	
Property, plant and equipment (2)	**170,252**		168,651	
Investment property (3)	**4,950**		5,053	
Associates (4)	**40,535**		37,923	
Other financial non-current assets (5)	**61,683**		33,111	
Deferred tax assets (6)	**49,710**		46,354	
		405,290		**370,320**
Current assets				
Inventories (7)	**27,613**		25,941	
Receivables (8)	**627,067**		574,167	
Work in progress (9)	**276,176**		252,691	
Income tax receivables	**17,154**		14,813	
Cash and cash equivalents (10)	**275,950**		198,945	
		1,223,960		**1,066,557**
Total assets		**1,629,250**		**1,436,877**
Equity				
Issued capital	**6,287**		6,287	
Share premium	**201,896**		201,896	
Translation reserve	**3,920**		4,933	
Hedging reserve	**(3,446)**		(1,861)	
Actuarial reserve	**(15,379)**		(12,740)	
Retained earnings	**81,191**		74,639	
Undistributed profit	**10,919**		38,111	
Equity attributable to equity holders of the parent company	285,388		311,265	
Non-controlling interests	**41,727**		37,475	
Total equity (11)		**327,115**		**348,740**
Non-current liabilities				
Deferred employee benefits (12)	**58,889**		54,857	
Provisions (13)	**41,809**		15,606	
Deferred tax liabilities (6)	**6,002**		9,105	
Subordinated loans (14)	**1,000**		1,000	
Non-current liabilities (14)	**217,079**		52,675	
Total non-current liabilities		**324,779**		**133,243**
Current liabilities				
Trade payables	**319,977**		323,471	
Amounts owed to credit institutions (10)	**62,325**		35,664	
Work in progress (9)	**242,756**		235,261	
Corporate income tax payable	**10,890**		6,667	
Provisions (13)	**29,125**		3,143	
Other current liabilities (15)	**312,283**		350,688	
Total current liabilities		**977,356**		**954,894**
Total equity and liabilities		**1,629,250**		**1,436,877**

* After adjustments in the principles for financial reporting concerning Financial instruments (IFRS 9) and Revenue from contracts with customers (IFRS 15). See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

CONSOLIDATED STATEMENT OF INCOME

(in thousands of euros)	2018 *	2017
Revenue from contracts with customers (18)	**2,268,841**	2,384,730
Other operating income (19)	**2,635**	1,379
Total operating income	**2,271,476**	**2,386,109**
Project costs of third parties	**(1,123,330)**	(1,240,129)
Staff costs (20)	**(875,497)**	(841,372)
Other operating expenses (22)	**(200,263)**	(207,692)
Depreciation	**(39,844)**	(44,635)
Total operating expenses	**(2,238,934)**	**(2,333,828)**
Operating profit	**32,542**	**52,281**
Finance revenue (23)	**4,925**	5,078
Finance costs (23)	**(13,745)**	(16,998)
Net finance revenue/(costs)	**(8,820)**	(11,920)
Share in profit after taxes of associates (4)	**7,257**	12,377
Profit before taxes	**30,979**	**52,738**
Income tax (24)	**(15,535)**	(12,641)
Net profit for the year	**15,444**	**40,097**
Attributable to:		
Shareholders of the parent company	**10,919**	38,111
Non-controlling interests	**4,525**	1,986

EARNINGS PER SHARE (in euros)

Net earnings per share attributable to equity holders of the parent company (basic and diluted)	0.17	0.61
Average number of shares outstanding	62,872,869	62,872,869

* After adjustments in the principles for financial reporting concerning Financial instruments (IFRS 9) and Revenue from contracts with customers (IFRS 15). See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)

		2018 *		2017	
Profit after taxes			**15,444**		40,097
Other comprehensive income to be reclassified to profit and loss in future periods					
Changes in fair value of derivatives for hedge accounting		**(2,113)**		112	
Income tax	note 6	**528**		(28)	
	note 32		**(1,585)**		84
Unrealized gains and losses associates and joint ventures		**(89)**		426	
Income tax		**-**		-	
	note 32		**(89)**		426
Currency translation differences		**(924)**		3,575	
Income tax		**-**		-	
	note 32		**(924)**		3,575
Other comprehensive income to be reclassified to profit and loss in future periods			**(2,598)**		**4,085**
Other comprehensive income not to be reclassified to profit and loss in future periods					
Change in actuarial reserve	note 12	**(2,975)**		(6,273)	
Income tax	note 6	**336**		1,429	
Other comprehensive income not to be reclassified to profit and loss in future periods	note 32		**(2,639)**		**(4,844)**
Total comprehensive income after taxes			**10,207**		**39,338**
Attributable to:					
Shareholders of Oranjewoud			**5,682**		37,352
Non-controlling interests			**4,525**		1,986
Total comprehensive income after taxes			**10,207**		**39,338**

* After adjustments in the principles for financial reporting concerning Financial instruments (IFRS 9) and Revenue from contracts with customers (IFRS 15). See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in thousands of euros)

Group equity	Attributable to equity holders of the parent company								Non-controlling interests	Total
	Issued share capital	Share premium	Translation differences reserve	Hedge-reserve	Actuarial reserve	Retained earnings	Profit for the financial year	Total capital and reserves		
Balance at January 1, 2017	6,287	201,896	932	(1,945)	(7,896)	63,308	11,331	273,913	35,156	309,069
Retained earnings for 2016	-	-	-	-	-	11,331	(11,331)	-	-	-
Subtotal	6,287	201,896	932	(1,945)	(7,896)	74,639	-	273,913	35,156	309,069
Profit for the financial year	-	-	-	-	-	-	38,111	38,111	1,986	40,097
Unrealized gains and losses	-	-	4,001	84	(4,844)	-	-	(759)	-	(759)
Total comprehensive income after taxes	-	-	4,001	84	(4,844)	-	38,111	37,352	1,986	39,338
Reclassification to liabilities	-	-	-	-	-	-	-	-	333	333
Balance at December 31, 2017	6,287	201,896	4,933	(1,861)	(12,740)	74,639	38,111	311,265	37,475	348,740
Balance at December 31, 2017	6,287	201,896	4,933	(1,861)	(12,740)	74,639	38,111	311,265	37,475	348,740
Adjustment IFRS 15	-	-	-	-	-	(1,140)	(30,419)	(31,559)	-	(31,559)
Balance at January 1, 2018	6,287	201,896	4,933	(1,861)	(12,740)	73,499	7,692	279,706	37,475	317,181
Retained earnings for 2017	-	-	-	-	-	7,692	(7,692)	-	-	-
Subtotal	6,287	201,896	4,933	(1,861)	(12,740)	81,191	-	279,706	37,475	317,181
Profit for the financial year	-	-	-	-	-	-	10,919	10,919	4,525	15,444
Unrealized gains and losses	-	-	(1,013)	(1,585)	(2,639)	-	-	(5,237)	-	(5,237)
Total comprehensive income after taxes	-	-	(1,013)	(1,585)	(2,639)	-	10,919	5,682	4,525	10,207
Other changes	-	-	-	-	-	-	-	-	(273)	(273)
Balance at December 31, 2018	6,287	201,896	3,920	(3,446)	(15,379)	81,191	10,919	285,388	41,727	327,115

CONSOLIDATED STATEMENT OF CASH FLOWS (in thousands of euros)		**2018**		**2017**	
Profit after taxes		15,444		40,097	
Non-cash movements:					
Profit/(loss) of associates	note 4	(7,257)		(12,377)	
Corporate income tax	note 24	15,535		12,641	
Finance revenue and costs	note 23	8,820		11,920	
Depreciation and amortization		39,844		44,635	
Badwill business combination	note 19	(2,417)		-	
Change in provisions		15,784		1,016	
Cash flow from operating activities before changes in working capital		85,753		97,932	
Changes in working capital:					
Trade payables		(6,030)		(7,098)	
Other current liabilities		(7,689)		(17,924)	
Inventories		(814)		5,283	
Work in progress		(50,478)		(99,828)	
Trade receivables		7,917		21,258	
Other receivables and prepayments and accrued income		(18,157)		66,283	
Change in working capital		(75,251)		(32,026)	
Dividend received from associates		4,839		5,825	
Interest received		4,045		4,810	
Income tax paid		(13,126)		(10,696)	
		(79,493)		(32,087)	
Cash flow from operating activities			6,260		65,845
Investments in intangible assets	note 1	(2,744)		(1,892)	
Investments in property, plant and equipment	note 2	(30,273)		(28,488)	
Expansion interest special purpose company	note 25	119,704		-	
Investments in associates	note 4	(1,036)		(2,261)	
Investments in consolidated companies	note 1	(3,488)		(5,242)	
Disposal of property, plant and equipment		1,759		3,131	
Disposal of associates		(485)		(595)	
Change in other financial non-current assets		3,018		5,261	
Cash flow from investing activities			86,455		(30,086)
Drawings loans		21,176		10,589	
Repayments loans		(12,840)		(43,535)	
Other changes		(1,571)		(75)	
Interest paid		(13,480)		(14,427)	
Cash flow from financing activities			(6,715)		(47,448)
Net cash flow			86,000		(11,689)
Balance of cash and cash equivalents at January 1st			163,281		189,845
Exchange differences on cash and cash equivalents			4,344		(14,875)
Balance of cash and cash equivalents at December 31st	note 10		253,625		163,281

ACCOUNTING POLICIES

Information on the Company

Oranjewoud N.V. is a public limited liability company under Dutch law, headquartered at Antwerpseweg 8, Gouda, the Netherlands. Shares in the company are listed on the official Euronext N.V. Exchange in Amsterdam. Oranjewoud N.V. is 98.20% owned by Sanderink Investments B.V. Sanderink Investments B.V. is 100% owned by Gerard Sanderink's Stichting Administratiekantoor Sanderink Investments. Oranjewoud N.V. is active in the areas of consulting and engineering services, sports and leisure facilities, staffing, rail systems, civil infrastructure, technology and buildings, and ppp/concession projects. The organization is a provider of high-quality services across a wide-ranging field covering infrastructure and accommodation solutions, urban development, construction, nature and landscape, environment and safety, and sports & leisure. Oranjewoud N.V. takes care of the whole process, from preliminary studies, consultancy, design, planning and organization, right up to realization, management and operation.

The 2018 financial statements were drafted by the Board of Directors on September 12, 2019, and approved by the company's Supervisory Board, and will be submitted to the General Meeting of October 24, 2019 for adoption.

Basic Principles

The consolidated and separate financial statements are presented in euros, which is the company's functional currency. The consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRS) as ratified by the European Union (IFRS-EU), as well as in compliance with Title 9, Book 2 of the Dutch Civil Code.

Should this English version of the Financial Statements of Oranjewoud N.V. in certain parts be different from the Dutch version, then the Dutch version will be considered leading.

Going-concern assumption

Oranjewoud N.V.'s 2018 financial statements were prepared based on the going-concern assumption. For a detailed explanation of the reasons for this, please refer to the section on Risk Management under Liquidity Risk.

Principles used in preparing the consolidated financial statements

Unless stated otherwise, the consolidated financial statements were prepared based on historical costs. The principles for financial reporting as outlined below have been applied consistently for the periods presented in these consolidated financial statements, excepting only standards and interpretations that have not yet been applied.

Newly applied and revised standards and interpretations (IAS/IFRS)

Since the financial year 2018, the Group has applied IFRS 15 and IFRS 9. The nature and effect of the changes due to application of these new standards on the 2018 annual financial statements is set out below. Various other changes and interpretations were first applied in 2018, but have no impact on the Group's consolidated annual financial statements.

IFRS 9 Financial instruments

IFRS 9 is the new standard for reporting of financial instruments. For the transition to IFRS 9 the limited retrospective method is applied. IFRS 9 is divided into three main components: classification & measurement, impairment and hedge accounting. The main change within classification and measurement is that the business model and the characteristics of the financial instrument have become leading. On this basis, the financial assets are measured at amortised cost or the fair value. Fair value through other comprehensive income (FVOCI) is introduced as a new category for financial assets. The interest held in Voestalpine Railpro bv (10%) is classified as an equity instrument with changes in fair value through the other comprehensive income, reducing the other financial fixed assets and the other comprehensive income by €1.1 million. The classification and valuation of other financial assets for the Group has not been changed on the basis of IFRS 9.

IFRS 9 sets out adjusted conditions subject to which hedge accounting may be applied. Although the hedge models do not change, the hedge accounting rules have become less strict. IFRS 9 offers the option to continue applying the previous rules set regarding hedge accounting. The Group applies hedge accounting for the forward exchange contracts that were concluded for the Riyadh metro project. The Group has continued to apply the previous standard (IAS 39), while ensuring compliance with the more extensive explanation requirements.

Concerning impairments, IFRS 9 introduces one impairment model based on expected credit losses to replace the model based on losses already incurred. The implementation of IFRS 9 has not resulted in a material difference in the measurement of trade receivables, contract assets and other receivables. This is inter alia related to the fact that most of the Group's principals are government organisations and semi-public bodies.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 sets out new rules for recognising and explaining revenue in the annual financial statements. The standard is aimed at reporting useful information to users of the annual financial statements regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Based on IFRS 15, revenue is recognised as soon as control is transferred to the customer. The new standard replaces IAS 18 'Revenue', IAS 11 'Construction Contracts' and related interpretations. The Group has applied the standard since 1 January 2018, using the modified retrospective method. Based on this method, the comparative figures in the 2018 annual financial statements are still based on the previous rules (IAS 11 and IAS 18). The revenue recognition in the financial year 2018 will be based on the new rules (IFRS 15). The cumulative effect of first application is recognised in the 2018 balance sheet as an adjustment of the opening balance of equity. The cumulative effect of initially applying IFRS 15 as from 1 January 2018 is as follows:

Consolidated statement of financial position (in thousands of euros)	**12-31-2017**	**IFRS 15 effect**	**01-01-2018 reviced**	**12-31-2018 before adjust-ment**	**IFRS 15 effect**	**12-31-2018 after adjust-ment**
Non-current assets						
Intangible assets (1)	79,228	-	**79,228**	78,160	-	**78,160**
Property, plant and equipment (2)	168,651	-	**168,651**	170,252	-	**170,252**
Investment property (3)	5,053	-	**5,053**	4,950	-	**4,950**
Associates (4)	37,923	-	**37,923**	40,535	-	**40,535**
Other financial non-current assets (5)	33,111	-	**33,111**	61,683	-	**61,683**
Deferred tax assets (6)	46,354	6,172	**52,526**	43,097	6,613	**49,710**
Total non-current assets	**370,320**	**6,172**	**376,492**	**398,677**	**6,613**	**405,290**
Current assets						
Inventories (7)	25,941	-	**25,941**	27,613	-	**27,613**
Receivables (8)	574,167	-	**574,167**	627,067	-	**627,067**
Work in progress (9)	252,691	(162)	**252,529**	269,581	6,595	**276,176**
Income tax receivables	14,813	2,737	**17,550**	13,297	3,857	**17,154**
Cash and cash equivalents (10)	198,945	-	**198,945**	275,950	-	**275,950**
Total current assets	**1,066,557**	**2,575**	**1,069,132**	**1,213,508**	**10,452**	**1,223,960**
Total assets	**1,436,877**	**8,747**	**1,445,624**	**1,612,185**	**17,065**	**1,629,250**
Equity						
Issued capital	6,287	-	**6,287**	6,287	-	**6,287**
Share premium	201,896	-	**201,896**	201,896	-	**201,896**
Other reserves	64,971	-	**64,971**	96,705	(30,419)	**66,286**
Undistributed profit	38,111	(30,419)	**7,692**	16,599	(5,680)	**10,919**
Equity	**311,265**	**(30,419)**	**280,846**	**321,487**	**(36,099)**	**285,388**
Non-controlling interests	37,475	-	**37,475**	41,727	-	**41,727**
Total equity (11)	**348,740**	**(30,419)**	**318,321**	**363,214**	**(36,099)**	**327,115**
Non-current liabilities						
Deferred employee benefits (12)	54,857	-	**54,857**	58,889	-	**58,889**
Provisions (13)	15,606	11,126	**26,732**	18,552	23,257	**41,809**
Deferred tax liabilities (6)	9,105	-	**9,105**	6,002	-	**6,002**
Subordinated loans (14)	1,000	-	**1,000**	1,000	-	**1,000**
Non-current liabilities (14)	52,675	-	**52,675**	217,079	-	**217,079**
Total non-current liabilities	**133,243**	**11,126**	**144,369**	**301,522**	**23,257**	**324,779**
Current liabilities						
Trade payables	323,471	-	**323,471**	319,977	-	**319,977**
Amounts owed to credit institutions (10)	35,664	-	**35,664**	62,325	-	**62,325**
Work in progress (9)	235,261	17,347	**252,608**	234,672	8,084	**242,756**
Corporate income tax payable	6,667	-	**6,667**	10,890	-	**10,890**
Provisions (13)	3,143	10,693	**13,836**	7,302	21,823	**29,125**
Other current liabilities (15)	350,688	-	**350,688**	312,283	-	**312,283**
Total current liabilities	**954,894**	**28,040**	**982,934**	**947,449**	**29,907**	**977,356**
Total equity and liabilities	**1,436,877**	**8,747**	**1,445,624**	**1,612,185**	**17,065**	**1,629,250**

Consolidated statement of income (in thousands of euros)	**2018 before adjustment**	**IFRS 15 effect**	**2018 after adjustment**
Revenue from contracts with customers (18)	**2,276,082**	**(7,241)**	**2,268,841**
Other operating income (19)	**2,635**	**-**	**2,635**
Total operating income	**2,278,717**	**(7,241)**	**2,271,476**
Project costs of third parties	**(1,123,330)**	**-**	**(1,123,330)**
Staff costs (20)	**(875,497)**	**-**	**(875,497)**
Other operating expenses (22)	**(200,263)**	**-**	**(200,263)**
Depreciation	**(39,844)**	**-**	**(39,844)**
Total operating expenses	**(2,238,934)**	**-**	**(2,238,934)**
Operating profit	**39,783**	**(7,241)**	**32,542**
Finance revenue (23)	**4,925**	**-**	**4,925**
Finance costs (23)	**(13,745)**	**-**	**(13,745)**
Net finance revenue/(costs)	**(8,820)**	**-**	**(8,820)**
Share in profit after taxes of associates (4)	**7,257**	**-**	**7,257**
Profit before taxes	**38,220**	**(7,241)**	**30,979**
Income tax (24)	**(17,096)**	**1,561**	**(15,535)**
Net profit for the year	**21,124**	**(5,680)**	**15,444**
Attributable to:			
Shareholders of the parent company	**16,599**	**(5,680)**	**10,919**
Non-controlling interests	**4,525**	**-**	**4,525**

The main considerations and adjustments ensuing from application of IFRS 15 are set out below:

Valuation of Work in progress

Based on IFRS 15, the threshold for the recognition of variable considerations increased from ‘probable’ to ‘highly probable that a significant reversal of cumulative revenue will not occur’. The impact on the equity as at January 1, 2018 and the impact on the 2018 statement of income is mainly related to the recognition of variable considerations of projects within the civil infrastructure segment.

Onerous contracts

Based on the previous standard, the Group qualified the net position of work in progress as an asset or liability. A work in progress was presented as an asset if the cost incurred plus the results recognised represented a value higher than the instalments invoiced. A work in progress was presented as a liability if the instalments invoiced represented a value higher than the cost incurred plus the results recognised. Provisions for work in progress were recognised in the same fashion in the balance sheet item 'work in progress'. Due to the implementation of IFRS 15, the provisions for projects in progress should be reclassified from the balance sheet item ‘work in progress’ to the balance sheet item ‘provisions’, in accordance with the requirements set out in IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’. This provision represents the amount of the onerous contract result to be realised based on progress of the project.

Discussions regarding the interpretation of the loss within IFRIC (International Financial Reporting Interpretation Committee) were still ongoing in the financial year 2018. This discussion concerned the application of the incremental cost approach versus the directly related cost approach. The outcome of the discussion will affect the impact of the application of IFRS 15 for onerous contracts. In December 2018, the IASB issued an exposure draft, setting out that it decided on the concept that the costs to fulfil a performance obligation are defined as the costs directly related to a contract. The Group will follow this exposure draft guideline, applying the more prudent directly related cost approach in measuring the loss on a contract.

Based on IAS 37, the loss on the entire contract should be recognised. This could imply that the profit on a performance obligation in an onerous contract, prior to realising the performance obligation, is already fully deducted from the loss of the other performance obligation(s). The provision for onerous contracts represents the value of the loss to be produced.

Revenue recognition method
Based on the new standard, revenue recognition is still based on the progress of the project. This is mainly the result of the fact that the Group is active in developing, building, maintaining and operating projects which are in the principal's control. Therefore, the revenue recognition method has not changed compared with the previous standard.

Inefficiencies
IFRS 15 does not allow revenue recognition for costs incurred that can be attributed to significant inefficiencies and that are not factored into the contract sum, as such costs do not contribute to progress regarding fulfilment of the performance obligation. No impact on the result was identified during the conversion to IFRS 15.

Standards and interpretations that have not yet been applied
On Tuesday, January 1, 2019, IFRS 16 came into effect, replacing the current standard, IAS 17, and all associated interpretations. The new standard requires systematic recognition of rights and commitments under lease agreements. As a result, nearly all lease and rental agreements have to be recognized on the lessee's balance sheet, in a way that is similar to how IAS 17 required finance leases to be recognized, except for recognition of leases for 'low-value' assets and short-term rental agreements. These exceptions will be applied. Lessees recognize a rental liability with an associated asset on the consolidated balance sheet, and they recognize interest cost and depreciation separately in the consolidated statement of income. Consequently, certain important factors (such as lease term, the possible use of options, indexations, discount rate) need to be (re)assessed by the lessee. Recognition on the side of the lessors is essentially the same as lessor accounting under IAS 17. Compared to IAS 17, IFRS 16 also requires lessees and lessors to include more detailed explanatory notes in the financial statements.

IFRS 16 will have an impact on various significant ratios. Under IFRS 16, the main focus of the cost profile is on the start of the accounting period. This is because the Group capitalizes the right of use, which is depreciated using the straight-line method. On the other hand, a liability for future rent payments is recognized, whereby higher interest charges are recognized over the first few years. IFRS 16 will not affect the Group's profitability over the full lease period, although EBITDA will rise as a result of the changes to the classification. Under IAS 17, the Group recognized lease costs in EBITDA. This changes under IFRS 16, except for costs relating to 'low-value' assets and short-term rental agreements for which practical exceptions will be used, given that lease-related costs will be classified as depreciation and interest charges. The cash flow statement is also affected, as payments towards the lease liability are mostly recognized as part of the financing activities.

The Group is currently in the process of analyzing the impact of implementation of IFRS 16. Based on current insights, the Group will use the modified retrospective approach, using practical exceptions and with comparative information not being restated. For leases that were previously classified as operating leases, the Group will value the lease liability based on the present value of the remaining lease payments. As of the effective date, the right of use will have the same value as the lease liability.

It is not possible at this stage to quantify the impact of the implementation of IFRS 16. As explained in note 16, the Group has a number of property leases and operating leases that, under the new standard, will have to be recognized on the balance sheet.

Consolidation Principles

Subsidiaries (full consolidation)
Subsidiaries are all entities that are directly or indirectly controlled by the Group. Control exists when the Group:
- has the power to direct relevant operations of a participation to obtain benefits from its operations;
- is exposed or has entitlement to variable returns from its involvement with the participation; and
- is able to use its power to influence returns.

Subsidiaries are fully consolidated from the date on which the Group acquires control. Subsidiaries are deconsolidated as soon as the Group no longer has control.

The Group recognizes the acquisition of subsidiaries as per the acquisition method. The amount paid for an acquisition is set at the fair value of the assets stated, the equity instruments as at the acquisition date, and liabilities acquired or assumed. The amount paid also includes the fair value of assets, fees, and liabilities under contractually agreed conditional provisions. Transaction costs in relation to an acquisition are recognized at the expense of the profits on the date they are incurred.

At initial recognition in the financial statements, the acquired identifiable assets and the acquired liabilities/contingent liabilities are measured at fair value as at the acquisition date. For each acquisition, the Group measures a possible minority stake either at fair value or at the share of the minority stake in the identified net assets of the acquired entity.

If the amount paid, the minority stake, and the fair value as at the acquisition date of a stake in the acquired entity that already existed on the acquisition date exceeds the fair value of the Group's share in the identifiable net assets, the difference will be recognized as goodwill. If the amount paid is lower than the fair value of the identifiable net assets, the difference is recognized directly in the statement of income.

Joint Arrangements
Based on IFRS 11, joint arrangements are classified as joint ventures or joint operations. Classification depends on each shareholder's or partner's rights and obligations and is unrelated to the legal format. The Group is involved in both joint ventures and joint operations.

<u>Joint Operations</u>
Joint operations are participating interests in entities of which the Group has joint control with third parties under a contract. The Group recognizes its stake in the revenue and costs, assets, and liabilities of the joint operation and combines this item by item with corresponding items in the Group's financial statements.

<u>Joint Ventures</u>
Joint ventures are entities of which the Group has joint control with third parties, whereby such control is laid down in an agreement. The Group is entitled to a share of these entities' net profits, as well as to a share of the net asset. The consolidated financial statements recognize joint ventures as a participation as per the equity method. Participations are measured including the goodwill established upon acquisition, less possible cumulative impairments. The parties involved have contractually agreed to share control and that decisions on relevant operations require unanimity of the parties that have joint control of the joint venture.

Associates
Associates are entities where the Group has significant influence on financial and operating policy without having decision-making authority, as these are not joint ventures. The consolidated financial statements recognize the Group's share in total loss/income from unconsolidated investments as per the equity method, after correction of the principles in accordance with the Group's principles, from the date on which the Group gained significant influence until the date on which it ceased to have significant influence. Participations are measured including the goodwill established upon acquisition, less possible cumulative impairments.

Elimination of transactions upon consolidation
Intra-group balances and possible unrealized gains and losses on transactions within the Group or income and expenses relating to such transactions are eliminated upon preparation of the consolidated financial statements. Unrealized gains and losses on transactions with participations and entities of which the group has joint control are eliminated in proportion to the Group's stake in the entity.

Consolidated interests
The consolidated participations and the percentage of the interest are detailed in note 40.

Basis of valuation

Foreign currency transactions and investments in foreign operations
Transactions in foreign currencies are initially recorded at the functional currency rate at the time of the transaction. Cash and cash equivalents, receivables, debts and obligations in foreign currencies are translated at the rate applicable at the reporting date. Translation differences are recognized in the statement of income, with the exception of differences on foreign currency loans providing a hedge against an investment in a foreign operation. These differences are taken to the translation differences reserve until the date of sale of the foreign operations, following which they are recognized in the statement of income.

Assets and liabilities of foreign operations are translated into euros at the exchange rates ruling at the reporting date. Currency differences ensuing from this conversion are included in conversion difference reserves of the shareholders' equity via OCI. In case of full or partial divestiture of foreign subsidiaries, joint operations, joint ventures and participations in which the Group has ceased to have decision-making authority, conversion differences are transferred to the statement of income. Income and expenditure from foreign operations are converted to euros at the rate that approximates the exchange rate on the transaction date.

Derivative financial instruments

The Group uses interest rate swaps, inflation swaps and an "overdraft facility" to hedge interest rate and inflation risks arising from corporate and project financing. For the interest rate swaps and inflation swaps, which were concluded with Strukton in the acquisition of Strukton, hedge accounting is not applied. These interest rate swaps, inflation swaps and "overdraft facility" are measured at fair value. The change in fair value of these swaps is directly recognized in the statement of income. No hedge accounting is applied since the hedge in fact starts at the acquisition date and then ineffectiveness would arise for sure.

For interest rate swaps, inflation swaps and "overdraft facility" which were conducted after the acquisition of Strukton Groep, hedge accounting is applied. The change in fair value of the interest rate swaps, inflation swaps and "overdraft facility", which serve to hedge interest rate risks and currency risks arising from future interest payments and future cash flows in US dollars, are reported directly in equity, if the hedge can be characterized as effective. The amounts deferred in equity are transferred to the income statement when the hedged future interest coupons and hedged future indexation payments are accounted for in the income statement. For the part where the hedge effectiveness can not be proved, the value changes are immediately justified in the consolidated statement of income. When the interest rate swap is sold or terminated, or if the hedge relationship is no longer effective, the cumulative gain or loss at that point remains included in equity, unless no longer is expected that the original hedged cash flows will occur. At that time, the deferred results in equity are immediately justified in the in the consolidated statement of income.

Intangible assets

Patents and Intellectual Property

Patents and Intellectual Property are carried at cost less accumulated amortization and any accumulated impairments. Patents are amortized on a straight-line basis over their useful lives of five years. The lifespan of Intellectual Property is seven years.

Software

Software is measured at historical cost, including capitalised finance costs, less annual straight-line amortization based on the expected lifespan and accumulated impairment. The lifespan of software is between two and five years.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. When the Group acquires an enterprise, it evaluates the acquired financial assets and liabilities so they can be classified properly and, in accordance with the contractual conditions, so economic circumstances and other applicable circumstances can be identified. This also includes the separation of embedded derivatives by the acquired party. If the business combination is carried out in various phases, then the fair value as of the acquisition date of the interest in the acquired party held previously by the Group is recalculated, incorporating changes in value into the statement of income.

Any contingent fee to be transferred by the Group shall be recognized at fair value as of the acquisition date. Future changes in the fair value of the contingent fee regarded as an liability shall be accounted for in the statement of income. If the contingent fee is classified as equity, then it shall only be reevaluated on final settlement in the equity.

Goodwill is first valued at its cost price, which is the amount by which the transferred fee exceeds the balance of the assets acquired and the liabilities taken on. If this fee is less than the fair value of the net assets of the acquired subsidiary, then the difference shall be accounted for in the statement of income.

After initial recognition, the goodwill is valued at cost price minus any accumulated impairment losses. To check for impairment, the goodwill resulting from a business combination starting from the acquisition date is allocated to the cash flow-generating units expected to profit from the business combination, regardless of whether assets or liabilities from the acquired entity have been allocated to these units.

If goodwill is part of a cash flow-generating unit and some of the business activity within the unit is disposed, then the goodwill pertaining to the disposed activity will be included in that activity's carrying amount to determine the earnings resulting from the disposal. Goodwill that is disposed under the conditions described above is determined on the basis of the relative proportions of the values of the disposed activity and the part of the cash flow-generating unit to be retained.

Other intangible assets
If intangible assets can be separately identified on the acquisition of an entity, these are capitalised and amortized within the amortization period applicable. An amortization period varying between 4 to 12 years applies to client bases, depending on their nature and expected churn rate. An amortization period of 0.5 to 6 years is applied to the value of a backlog. Amortization periods are reviewed annually.

Property, plant and equipment
Land and buildings
Buildings are carried at cost less linear depreciation, based on their expected life-cycle, taking into account a residual value, and accumulated impairment. The lifespan of buildings is twenty-five years. If major repairs are carried out, the amount is activated and depreciated. Land is not depreciated (excluding land hardening (ten years)).

Plant, tools, fixtures, fitting and other
Plant, tools, fixtures, fittings and other (including inventories) are carried at cost less straight-line depreciation, based on their expected useful lives and residual value, and accumulated impairment. Cost includes the cost of replacing spare parts in the plant and tools, provided that those costs meet the requirements for recognition in the statement of financial position. The lifespan of plant, tools, fixtures and fittings are between two and six years, and of other between three and ten years.

Assets under construction
Assets under construction are valued at incurred costs and consist mainly of term payments for the acquisition of equipment that is not already in use.

Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognized in the statement of income in the year in which the item is derecognized. Residual values, useful lives and measurement methods are reviewed and adjusted, if appropriate, at the end of each financial year.

Where tangible fixed assets consist of significant parts, they are listed as separate items (major components) under tangible fixed assets.

Leased assets with the Group acting as a lessee
Leases under which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is carried at the lower of fair value and the present value of the minimum lease installments. They are subsequently accounted for in accordance with the applicable accounting policy.

Other leases relate to operating lease agreements, for which the leased assets are not included in the statement of financial position of the Group. The leased assets are attributed linearly to the lease term.

Property investments
Property investment is an asset that is held to earn rentals or for capital appreciation, or both. Property investments are valued at cost price reduced with accumulated depreciation and impairment losses. When a property is issued for personal use, it is transferred to tangible assets. The fair value of investment properties is listed in the consolidated financial statement notes. Fair value is being defined as the price that would be received to sell an asset or that would be paid to transfer a liability in a orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell an asset or transfer a liability takes place at: the principal market for the asset or liability, or in the absence of a major market, at the most favorable market for the asset or liability. The principal or most favorable market should be accessible to the Group.

Depreciation is charged to the income statement on a straight-line method based on the estimated life cycle of each component. Depreciation rates are similar to those of the categories of tangible fixed assets. Depreciation methods, life cycle and residual values are reassessed at the reporting date.

Non-current assets held for sale
Non-current assets (or groups of assets and liabilities that are disposed) of which the carrying amount is expected to mainly be realized through a sale transaction and not through the continued use of the asset are classified as ‘held for sale’.

Immediately prior to this classification, the assets (or the components of a group of assets that are to be disposed) are revalued in line with the Group's financial reporting principles. The assets (or a group of assets that are to be disposed) are subsequently valued based on the carrying amount, or, if lower, the fair value (less cost of sales).

Impairment losses on a group of assets to be disposed will initially be recognized as goodwill and subsequently be prorated to the remaining assets and liabilities. Impairment losses ensuing from the initial classification are included in the statement of income.

Other financial assets

Other long term receivables

The other non-current receivables concern assets that are held within a business model designed to hold financial assets to receive contractual cash flows. Such cash flows exclusively concern repayments and interest payments on the principal outstanding. Such non-current receivables are initially recognised at the fair value of the relevant performance, and subsequently at amortised cost based on the effective interest rate method.

Ppp claims

Receivables from public/private partnerships (ppp-receivables) are pending concession payments from public bodies (governments) in relation to ppp concession projects. The ppp claims are recognized as financial fixed assets. This concerns assets that are held within a business model designed to hold financial assets to receive contractual cash flows. Such cash flows exclusively concern repayments and interest payments on the principal outstanding. These long term receivables are initial rated at fair value and subsequently at amortized cost using the effective interest method. This method uses a rate which is (almost) equal to the interest (after hedging) of the ppp related non-recourse loan (ppp loan where the borrower is not jointly and severally liable against the lender).

Investments in equity instruments

Upon initial recognition, the Group may choose to irrevocably designate its investments in shares as equity instruments measured at fair value through OCI (other comprehensive income) if they fulfil the definition of equity according to IAS 32 'Financial instruments: presentation' and are not held for trading purposes. The classification is determined on an instrument basis.

Gains and losses on such financial assets are never recycled into profit or loss. Dividends are recognised as other income in the statement of income if the right to receive payment is established. The Group chose to irrevocably designate the equity investments to this category.

Deferred taxes

Deferred tax assets and liabilities are recognized for temporary differences between the tax bases of assets and liabilities and the accounting policies used in these financial statements as well as for carry-over losses for the portion for which sufficient taxable profit is likely to be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that sufficient future taxable profits are not likely.

Deferred taxes are calculated at the rate that is likely to apply at the time of settlement pursuant to legislation. Deferred taxes are recognized in the statement of income, except if related to items recognized as unrealized results, in which case the deferred taxes are likewise recognized as unrealized results.

If after settlement a deferred tax asset arises, it is recognized under non-current assets. Deferred tax assets and liabilities are offset if a legally enforceable right to do so exists, if they relate to income tax assessed by the same tax authority and if the company has the legally enforcable right to settle on a net basis.

Impairment

Financial assets

The Group created a provision for expected credit losses on any differences between the cash flows due according to the contract, and the cash flows that the Group expects to receive, discounted at the approximate original effective interest rate. The amount of expected credit losses (or their reversal) is recognised as an impairment result in the statement of income.

Non-financial assets

The carrying amounts of non-financial assets of the Group, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, an estimate of the recoverable amount of the asset is made.

Of goodwill and intangible assets with indefinite lifecycles or not yet in use, an estimate of the recoverable amount is made at each reporting date. An impairment loss is recognized when the carrying amount of an asset or its cash flow generating unit to which it belongs, exceeds its recoverable amount. Impairment losses are included in the statement of income. For an asset or a cash flow generating unit, the recoverable amount equals the highest company value or the fair value minus the costs to sell. In determining the company value, the present value of the estimated future cash flows is calculated using a discount rate that reflects current market assessments of the time value of money and the specific risks relating to the asset.

With respect to goodwill (excluding goodwill included in the bookvalue of investments) impairment losses are not reversed. For other assets, impairment losses included in prior periods are reviewed at each reporting date to determine indications that the loss has decreased or no longer exists. An impairment loss is reversed if the estimates used to determine the recoverable amount, have changed. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount, after depreciation or amortization, which would have been determined if no impairment loss was recorded.

Inventories
Inventories are stated at cost price or net realizable value if lower. Net realizable value is the estimated selling price in the ordinary course of business, reduced with the estimated costs of completion and selling expenses. The costs of inventories are based on the average purchase costs or cost price, and include expenditure incurred in acquiring the inventories and related purchase costs. The cost price of inventories of finished goods includes an appropriate share of the overhead based on normal operating capacity.

Receivables
Projects in progress
Works in progress are gross amounts that still have to be charged for contract work performed up to the reporting date that are pending collection from clients. This item is valued at realized revenue less installments billed.

Projects are presented in the statement of financial position as receivables from or payables to the customer based on the contract. A receivable is created if the amount of the realized revenue exceeds the amount of the invoiced instalments. A payable is created if the amount of the realized revenue falls below the amount of the invoiced instalments.

Trade receivables, receivables from affiliated companies and *other receivables*
Trade receivables, receivables from affiliated companies and other receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

Impairments work in progress and trade and other receivables
For work in progress and trade and other receivables the Group fits the simplified approach to calculate expected credit losses. The Group applies a provisions matrix for calculating expected credit losses on work in progress and trade and other receivables. Based on this matrix, expected credit losses for groups of different customer segments are calculated and work in progress and trade and other receivables are impaired in case of expected credit losses.

Cash and cash equivalents
Cash and cash equivalents are bank balances, deposits and cash balances. Bank balances that are available on demand and that form an integral part of the company's cash management system is included in the statements of cash flows under cash and cash equivalents.

Equity attributable to equity holders of the parent company
Reserves
The reserves consist of a share premium, a translation differences reserve, a hedge reserve and an actuarial reserve. The share premium reserve is a reserve created through additional capital injections by the shareholder. The conversion difference reserve contains all currency exchange rate differences arising due to conversion of the Group's net investment in foreign subsidiaries. The hedge reserve consists of the cumulative change in fair value of hedge instruments when the hedged transactions have not yet been carried out or the hedge position has not yet ended. An actuarial reserve is created for the cumulative change in fair value of pension liabilities as a result of changes in actuarial assumptions.

Retained earnings
Retained earnings include the cumulative results of previous financial years less the dividend payment.

Non-controlling interests
Non-controlling interests concerns the equity that is entered by third parties and relates to non-controlling interests in consolidated subsidiaries.

Group equity
The group equity consists of the equity attributable to equity holders of the parent company and non-controlling interests.

Pensions
Oranjewoud N.V. operates various pension plans in accordance with local regulations and terms.

Defined contribution plans
For defined contribution plans the Group pays on mandatory, contractual or voluntary basis contributions to pension funds or insurance companies. Apart from the payment of contributions, the Group has no further obligations. Obligations for contributions to pension based on defined contributions are charged to the statement of income when the contributions are due.

Defined benefit plans
Defined benefit plans lead to a fixed remuneration after leaving employment, the amount of which among other things depends on salary, service time and accrual percentage. Under IAS 19 the Group is required to take a provision for this fixed remuneration after employment.

The Group's net obligation in respect of defined benefit pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service during the reporting period and prior periods. The present value of these entitlements is determined and deducted with the fair value of Investment Funds.The discount rate is the return at balance date from high quality corporate bonds of which the duration approaches the pensionobligation deadlines of the Group. The calculation is performed by a qualified actuary using the 'projected unit credit' method. This method takes into account future salary increases as a result of career opportunities for employees and general wage developments including inflation.

If the benefits under a plan are improved, the part of the improved benefit plan relating to the past service of employees is then charged to the income statement immediately. During the financial year defined benefits are directly recognized in the statement of income.

The Group recognizes all actuarial gains and losses related to defined benefit plans and the notional return of investments immediately in the consolidated statement of comprehensive income. The notional return on investments is based on the same discount rate. If the investment funds exceed obligations, withdrawal of benefits will be restricted up to an amount equal to the balance of any unrecognized pension of past service and the present value of any future refunds from the fund or reductions in future contributions.

Provisions
Provisions are recognized in the statement of financial position if the Group has a present legal or constructive obligation as a result of a past event and when it is probable that resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made by discounting expected future cash flows. The discount rate used is a pre-tax discount rate that reflects both the current market estimations of the time value of money and specific risks relating to the liability.

Onerous contracts provisions
The Group applies the cautious directly related cost approach in measuring the loss on a contract. The loss is recognised on the entire contract. This could imply that the profit on a performance obligation in an onerous contract, prior to realising the performance obligation, is already fully deducted from the loss of the other performance obligation(s). The provision for onerous contracts represents the value of the loss to be produced.

Restructuring provision
A provision for restructuring is entered if a detailed formal plan for such has been approved and the stakeholders have a warranted expectation that the restructuring will be carried out, due to initiation of plan execution or due to communication of its key elements to the stakeholders.

Project provision (warranty obligations)
A warranty provision is entered if the underlying projects or services have been sold and delivered. This provision is included for costs that it is strictly necessary to incur in order to remove defects appearing after delivery but during the warranty period. The provision is based on the best estimate of the outgoing cash flow.

Jubilee provision (Other long term employee benefits)
The Group's net obligation for long-term employee benefits, except pension, is the amount of future benefits, such as jubilee payments, that employees have earned in exchange for their services during the reporting period and previous periods. The obligations are calculated with the 'projected unit credit' method and are discounted to present value. The discount rate is the result at balance sheet date on high quality government bonds of which the duration approaches the term of these longterm obligations of the Group. Any actuarial gains or losses are recognized in the income statement in the period in which they occur.

Other
The other provisions include provisions for specific guarantees issued in selling participations, risks of legal proceedings against the group and/or its operating companies, severance schemes and other relatively minor risks.

Subordinated loans
When a loan is subordinated to other recognized debts, it is classified as a subordinated loan. At initial recognition in the financial statements, subordinated loans are valued at fair value (less transaction costs) and subsequently at amortized cost based on the effective interest method.

Non-current liabilities
In the consolidated annual account non-current liabilities are initially recognized at fair value (less transaction costs) and subsequently at amortized cost using the effective interest method. Transaction costs are amortized over the term of the financing. The portion of the non-current liabilities due within one year is recognized as repayment of non-current liabilities under current liabilities. A liability is written off when the obligations ends, expires or matures.

Unconditional obligations which are based on an option agreement are valued at fair value. This fair value is calculated based on the discounting of the real rate of nominal liability.

Current liabilities
Trade payables, other current liabilities and amounts owed to credit institutions are initially recognized at fair value and subsequently at amortized cost using the effective interest method. Income tax payable is recognized at nominal value.

Basis of accounting policies

Operating income
Projects for third parties, service and maintenance contracts
When determining the revenue recognition, the number of performance obligations in a contract is identified. Subsequently, the transaction price is determined. If the consideration promised in a contract includes a variable component, such as a performance bonus or penalty for delays, the amount of consideration to be received is estimated. In such an event, the variable component is measured using the expected value or the most likely amount, depending on the method that can be expected to best predict the amount of consideration that the entity will be entitled to. This method is subsequently applied consistently throughout the contract. An increase of the amount of consideration due to including or excluding the variable component may not take place until it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration has been resolved.

After determining the amount of consideration, this consideration is allocated to the separate performance obligations. This allocation is based on determining the 'stand-alone selling price' for each performance obligation. The stand-alone selling price is measured based on the ‘cost plus a margin’ method, determining the cost based on the preliminary calculation as prepared during the tender phase. Subsequently, a customary margin is allocated.

Finally, revenue is recognised when transferring control of the goods or services to the customer against an amount reflecting the consideration that the Group expects to be entitled to in exchange for the relevant goods or services.

The Group is active in consultancy & engineering services, developing, building, maintaining and operating infrastructure projects, buildings and technical installations and rail systems, that are in the principal’s control. If the principal has control during the project, the revenue recognition will be based on progress of the project. Progress of the project is determined based on the input method, with project progress being measured based on the cost incurred by the entity in fulfilling a performance obligation. It is not permitted to recognise revenue for costs incurred that can be attributed to significant inefficiencies and that are not factored into the contract sum, as such costs do not contribute to progress regarding fulfilment of the performance obligation.

In the event of changes in the scope of a contract or a (potential) change in the contract consideration, revenue relating to this modification will not be recognised until a written or oral agreement has been is reached.

If the date of transferring the performance obligation is not the same as the date of receiving the consideration, the time value of money is taken into account when recognising revenue. For this purpose, the Group makes use of the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects that the period between the date on which the entity transfers a performance consideration and the date on which the customer pays for this performance obligation is no more than one year.

Tender fees are recognised as part of the amount of consideration over the term of the contract in proportion with performances completed.

Revenue from goods in stock
Revenue of goods on stock concern mainly stock revenue of prefabricated concrete applications. Revenue from sales from stock are recognised in the statement of income when handing over control over the goods or services to the customer against an amount reflecting the consideration that the Group expects to be entitled to in exchange for the relevant goods or services.

Concessions
During the operational phase of concession management, revenue consists of:
- The fair value of the delivery of contractual services;
- Interest income related to the investment in the project.

Revenues are recognized when the related services are delivered. Interest is accounted for as financial income in the period to which it relates.

Other operating income
Other operating income include amongst others trading companies, real estate, and tangible assets transaction results. Transaction results are recognised when handing over control of the associates, property or property, plant and equipment items to the customer against an amount reflecting the consideration that the Group expects to be entitled to in exchange for the relevant items.

Operating expenses
Costs to obtain a contract
Costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained, or incremental costs of obtaining a contract, are capitalised. If the criteria of incremental costs are not met, costs to obtain a contract are recognised as an expense. Therefore, the costs of obtaining a contract are in principle charged to the result directly, unless such costs are explicitly chargeable to the customer, regardless of whether the contract is obtained.

Costs to fulfil the performance obligation
The costs to fulfil a performance obligation are capitalised if such costs are directly related to an existing contract or specific anticipated contract, provided that these costs are expected to be recovered.

Operating expenses
Operating expenses are allocated to the year to which they relate.

Lease payments under operating leases
Lease payments under operating leases are recognized in the statement of income over the lease term using the straight-line method.

Public/private partnerships (concessions)
The costs incurred for proposals for ppp projects are in principle charged to the result, unless such costs are explicitly charged to the customer, regardless of whether the contract is obtained. If such costs are chargeable to the customer, regardless of whether the contract is obtained, these costs are capitalised as soon as it is probable that the contract will be obtained.

Finance revenue and costs
Financial income includes interest income on invested funds, foreign exchange gains, gains on hedging instruments included in the income statement. Financial expenses includes interest payable on borrowings, unwinding of provisions, foreign currency losses, impairment losses on financial assets and losses on hedging instruments included in the income statement.

Government grants
Government grants are recorded if a reasonable assurance can be given that the entity can accomplish the conditions attached to the grant, and if therefore the grant will be received. When the government grant is an investment grant, this shall be deducted from the carrying amount of the asset. Operation grants are deducted from related expenses.

Profit Tax
Profit Tax includes the payable and deductible profit taxes and deferred income taxes for the reporting period. Income Tax is recognized in the income statement, except where it relates to items recognized directly in equity, in which case the tax is incorporated in equity.

The payable and deductable tax over a financial year is the expected tax payable on the taxable profit for the year, calculated using tax rates which are established at reporting date, or decided upon at reporting date, and any corrections from previous tax years.

Deferred tax assets and liabilities are recognized for temporary differences between the amounts of assets and liabilities according to the basis of valuation and accounting policies in this annual account and according to the tax base.

Deferred tax liabilities are not recognized in the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business concern and neither has influence on commercial or taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities in that in the foreseeable future will probably not be settled. Deferred tax liabilities are measured using the tax rates that are expected to apply in the reversal of temporary differences based on the laws that are established at reporting date. Deferred tax assets are only recognized to the extent it is probable that in the future taxable profits will be available for the realization of the temporary difference and can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the related tax benefit will be realized.

Additional income tax in respect of dividend payments is included at the same time as the obligation to pay the related dividend.

Discontinued operations
Discontinued operations are operations of the Group that represent a separate significant business operation or a separate significant geographic business region, which have been sold or are being held for sale. Discontinued operations can also be a subsidiary that was acquired purely to be sold on.

Such operations are classified as discontinued from the moment they are disposed or as soon as the business operation meets the criteria for classification as held for sale. When an operation has been classified as discontinued, the comparative figures in the statement of income will be revised as if the operation had been terminated from the start of the period of comparison.

Segmented information
For management purposes, the Group is divided into segments, based on products and services. The statement of income and a number of statement of financial position items are accounted for by segment. This classification is supported by the management reporting structure, under which the aforesaid units are reported wholly separately to the Group management. The Management monitors the operating results of the segments seperately to support decisionmaking concerning allocation of resources and review of results. Segment results are assessed on the basis of the operating result which in turn is based on the operating profit or loss disclosed in the consolidated financial statements. However, Group financing and income taxes are managed at Group level. Prices for transactions between segments are determined at arm's length.

Principles for the statement of cash flows

Statement of cash flow
The statement of cash flows is prepared using the indirect method. Cash flows in foreign currencies are converted at the exchange rates ruling at the transaction date, with cash flows of associates being translated at the average exchange rate during the financial year. The in acquisitons included stocks, receivables, liabilities, provisions and amount owed to credit institutions are included in the cash flow from investing activities. Acquisition prices paid for associates acquired (after deduction of cash and cash equivalents purchased as part of the transaction) as well as selling prices received for disposed associates are included in the cash flow from investing activities. Revenue from interest, dividend and income taxes are included in the cash flow from operating activities. Transactions involving no exchange of cash are not included in the statement of cash flows. Bank debts that are payable on demand and which constitute an integral part of the company's cash management system are included under the liquid assets in the cash flow statements.

Key estimates and evaluations

In order to draw up the consolidated annual financial statements, the management must form opinions and make estimates and assumptions which affect application of principles and the reported value of assets and liabilities, and of income and expenses. The estimates and associated assumptions are based on past experience and various other factors which are considered to be reasonable according to the circumstances. Actual results may deviate from these estimates. The estimates and underlying assumptions are subject to continuous review. Estimate revisions are incorporated in the period in which the estimate was revised, or in future periods if the revision applies to future periods.
The main elements in uncertainties regarding estimates are as follows:

Assumptions when determining operating profit recognition
When recognising operating profit, the contract consideration must be determined. This consideration may also include variable components, such as a performance bonus or penalty for delays. If the consideration promised in a contract includes a variable component, the amount of consideration to be received is estimated. In such an event, the variable component is measured using the expected value or the most likely amount, depending on the method that can be expected to best predict the amount of consideration that the entity will be entitled to. This method is subsequently applied throughout the contract. An increase of the amount of consideration due to including or excluding the variable component may not take place until it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration has been resolved. Pursuant to IFRS 15, the threshold to recognise positive variable considerations is therefore relatively high. Nevertheless, this variable component is subject to management estimates.

In the event of changes in the scope of a contract or a (potential) change in the contract consideration, revenue relating to this modification will not be recognised until a written or oral agreement has been reached. If this agreement is reached but no agreement was reached about the consideration, the recognition will not take place until it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty regarding the consideration for the contract modification has been resolved. In practice, this means that considerations for requests for change or claims cannot be recognised until a written or oral agreement has been reached on the nature of the change and the relevant consideration.

When allocating the contract consideration to the separate performance obligations, the stand-alone selling price of the performance obligations must be determined.

This stand-alone selling price is measured based on the 'cost plus a margin' method, determining the cost based on the preliminary calculation as prepared during the tender phase. Subsequently, a customary margin is allocated. Both the measurement of the cost and the measurement of the margin are subject to the management's estimates.

Revenue recognition is based on the input method, with project progress based on the cost incurred by the entity in fulfilling a performance obligation in proportion with the total forecast project cost. The total project cost is subject to accounting estimates. Such accounting estimates are subject to more uncertainty as:

- the agreed contract form contains more risk for the contractor. In a design & construct contract the contractor also takes the design risk on his behalf. In a dbmo contract this is expanded with the responsibility for maintenance and operation;
- the contract is still in an early stage of design or realisation. In elaborating a provisional design to a final design material deviations from the provisional design can occur (because an initial solution may turn out to be impossible on second thoughts, or because the land conditions are better or worse than expected, or because the dialogue with stakeholders is much more complicated and therefore more expensive than assumed beforehand. Also during the realization a number of risks may prove that are on behalf of the contractor. The mentioned deviations can moreover be positive and negative;
- the term of the contract is longer and thus the forecasts of the final work is inherently more subject to uncertainty.

Goodwill
Goodwill is tested for impairment on an annual basis. Based on the business plans for the coming five years, cash flow projections are formulated for each business unit separately. A weighted average cost of capital (WACC) is defined for each business unit. Projected cash flows and the WACC are used as the basis for the discounted cash flow method that is used to test goodwill. The Group has developed a standard method for this purpose.

Deferred tax
Measured deferred tax assets due to tax loss carried forward are subject to the management's estimates in terms of future taxable results to be achieved.

The Group has operations in various countries. Tax legislation and guidelines differ from one country to the next. Tax treaties between countries do not always immediately offer certainty on how specific tax issues will play out. This means that assumptions will have to be made in determining the tax position. Whenever such assumptions may lead to uncertainty with respect to the accuracy of the tax position recognized in the financial statements, this will be indicated in the explanatory notes to the financial statements.

Defined benefit plans and deferred employee benefits
The main actuarial premises underlying the reported pension liabilities and other deferred employee benefits are given in the explanatory notes on the relevant items. All assumptions, expectations and forecasts used as a basis for estimates in the consolidated financial statements reflect the prospects of the Group as closely as possible.

Impairment
Non-financial assets
In order to ascertain whether assets are impaired it is necessary to make an estimate of the recoverable amount. The recoverable amount of an asset or a cash generating unit equals the higher of the value in use and the fair value net of cost of selling. If possible, the fair value net of cost of selling is calculated on the basis of a binding sales contract in an arm's length and objective transaction between independent parties. If there is no binding sales contract, but the asset is traded on an active market, the fair value net of cost of selling is equal to the market price of the asset net of cost of selling.

If there is no binding sales contract, but the asset is traded in an active market, fair value less cost of sales equals the market price of the asset less the costs of disposal. In the absence of both a binding sales contract for an asset and an active market, fair value less cost of sales will be based on the best available information to arrive at a figure that, on the balance sheet date, could be obtained through disposal of the asset in a transaction between knowledgeable and willing independent parties after deduction of the costs of disposal. In determining this value, the results of recent transactions involving similar assets in the same industry are also factored in.

In determining the value in use, the present value of projected future cash flows is calculated using a discount rate that reflects both the current market rate and specific risks relating to the asset. Cash flow projections are based on reasonable and well-founded assumptions that constitute the management's best estimate of economic conditions as they are expected to be during the remainder of the asset's service life.

Risk Management

Agency Contracts

The Group uses agency contracts. Given the heightened corruption risk that is inherent in such contracts, we perform a corruption risk analysis every year and have formulated an anti-corruption policy. Tone at the top and boosting employees' defenses are the mainstays of this anti-corruption policy, as is the effectiveness of internal anti-corruption and integrity procedures. Improving our compliance and risk management is therefore an ongoing process.

Compliance officers were trained and employees who are involved in international bidding procedures and contracts now also receive compliance training. We share best practices in the areas of compliance and duty of care with peer companies. Agency contracts now include information obligations, anti-corruption clauses, and clauses for compliance with the Code of Business Ethics.

We now also run background checks on agents based outside the Netherlands. Invoices and payments require approval based on the four-eyes principle before payment is actually made. We intend to comply with anti-corruption legislation and regulations at all time, hence preventing corruption and possible ensuing criminal prosecution and reputational damage.

Financial risks

The Group has a strict policy that aims to minimize and control present and future risks and to minimize financial costs. This is done by means of general management, including internal procedures and instructions and specific measures aimed at controlling the specified risks.

The financial risks of the Group are mainly credit risks, interest rate risks, currency risks, liquidity risks and inflation risks. The risk of fluctuations in exchange rates and interest are partly hedged using various derivatives so risks to primary financial instruments are transferred to other contract parties. Interest and currency risks are largely managed centrally. Speculative positions are not taken.

Credit risks

A significant part of clients consist of public organizations (governments) so that credit risk is minimal. For deliveries to private customers higher than a certain amount, credit risk is involved in the contract assessment. In addition, invoices are sent in conjunction with the progress of the project (pre-pay). The available cash is placed with creditworthy banks.

Interest rate risk

Loans are required because of the mismatch between assets and liabilities. Variable rate loans are exposed to the risk of change in cash flows due to interest rate changes. The Group policy is aimed at long-term financing partially at fixed interest rates. To achieve this interest rate swaps are taken. The interest rate risk relating to the financing of ppp projects is always hedged using interest rate swaps.

Currency risk

Most of the activities of the Group take place in the Euro area. In addition, the metro project in Riyadh, Saudi Arabia, is started in 2013. For the metro project in Riyadh the currency risk is hedged on a large part of the future cash flows in US dollar. Occasional foreign currency exposures are hedged by currency term contracts. The foreign currency risk on the equity of foreign subsidiaries and the provided long term loans to these subsidiaries, the so called translation risk, is not hedged, except for Antea Group USA.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations at the required moment. The principles of liquidity management require that there are sufficient liquidity funds to meet current and future financial obligations, under normal and special circumstances, without suffering unacceptable losses or jeopardizing the reputation of the Group. Rolling cash flow forecasts are used to determine that sufficient liquidity is available. In long-term contracts clients are often requested for payments in installments to finance the project.

Oranjewoud N.V. has several ringfenced financing arrangements. On April 13, 2018, a new deal was sealed for the financing of the Dutch group companies of Strukton Groep with a three-year term with two one-year extension options.

Liquidity is guaranteed by a committed facility for the Dutch group companies to an amount of €115 million (2017: €115 million). This facility consists entirely in a current account facility. Aside from that, the guarantee facilities total €310 million (of which €130 million for the Riyadh subway project). No compulsory repayments are due during the term.

Based on the liquidity forecast and the agreed financing, the Strukton Groep board expects to have sufficient financial elbow room to be able to implement the business plan. Forecasting liquidity is largely dependent on the development of external market conditions, order intake, the development of project results, and on the net operating capital.

Strukton does not have any specific indications that point to unfavorable developments in certain market conditions, such as price development both at contracting authorities and suppliers and subcontractors, or arrangements with suppliers and credit insurance companies. The same goes for order intake and timely lead conversion and development of project results within the expected bandwidths.

The board of Strukton has identified a range of measures that will (or may) produce additional financial scope. These measures include:

- faster billing, better payment terms and payment collection on invoices to boost working capital;
- securing dividends from non-credit base subsidiaries, participations, and associated partnerships;
- selling investment property.

Based on the financing sealed in 2018, the additional paid-in capital of Oranjewoud N.V., the business plan (factoring in identified sensitivities), measures to create additional financial scope, and previously realized results, the boards of Strukton and Oranjewoud are of the opinion that the company will be able to stay within the boundaries of its credit and guarantee facilities and comply with the covenants that were agreed.

To the banks guarantees are provided for the realization of the facility. This means that the majority of the assets of Strukton Groep have been pledged to the banks that have presented the committed facility.

Inflation risk
Long-term contracts typically include indexation with respect to the client. Incidentally, the inflation risk is hedged using an inflation swap.

Capital management
The policy of the management is geared towards maintaining a strong capital position to retain the confidence of clients, creditors and the markets and ensure future development of business operations. Capital consists of issued and paid-up capital, retained earnings, share premium reserve, hedge reserve, translation difference reserve and an actuarial reserve. In addition to the yield from equity, the management also monitors the amount of the dividend to be paid to the shareholder. Management strives to strike a balance between higher yield, which would be possible with more loan capital, and the benefits and security offered by a solvent capital position.

The management strives for a solvency rate of at least 25%. By year-end 2018, the solvency was 17.5% (2017: 21.7%; after IFRS 15 effect 19.4%).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of euros)

1. Intangible assets	Patents	IP	Software	Goodwill	Brand-name	Client base	Backlog	Other	Total
Balance at January 1, 2017:									
Cost	1,166	8,777	6,510	64,097	2,600	42,245	22,551	-	147,946
Amortization	(892)	(2,902)	(4,960)	-	(1,035)	(34,633)	(15,612)	-	(60,034)
Carrying amount	274	5,875	1,550	64,097	1,565	7,612	6,939	-	87,912
Carrying amount at January 1, 2017	274	5,875	1,550	64,097	1,565	7,612	6,939	-	87,912
Acquisition of subsidiaries	58	-	6	426	-	407	355	-	1,252
Investments	137	-	1,718	-	-	-	-	-	1,855
Deconsolidation	-	-	-	-	-	-	-	-	-
Other	-	-	(4)	1	-	-	-	-	(3)
Exchange differences	-	-	15	(68)	-	(226)	-	-	(279)
Amortization and impairment	(156)	(1,438)	(1,136)	(423)	(240)	(3,385)	(4,731)	-	(11,509)
Carrying amount at December 31, 2017	313	4,437	2,149	64,033	1,325	4,408	2,563	-	79,228
Balance at December 31, 2017									
Purchase Value	1,360	8,777	6,974	64,033	2,600	34,633	22,506	-	140,883
Amortization	(1,047)	(4,340)	(4,825)	-	(1,275)	(30,225)	(19,943)	-	(61,655)
Carrying amount	313	4,437	2,149	64,033	1,325	4,408	2,563	-	79,228
Carrying amount at January 1, 2018	313	4,437	2,149	64,033	1,325	4,408	2,563	-	79,228
Acquisition of associates	-	-	-	935	-	3,040	-	3,000	6,975
Investments	222	75	1,519	-	-	-	-	457	2,273
Other	-	-	(767)	(10)	-	-	-	-	(777)
Exchange differences	-	-	7	(14)	-	37	-	-	29
Amortization and impairment	(215)	(1,449)	(949)	(2,532)	(200)	(2,354)	(1,482)	(388)	(9,569)
Carrying amount at December 31, 2018	320	3,063	1,959	62,412	1,125	5,131	1,081	3,069	78,160
Balance at December 31, 2018:									
Purchase Value	1,582	8,852	7,733	62,412	2,600	13,549	22,495	3,457	122,680
Amortization	(1,262)	(5,789)	(5,774)	-	(1,475)	(8,418)	(21,414)	(388)	(44,520)
Carrying amount	320	3,063	1,959	62,412	1,125	5,131	1,081	3,069	78,160

The column other is for a non-competition clause.

There are no financing costs capitalized in 2018 and 2017 as part of the cost price of software in development.

Business Combinations
On February 6, Strukton Rail increased its 50% stake in A1 Electronics Netherlands B.V. to 80%. A1 Electronics assembles printed circuit boards and complete products. In the 2018 financial year, A1 Electronics employed 44 people and generated €9.6 million in revenue.

On June 8, Strukton Worksphere extended its 37.5% stake in MEET RIVM CBG B.V. to 100%. Commissioned by the Dutch Central Government Real Estate Agency (*Rijksvastgoedbedrijf*), MEET RIVM CBG B.V. is currently building the new premises for the Dutch National Institute for Public Health and the Environment (*Rijksinstituut voor de Volksgezondheid en Milieu* or RIVM) and the Medicines Evaluation Board (*College ter Beoordeling van Geneesmiddelen* or CBG). Both these institutions are part of the Dutch Ministry of Health, Welfare and Sport (VWS). In the 2018 financial year, MEET RIVM CBG B.V. did not have any staff and posted revenue totaling €22.9 million.

On June 8, Strukton Assets increased its 50% stake in MEET Strukton Holding B.V. (formerly StruktonHurksHeijmans Holding B.V.) to 100%. MEET Strukton Holding B.V. is the special-purpose company that was created for the ppp project for the construction of the premises for RIVM and CBG. MEET Strukton Holding B.V. did not have any staff in the 2018 financial year.

Acquisition
On May 29, Strukton Rail increased its stake in Promofer S.r.l. from 60% to 100%. Promofer S.r.l. makes safety systems for railroads and shipyards. In the 2018 financial year, Promofer S.r.l. had a workforce of 25 and posted revenue totaling €3.2 million.

Summary overview net payments:

2017	Payment	Net cash[1)]	Net payment
Iceacsa Consultores S.L.U.	2,150	445	1,705
Other acquisitions in 2017	1,460	323	1,137
NS Spooraansluitingen B.V.	2,400	-	2,400
Total 2017	6,010	768	5,242

2018	Payment	Net cash[1)]	Net payment
Costruzioni Linee Ferroviarie S.p.A.	1,000	-	1,000
Other acquisitions in 2018	2,845	357	2,488
Total 2018	3,845	357	3,488

[1)] Relates to cash available in the associate at the date of acquisition.

Impairments and amortization
Acquired associates generate cash flows independently or in collaboration with other segment components and are therefore defined internally, either independently or jointly with the other segment components, as cash generating units (CGU). Capitalised goodwill has been tested, as refered to in IAS 36.

The valuation methodology relates to the discounted cash flow method, assuming a indefinite lifespan. The test is conducted on the future cash flows in the countries in which the CGU's are active. For each of the (combined) acquisitions as CGU the value has been detemined on the basis of the cash flows expected by management. The rate of growth applied varies on the basis of fixed amounts, or by means of relative increases per year, depending on management expectations. Management expectation is based on historical data, backlog, reviews and external information. The weighted average cost of capital (wacc) applied varies between 11.9% to 17.3%, depending on the CGU's risk profile.

The development of the working capital of Costruzioni Linee Ferroviarie S.p.A. is an key assumption. The key assumptions and the method of quantification for impairment for the CGU's are listed below. The pre-tax Wacc is a percentage. The revenue growth is also a percentage. If the annual revenue growth for the CGU varies per year, the range is listed.

Assumptions percentages	**Wacc (pre-tax)** 2018	2017	**Revenue growth planperiod** 2018	2017	**Revenue growth perpetual** 2018	2017
Antea Nederland B.V.	12.9	13.0	3.0	3.0	0.5	0.5
Temporary Staff	13.5	13.8	10-15	10-20	0.5	0.5
Van der Heide Beheer B.V.	12.9	12.9	3.0	3.0	0.5	0.5
Antea USA Inc.	15.9	14.5	3.0	3.0	2.0	2.0
J&E Sports B.V.	12.9	12.9	3.0	3.0	0.5	0.5
France	13.1	12.5	3.0	3.0	0.5	0.5
Edel Grass B.V.	12.8	12.8	3.0	3.0	0.5	0.5
Iceacsa Consultores S.L.U.	17.1	16.2	3.0	3.0	0.5	0.5
Strukton Railsystemen	14.5	14.0	0,9-2,9	2,2-3,5	0.5	0.5
Strukton Techniek en Gebouwen	12.8	12.9	-5,6-+8,7	-4,1-+13,5	0.5	0.5
Rasenberg Holding B.V.	12.0	11.8	2,8-3,0	0-2,3	0.5	0.5
Strukton Milieutechniek B.V.	11.9	11.8	3,2-3,6		0.5	0.5
Siebens Spoorbouw BVBA	14.4	13.3	-1,3-+9,3	-7,8-+27,4	0.5	0.5
Costruzioni Linee Ferroviarie S.p.A.	17.3	15.9	0-+1,8	-10-+5,3	0.5	0.5

The table below shows the impact on the realizable values in the impairment test for the sensitive CGU's of changes in the assumptions while the other assumptions remain the same:

Sensitivity amounts in millions of euros	**Wacc + 1%** 2018	2017	**Wacc - 1%** 2018	2017	**Annual revenue growth -1%** 2018	2017	**No perpetual growth** 2018	2017
Temporary Staff	-1.1	-1.7	1.3	2.0	-0.7	-1.1	-0.3	-0.5
Costruzioni Linee Ferroviarie S.p.A.	-5.7	-6.1	6.4	10.6	-3.7	-3.8	-0.9	-1.1

The result of the calculation of the realizable value is for Temporary Staff lower than the carrying amout due to lower revenue and lower revenue growth. Therefore, in this financial year an impairment of € 2.5 million on the goodwill for the CGU Temporary Staff is entered.

The result of the calculation of the realizable value is for the other CGU's higher than the carrying amout including the goodwill entered there.

If for Tempory Staff de Wacc (pre-tax) is higher than 14%, or the annual revenue growth is lower than 10%, the realizable value is lower than the carrying amount. For Costruzioni Linee Ferroviarie S.p.A. the limit is a Wacc (pre-tax) of 18.0%.
A 1% point higher Wacc decreases the cash value of the total cash flows by some €61 million. A 1% point lower Wacc increases the cash value of the total cash flows by some €71 million. A 1% point change in the rate of growth has an impact of around €38 million.

2. Property, plant and equipment	Buildings	Land	Plant and tools	Other	Assets under con-struction	Total
Balance at January 1, 2017						
Cost	79,840	9,844	224,612	37,032	2,263	353,591
Depreciation	(25,975)	(323)	(128,937)	(23,606)	-	(178,841)
Carrying amount	53,865	9,521	95,675	13,426	2,263	174,750
Carrying amount at January 1, 2017	53,865	9,521	95,675	13,426	2,263	174,750
Acquisition of subsidiaries	309	-	689	5	-	1,003
Other changes	29	-	(575)	(90)	119	(517)
Additions	535	-	20,368	3,068	4,541	28,512
Disposals	(174)	(154)	(1,254)	(92)	-	(1,674)
Exchange differences	-	-	(488)	(28)	(5)	(521)
Depreciation	(3,375)	(2)	(25,440)	(4,085)	-	(32,902)
Carrying amount at December 31, 2017	51,189	9,365	88,975	12,204	6,918	168,651
Balance at December 31, 2017						
Purchase Value	80,271	9,690	237,033	39,718	6,918	373,630
Depreciation	(29,082)	(325)	(148,058)	(27,514)	-	(204,979)
Carrying amount	51,189	9,365	88,975	12,204	6,918	168,651
Carrying amount at January 1, 2018	51,189	9,365	88,975	12,204	6,918	168,651
Acquisition of subsidiaries	60	-	485	49	-	594
Other changes	2	-	(7)	133	2,549	2,677
Additions	497	-	25,389	5,475	(1,666)	29,695
Disposals	(259)	(34)	(536)	(28)	-	(857)
Exchange differences	-	-	(334)	11	(15)	(338)
Depreciation	(3,377)	(1)	(22,679)	(4,113)	-	(30,170)
Carrying amount at December 31, 2018	48,112	9,330	91,293	13,731	7,786	170,252
Balance at December 31, 2018						
Purchase Value	79,793	9,656	253,783	44,575	7,786	395,593
Depreciation	(31,681)	(326)	(162,490)	(30,844)	-	(225,341)
Carrying amount	48,112	9,330	91,293	13,731	7,786	170,252

Depreciation periods:

Buildings	25 years
Land	none (surfacing is in fact depreciated (10 years))
Plant and tools	2 to 6 years
Other	3 to 10 years
Assets under construction	none

The additions in 2018 and 2017 mainly concern the segment railsystems.

Mortgages on sites with buildings with a carrying amount of €10.5 million (2017: €11.0 million) have been taken out as security for a loan (see explanatory note 14). The majority of the tangible assets are being used as security for banks and/or other providers of loan capital.

Tangible assets financed by means of financial lease agreements have a carrying amount of €17.4 million (2017: €17.0 million) and concern cars, it-hardware, machines and installations. The payment obligations associated with the lease agreements have been entered under the current and long-term liabilities. The Group does not have legal ownership of these assets.

3. Investment property	Total
Carrying amount at January 1, 2017	5,533
Additions	(415)
Depreciation	(110)
Deconsolidation	45
Carrying amount at December 31, 2017	5,053
Balance at December 31, 2017	
Purchase Value	6,044
Depreciation	(991)
Carrying amount	5,053
Carrying amount at January 1, 2018	5,053
Disposals	(3)
Depreciation and impairments	(105)
Other	5
Carrying amount at December 31, 2018	4,950
Balance at December 31, 2018	
Purchase Value	6,046
Depreciation	(1,096)
Carrying amount	4,950

The fair value of investment property as at December 31, 2018 amounts to €5.0 million (2017: €5.1 million). This value is based on valuation reports prepared by recognized experts. The Group receives in 2018 €0.4 million (2017: €0.6 million) annually for its operations.

The depreciation periods are based on the projected service life.

- Foundation/Structure/Other 50 years
- Roof/Heating/Ventilation 15 years
- Window and Door frames/Façades/Natural gas/Electrical/Elevators 25 years

4. Associates and joint ventures

Changes	2018	2017
Carrying amount at January 1st	37,923	28,970
Investments	2,236	2,261
Share in the profit/(loss)	7,257	12,377
Decline attributable to increase in equity interest	(1,327)	(457)
Dividends	(4,839)	(5,825)
Other	(715)	597
Carrying amount at December 31st	40,535	37,923

The Group has investments in (unlisted) associates and joint ventures.

Entity	Company activity	Principal place	Share Oranjewoud 12-31-2018	Share Oranjewoud 12-31-2017
TRS Europe B.V.	Thermal Remediation Services	Ede	50%	50%
Dual Inventive B.V.	Services and products track work	Oisterwijk	50%	50%
A1 Electronics Netherlands B.V.	Production/maintenance of electronic systems	Almelo	N/A	50%
Eurailscout Inspection & Analysis B.V.	Maintenance rail infrastructure	Utrecht	50%	50%
Tubex B.V.	Foundation work	Oostburg	50%	50%
DMI Geräte GmbH	Concrete injection and sealing work	Berlin	50%	50%
Aduco Holding B.V.	GRW activities	Haarlem	25%	25%
APA B.V.	Production and sales of road contruction products	Amsterdam	25%	25%
APRR B.V.	Production and sales of road contruction products	Rotterdam	25%	25%
Bituned B.V.	Trade oil and other bituminous products	Reeuwijk	50%	50%
NOAP B.V.	Production and sales of road contruction products	Heerenveen	50%	50%
Fast Consortium LLC	Construction of Riyadh metro	Riyadh	18%	18%
Exploitatatiemaatschappij A-Lanes A15 B.V.	Management and maintenance of infrastr. and civil engineering works	Nieuwegein	33%	33%
R Creators B.V.	DBFMO for National Office in Knoop	Utrecht	80%	80%
Strukton Arrigoni SpA	Construction activities and building materials	Santiago	50%	50%

A1 Electronics Netherlands B.V. is fully consolidated from 2018.

The Group has jointly with the other consortium parties control in Fast Consortium LLC. For important operational decisions is unanimity of decision making.

In the table below also the amounts of interest of the Group in the associates are listed.

2017	interest	non-current assets	current assets	non-current liabilities	current liabilities	balance	balance in proportion to interest	operating income	profit	profit in proportion to interest	liquid assets	finance revenue	finance costs	income tax	divi-dend	depre-ciation
Angelbrasil Geologia Ltda.		-	-	-	-	-	-	1,905	-	-	116	-	-	110	-	-
TRS Europe B.V.	*50%*	855	3,990	-	4,984	(139)	(70)	3,608	20	10	829	-	25	7	-	172
Dual Inventive B.V.	*50%*	8,360	6,084	7,322	426	6,696	3,348	3,686	456	228	522	-	52	(48)	-	686
A1 Electronics Netherlands B.V.	*50%*	3,568	718	1,118	514	2,654	1,327	8,822	828	414	526	40	26	(262)	300	188
Eurailscout Inspection & Analysis B.V.	*50%*	19,094	24,758	13,236	9,966	20,650	10,325	26,934	1,170	585	13,492	122	324	(356)	-	4,292
Tubex B.V.	*50%*	2,576	310	994	140	1,752	876	5,168	80	40	(150)	-	-	34	-	128
DMI Geräte GmbH	*50%*	4,914	116	1,550	-	3,480	1,740	7,678	876	438	1,522	2	6	376	1,200	66
Aduco Holding B.V.	*25%*	5,510	1,725	1,503	434	5,298	1,325	8,731	1,352	338	2,760	-	-	436	1,404	340
APA B.V.	*25%*	8,261	3,791	4,848	696	6,508	1,627	21,473	2,100	525	770	-	-	596	1,000	384
APRR B.V.	*25%*	4,260	5,338	2,118	950	6,530	1,633	14,875	1,278	319	(179)	-	14	346	1,000	856
Bituned B.V.	*50%*	6,664	54	2,906	109	3,703	1,852	24,950	671	335	2,874	6	-	218	700	26
NOAP B.V.	*50%*	1,046	-	66	72	908	454	824	86	43	1,044	-	-	-	-	-
Fast Consortium LLC	*18%*	233,139	12,139	208,766	2,305	34,208	6,157	762,978	34,633	6,234	25,867	-	-	18,789	13,456	16,889
Exploitatiemij. A-Lanes A15 B.V.	*33%*	13,831	297	10,206	-	3,922	1,306	-	-	-	2,153	-	-	-	-	-
R Creators B.V.	*80%*	644	95,345	2,104	92,302	1,583	1,266	47,780	1,175	940	631	2,277	708	392	-	-
Strukton Arrigoni SpA	*50%*	8,034	218	4,406	1,690	2,155	1,078	25,260	2,144	1,072	892	14	74	636	-	-
Overig							3,680			856						
Total							**37,923**			**12,377**						

2018	interest	non-current assets	current assets	non-current liabilities	current liabilities	balance	balance in proportion to interest	operating income	profit	profit in proportion to interest	liquid assets	finance revenue	finance costs	income tax	divi-dend	depre-ciation
TRS Europe B.V.	*50%*	706	1,415	-	2,140	(19)	(10)	3,409	96	48	106	-	25	24	-	281
Dual Inventive B.V.	*50%*	6,640	2,992	550	1,342	7,740	3,870	1,302	1,036	518	582	-	(4)	(270)	-	816
A1 Electronics Netherlands B.V.	*50%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eurailscout Inspection & Analysis B.V.	*50%*	24,994	14,628	9,398	9,760	20,464	10,232	6,384	(188)	(94)	8,632	26	(376)	(1,208)	-	4,412
Tubex B.V.	*50%*	1,586	1,930	176	1,680	1,660	830	4,092	(92)	(46)	(78)	-	10	(34)	-	144
DMI Geräte GmbH	*50%*	94	4,160	-	1,594	2,660	1,330	7,190	880	440	1,876	2	2	376	1,700	60
Aduco Holding B.V.	*25%*	1,894	5,288	764	1,424	4,994	1,249	12,729	828	207	668	-	(31)	(383)	1,132	569
APA B.V.	*25%*	4,001	6,575	785	2,525	7,266	1,817	22,426	1,960	490	1,651	-	(1)	650	1,200	404
APRR B.V.	*25%*	4,577	4,914	855	1,299	7,337	1,834	23,228	1,404	351	727	-	(1)	476	600	868
Bituned B.V.	*50%*	84	5,979	73	2,126	3,864	1,932	42,047	760	380	2,524	4	-	238	600	26
NOAP B.V.	*50%*	-	36	-	-	36	18	-	34	17	-	-	-	-	-	-
Fast Consortium LLC	*18%*	3,169	263,351	3,362	210,275	52,884	9,498	703,434	27,198	4,885	24,791	-	-	6,299	10,195	3,684
Exploitatiemij. A-Lanes A15 B.V.	*33%*	258	20,469	-	13,208	7,519	2,506	44,121	-	-	3,958	-	1	-	-	69
R Creators B.V.	*80%*	64,762	718	57,292	6,080	2,108	1,686	5,569	780	624	19	2,673	1,900	178	-	-
Strukton Arrigoni SpA	*50%*	-	-	-	1,800	(1,800)	(900)	-	(3,958)	(1,979)	-	-	-	-	-	-
Overig							4,643			1,416						
Total							**40,535**			**7,257**						

The section Other in 2017 and 2018 concerns several, relatively small, non consolidated accociates.

Cash flows realized in the ppp projects are not freely available to the Group. For other associates, there are no limitations. The (pro rata interest in the) profit of associates is €7.3 million positive (2017: €12.4 million positive), as presented.

Comprehensive income associates	2018	2017
Share in the profit/(loss)	7,257	12,377
Other comprehensive income	(89)	426
Total comprehensive income	7,168	12,803

The activities of the Group are partly performed in joint operations (temporary and permanent). The consolidated financial statements include the following items, which correspond to the interests of the Group in the revenues, assets and liabilities of the various joint operations:

Joint Operations

The Group has investments in project entities. See note 40.

Pro rata equity interest in Joint Operations	12-31-2018	12-31-2017
Assets	175,765	262,700
Liabilities	(236,084)	(319,208)
	2018	2017
Total Revenue	287,604	457,054
Net profit	9,831	22,849

All material general partnerships (V.o.f.'s) are processed as Joint Operation. Joint and several liability applies to the general partnerships. There are however no contingent liabilities. The Joint Operations consist primarily of combinations aiming at the creation of projects.

5. Other financial non-current assets	Non-current receivables	Ppp-receivables	Investments	Financial derivatives	Total
Carrying amount at January 1, 2017	32,459	2,560	2,950	-	37,969
Acquisition of subsidiaries	15	-	-	-	15
Loans	50	-	-	385	435
Loan repayments	(1,226)	(495)	-	-	(1,721)
Accretion	-	94	-	-	94
Other changes	(3,681)	-	-	-	(3,681)
Carrying amount at December 31, 2017	27,617	2,159	2,950	385	33,111
Carrying amount at December 31, 2017	27,617	2,159	2,950	385	33,111
Adjustment IFRS 15	-	-	(1,140)	-	(1,140)
Carrying amount at January 1, 2018 (reviced) *	27,617	2,159	1,810	385	31,971
Acquisition of associates	-	31,956	-	-	31,956
Loans	5	-	-	-	5
Loan repayments	(1,391)	(443)	-	(371)	(2,205)
Accretion	-	817	-	-	817
Other changes	(1,305)	444	-	-	(861)
Carrying amount at December 31, 2018	24,926	34,933	1,810	14	61,683

* After adjustment in the principles for financial reporting concerning Financial instruments (IFRS 9).
See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

The ppp-receivables relate to payments to be received under concession contracts in the Netherlands. The duration of the various ppp-receivables is approximately 25 years. The majority (of the amount of the receivables) has a maturity of over five years. Given the nature of the contract parties, the credit risk has been estimated at nil. (See also note 27).
The 10% stake in Voestalpine Railpro B.V. is recognized under investments in equity instruments. Given the Group's view that this investment is of a strategic nature, it has been irrevocably allocated at fair value through other comprehensive income (FVOCI). In 2018, the Group received €0.4 million in dividends from Voestalpine Railpro B.V.

The growth of ppp-receivables due to consolidation of business combinations is related to acquisition of the remaining 50% equity stake in MEET Strukton Holding B.V. (formerly StruktonHurksHeijmans Holding B.V.) from Hurks and Heijmans.

6. Deferred tax

The deferred tax position at December 31st can be broken down as follows:	Consolidated statement of financial position			Consolidated statement of income	
	12-31-2018	01-01-2018 (reviced) *	12-31-2017	2018	2017
Deferred tax assets (DTA)					
Valuation of carry-forward losses	36,057	41,906	35,734	4,663	2,133
Temporary differences in valuation of provisions	1,947	2,041	2,041	94	675
Temporary differences in valuation of (in)tangible assets	695	847	847	152	95
Financial derivatives	10	-	-	-	2
Other	12,568	10,067	10,067	(2,131)	269
DTA	51,277	54,861	48,689		
Temporary differences in valuation of (in)tangible assets	(1,567)	(2,335)	(2,335)	(768)	(1,710)
Deferred tax positions netted	(1,567)	(2,335)	(2,335)		
Deferred tax liabilities (DTL)					
Temporary differences in valuation of (in)tangible assets	(2,117)	(2,574)	(2,574)	(457)	(1,259)
Fixed assets	(1,511)	(4,034)	(4,034)	(2,523)	356
Temporary differences in valuation of work in progress	(2,087)	(1,791)	(1,791)	296	374
Other	(287)	(706)	(706)	69	20
DTL	(6,002)	(9,105)	(9,105)		
Balance of DTA and DTL *(presented as DTA)*	49,710	52,526	46,354		
Balance of DTA and DTL *(presented as DTL)*	(6,002)	(9,105)	(9,105)		
Deferred tax expense (income)				(605)	955
Balance of DTA and DTL	43,708	43,421	37,249		

* After adjustment in the principles for financial reporting concerning Revenue from contracts with customers (IFRS 15).
See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

The deferred tax has changed through the consolidated statement of comprehensive income for the income tax of changes in fair value of derivates for hedge accounting (financial derivates) of €528,000 negative (2017: €28,000 positive) and for the income tax of change in actuarial reserves of €336,000 negative (2017: €1,429,000 negative).

The recognized deferred tax asset of €49,710,000 (2017: €46,354,000) relates in particular to the valuation of compensable losses. This valuation is based on expected future profits based on estimates of the responsible management. In addition it concerns the goodwill capitalized for tax purposes (to be amortized for tax purposes) on acquisitions of Antea USA, Inc. effected prior to the acquisition of Antea USA, Inc. by Oranjewoud N.V. Since this goodwill has not been recognized for financial reporting purposes, higher amortization for tax purposes is involved in respect of this deferred tax asset. Dividend payments, if any, to shareholders of Oranjewoud N.V. will not have any corporate income tax consequences.

Carry-forward losses totalling €50.9 million (2017: €49.6 million) are available at several mainly foreign associates. No deferred tax asset has been recognized for this amount, as no future profits are expected. The losses can be carried forward indefinitely. Other then these carry-forward losses with foreign subsidiaries, no non-valued compensable losses apply.

In determining the valuation of the deferred tax a corporation tax rate was taken into account of between 20.0% and 35.0%, depending on the rates applicable in the relevant jurisdiction.

Deferred tax liabilities have been recognized for differences between the tax and the accounting bases of assets and liabilities, arising mainly from valuation differences arising on the valuation of assets and liabilities obtained in acquisitions.

7. Inventories	12-31-2018	12-31-2017
Raw materials and consumables	17,757	14,643
Finished goods and trade goods	9,126	8,285
Real estate	730	3,013
Total	27,613	25,941

The not sold part of real estate projects, that are already being realized, has decreased in 2018 with €2.3 million (2017: decrease €6.2 million). The not sold part of the real estate concerns land positions and incurred costs for real estate projects in progress.

8. Receivables	12-31-2018	12-31-2017
Receivables from affiliated companies	8	128
Trade receivables	419,942	419,644
Taxes and social security	11,822	9,773
Other receivables	125,913	83,854
Prepayments and accrued income	69,382	60,768
Total	627,067	574,167

The receivables from affiliated companies concern regular (short-term) intercompany balances between units of Oranjewoud N.V. and Centric (Holding) B.V. No interest is calculated on the balances owing to their short-term nature. Owing to their short-term nature, the face value approximates the fair value.

The other receivables and prepayments and accrued income concern receivables on combinations and various kinds of other payments in advance.

The credit risks of the Group mainly relate to trade receivables, other receivables and amounts to be invoiced on completed projects and work in progress. To manage the credit risks, Oranjewoud N.V. has developed a credit policy and credit risks are continually monitored. There is no significant concentration of credit risk within Oranjewoud N.V., as there are a large number of customers, with the exception of rail operations, where there is a limited number of customers for which the credit risk is assessed as very limited. The collectibility of the receivables is reviewed on a customer-by-customer basis, depending on the customer profile and the risk assessment drawn up by management. The provision for doubtful debts has been deducted from trade receivables in the statement of financial position.

The majority of the assets of two affiliates have been pledged to the banks that have presented a committed facilty.

At December 31st the aging of trade receivables was as follows:	2018 Gross	2018 Provided	2017 Gross	2017 Provided
- Not past due	226,361	1,653	243,099	6,260
31 - 60 days	81,364	1,967	74,477	285
61 - 90 days	36,718	1,714	20,997	960
91 - 180 days	31,287	2,168	59,583	3,307
181 - 365 days	13,306	1,258	13,655	2,231
> 365 days	49,794	10,128	28,191	7,315
Total	438,830	18,888	440,002	20,358
Net trade receivables	419,942		419,644	

	2018	2017
Provided for as at January 1st	(20,358)	(10,827)
Addition for the year	(3,277)	(11,563)
Written off	1,779	1,769
Unutilized reversed amounts	2,960	256
Other	8	7
Provided for as at December 31st	(18,888)	(20,358)

9. Work in progress	12-31-2018	01-01-2018 (reviced) *	12-31-2017
Of which projects with a balance:			
To be invoiced	276,176	252,529	252,691
Invoiced in advance	(242,756)	(252,608)	(235,261)
Total	33,420	(79)	17,430
Proceeds	4,981,038	4,586,926	4,604,435
Invoiced installments	(4,947,618)	(4,587,005)	(4,587,005)
Total	33,420	(79)	17,430

* After adjustment in the principles for financial reporting concerning Revenue from contracts with customers (IFRS 15).
See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

The balance of uninvoiced projects currently in progress consists of all projects currently in progress whose cost plus or less the realized result, is greater than the declared installments. This balance is accounted for under current assets. The pre-invoiced balance consists of all projects currently in progress whose cost plus or less the realized result, is less than the declared installments. This balance is accounted for under current liabilities. On the balance sheet date, some of the pre-invoiced amounts had been received and some were outstanding accounts receivable.

Big long-term projects are in most occasions pre-financed with invoiced amounts on these projects exceeding the costs incurred. The positive balance of work in progress consists mainly of current projects.

Due to the change to the system based on IFRS 15, losses on contracts with customers that are yet to be realized have been reclassified to the provisions. Consequently, the provision for pending losses is, as of January 1, 2018, no longer included in the balance of projects in progress, resulting in an increase in the balance of projects in progress. Aside from that, the rise in the balance of projects in progress comes mainly on the back of the fact that prefinancing of the Riyadh subway project has declined due to the output produced in the financial year.

The impact of the change to the system is further explained in the "Newly applied and revised standards and interpretations" section in the Accounting Principles. Note 13, "Provisions", explains the provision for losses on contracts with customers that are yet to be realized.

10. Cash and cash equivalents	12-31-2018	12-31-2017
Banks	275,884	198,893
Cash	66	52
Total	275,950	198,945
Amounts owed to credit institutions:		
Part of the cash management system of the Group	22,325	35,664
Not a part of the cash management system of the Group	40,000	-
Total	62,325	35,664
For the statement of cash flows:		
Cash and cash equivalents	275,950	198,945
Subtracting: amounts owed to credit institutions part of the cash management system of the Group	22,325	35,664
Balance of cash and cash equivalents at December 31st	253,625	163,281

Cash and cash equivalents are bank balances, deposits and cash balances. Bank balances that are due on demand and that form an integral part of the company's cash management system is included in the statement of cash flows under cash and cash equivalents. Bank balances are receiving a market interest rate.

The liquid assets include cash from contractor combinations to the amount of €177.8 million (2017: €109.0 million) and cash received on blocked accounts to the amount of €1.8 million (2017: €1.3 million).

The cash included in contractor combinations is cash in partnerships with contractual stipulations against free access to the liquid assets. The cash received on blocked accounts is for blocked accounts that must be maintained due to the *Wet Ketenaansprakelijkheid* (Dutch Chain Liability Act). All other cash and cash equivalents are freely available.

11. Group equity

Equity attributable to equity holders of the parent company

Share capital

The authorised share capital at December 31, 2018 amounted to €10,000,000 consisting of 100,000,000 A and B shares of €0.10 each. The issued and fully paid-up share capital amounted to 62,872,869 shares of €0.10 each. The issued share capital at December 31, 2017 and 2018 consists of €2,955,307 in A shares and €3,331,980 in B shares. Unlike for A shares, no listing was requested for B shares. There is no difference in terms of control or profit entitlements between the A shares and B shares.

The articles of association of the company provide that issues of shares take place pursuant to a decision of the Management. The company may acquire fully paid-up shares in its own capital, but only for no consideration. Acquisition other than for no consideration can only take place if the general meeting has authorised the Management accordingly.

Earnings per share
The profit attributable to holders of ordinary shares amounted to €10,919,000 (2017: € 38,111,000). The number of shares outstanding is at January 1, 2017, December 31, 2017, January 1, 2018 and December 31, 2018 62,872,869. The profit per share amount to €0.17 (2017: €0.61).

The calculation of net earnings per share at December 31, is based on the net profit available to ordinary shareholders divided by the average weighted number of shares outstanding that were in issue during the year (2017 and 2018: 62,872,869 shares). Diluted earnings per share were equal to basic earnings per share in 2018 and 2017.

Dividend
Oranjewoud N.V. intends in principle to make 30% of the net profit available for dividend payment. Dividend payment is subject to future profit developments, market developments, desired solvency and the leverage under existing and future bank covenants. Dividend will be made available as optional dividend (cash and/or shares).

In 2018 the Equity is decreased. The realized result (+€10.9 million) was positive. The unrealized result (-€5.2 million) was negative. The IFRS 15 adjustment in the Equity at the begin of 2018 of €30.4 million negative was the most important effect. On balance, the Equity is in 2018 decreased by €25.9 million. The balance sheet total is in addition significant increased. The solvency is therefore decreased from 21.7% (19.4% after IFRS 15 effect) to 17.5%. This does not satisfy the internal target of 25%.

The company needs sufficient resources to be able to fund possible growth of operating capital due to an increase in activity. There are also restrictions imposed in the financing documentation in respect of dividend payments. The combination of these facts prompted the proposal from the Board of Directors to forgo payment of dividends for the 2018 financial year, with the approval of the Supervisory Board.

Non-controlling interests
Strukton Railinfra Projekten B.V. has on December 31, 2018 and 2017 a 60% share in the Italian Railway Builders Costruzione Linee Ferroviarie S.p.A. and Uniferr S.r.l. The Group controls these companies and therefore they are consolidated to 100%.

In the 2018 financial year Costruzione Linee Ferroviarie S.p.A. dit not pay dividend to its stakeholders. The table below shows the shortened financial data of Costruzione Linee Ferroviarie on 100% basis.

	12-31-2018	12-31-2017
Non-current assets	56,732	50,567
Current assets	181,394	158,789
Non-current liabilities	(28,266)	(20,325)
Current liabilities	(112,928)	(103,504)
Balance	96,933	85,527
Cash and cash equivalents	27,925	18,846

	2018	2017
Operating income	158,010	168,148
Net profit for the year	10,724	6,083
Unrealised gains and losses	-	-
Total result	10,724	6,083

12. Deferred employee benefits

Oranjewoud N.V. operates various pension plans in accordance with local regulations and terms. These plans are mostly classified as defined contribution plans. These pension plans are based on a contribution which is a fixed percentage of the pensionable amount. The employer's portion of this contribution is accounted for in the statement of income.

Pension plans in the Netherlands are subject to the provisions from the Dutch Pensions Act (Pensioenwet). The Dutch Pensions Act stipulates that pension plans must be fully funded and provided independently from the company by a separate legal entity. The various pension plans are administered by a range of industry-wide pension funds and insurers. The Group has no additional responsibility for the administration of these plans.

Each employee's basic pension is covered by group plans, to which multiple employers have signed up, because they are required to by law. These plans contain an indexed career average pension scheme and are therefore considered to be defined-benefit plans. This applies in particular to the industry-wide pension funds for the construction, metal, engineering and rail industries. Given that these funds are unable to provide the required information on the Group's proportional share of the pension liabilities and fund investments, defined-benefit pension schemes are recognized as defined-contribution schemes. The Group is required to pay a pre-established premium for these schemes. The Group will not be able to claim a refund of any overpaid premiums and is not required to make good any shortfalls, unless these are caused by amendment of future premiums. The part exceeding the basic pension (top-up part), which is not covered by group schemes, is administered by external parties and concerns defined-contribution schemes.

For the personnel and many of the Group companies, the benefit plans for the following pension funds apply, with indication of the number of active participants as of December 31, 2018 and the coverage of the funds as of December 31, 2018 and 2017:

	Actives	**Coverage 2018**	**Coverage 2017**
• Industry-wide pension fund - Construction	1,376	113.6%	117.9%
• Industry-wide pension fund - Concrete production industry	19	97.3%	103.7%
• Industry-wide pension fund - Metal and Technology	1,618	99.4%	102.1%
• Railway pension fund	1,732	110.3%	115.4%
• Pension fund - Transport	11		
• Delta Lloyd	62		
• Alecta pension insurance plan Sweden ITP scheme	396	142.0%	154.0%
• Alecta pension insurance plan Sweden SAF-LO scheme	633		
• Axa pension insurance Strukton Railinfra NV Belgium	52		
• FONDO TFR – Pension Fund - ITALY	396		
• BeFrank SES	8		

Antea France SAS, Géo-Hyd and Groupe IRH Environnement SAS and a part of the Strukton Groep companies operate pension plans which are classified as defined benefit plans. The obligation comprises pension entitlements with the principal actuarial results (changes in value of plan assets, life expectancy and the likelihood of the employee leaving the company) being for the account of the company.

The costs of these plans and the cash value of the future pension obligations are measured actuarially. The actuarial methods applied, comprise the use of assumptions regarding discount rates, future salary increases, mortality rates and the future indexation of pensions. All assumptions are reviewed at each reporting date. The table below lists the net provision for pensions, the fair value of the plan assets and the pension plan financing status.

The pension provision is specified below:	12-31-2018	12-31-2017
Antea France SAS and Géo-Hyd SARL (France)	3,198	2,918
Groupe IRH Environnement SAS (France)	1,124	1,234
Strukton Rail AB (Sweden)	45,269	41,946
Strukton Rail NV (Belgium)	1,214	1,284
Reef Infra B.V. (The Netherlands)	3,130	2,784
Rasenberg Infra B.V. (The Netherlands)	2,820	2,397
Costruzioni Linee Ferroviarie S.p.A. (Italy)	2,134	2,294
Total	58,889	54,857

The increase of the pension provision in 2018 is mainly caused by the decrease of the discount rate in Sweden.

Antea France SAS and Géo-Hyd SARL (France)
These benefit plans provide for an amount to be paid to the employee if the employee is employed by the employer until the agreed pension age. The amount to be paid, in addition to the monthly salary, depends on the number of years of employment when the pension date is reached. The liability is a pension entitlement for which the biggest actuarial gains and losses are covered by the company.

Groupe IRH Environnement SAS (France)
There are two plans, a retirement indemnity plan and a retirement benefits plan. The retirement benefits plan is a closed plan for participants who were employed before 1996.

Strukton Rail AB (Sweden)
The pension scheme for Strukton Rail AB (Sweden) employees who were born before 1978 is a defined benefit plan. All active participants in this plan have been enrolled in the Sweden Pension Plan ITP2. The other two current schemes are the Sweden Pension Plan Balfour Beatty and the Sweden Pension Plan KPA. All the remaining participants in these two pension plans are retirees of the former Balfour Beatty and the former Svensk Banproduktion. All three pension plans are administered by pension insurer PRI. As at the end of 2018, the total liability amounts to €45.3 million. Pension entitlements were calculated at present value based on IAS 19. This calculation was made by a certified actuary. The liability has to be financed by the company. Pension payments are handled by Alecta. The company is insured against bankruptcy with PRI. As part of this policy, guarantees totaling SEK160 million (€15.6 million) were provided to PRI. In calculating the pension liability, Alecta uses bases that differ from those used by PRI. As a result, the liability calculated by Alecta is greater. An annual premium paid to PRI covers the ‘estimated redemption cost’.

Strukton Rail NV (Belgium)
This pension insurance plan for employees of Strukton Railinfra N.V. is a defined benefit plan. The pension liability is financed with an insurance agreement.

Strukton Civiel Noord & Oost B.V. (The Netherlands)
For Strukton Civiel Noord & Oost B.V. an indexation liability has been entered for the benefit plan. The indexation liability is financed with an insurance agreement with Nationale Nederlanden. New entitlements are no longer being accrued in this benefit plan.

Strukton Civiel Zuid B.V. (The Netherlands)
For Strukton Civiel Zuid B.V. an indexation liability has been entered for the benefit plan. The indexation liability is financed with an insurance agreement with Delta Lloyd.

Costruzioni Linee Ferroviarie S.p.A. (Italy)
Costruzioni Linee Ferroviarie S.p.A. has a defined benefit plan (FONDO TFR – Pension Fund) for its employees. A sum of €2.1 million (2017: €2.3 million) has been reserved on the company balance sheet for this. The pension provision in Italy has not been externally financed but should be financed by the company.

Starting points

The identified material starting points for the calculation of the pension liability are the inflation, the discount rate and the mortality tables. The inflation is an 'indirect starting point'. Salary growth and pension growth are direct starting points derived from this inflation.

Starting points	December 31, 2018	December 31, 2017
Benefit plan discount rate	1.25-2.50%	1.25-2.75%
Inflation	1.50-2.00%	1.75-2.00%
Projected fund investment returns	1.25-2.50%	1.25-2.75%
Projected salary increase	1.75-3.00%	1.25-2.75%

The following mortality tables are used as of December 31, 2018:

Groupe IRH Environnement SAS	: RET Plan: TG HF 2005
Strukton Rail AB	: DUS14
Strukton Railinfra NV	: MR/FR (1993 Belgium motality table)
Strukton Civiel Noord & Oost B.V.	: AG 2018 prognosis
Strukton Civiel Zuid B.V.	: AG 2018 prognosis
CLF S.p.A.	: ISTAT 2010 M/F

Sensitivity

If the discount rate would increase by 1% point, under the same other assumptions, than the present value of pension liabilities would decrease by €14.0 million. A decrease in the discount rate by 1% point and the same other conditions, would cause the present value of pension liabilities to increase by €18.3 million.

If the inflation would increase by 0.25% point, under the same other assumptions, than the present value of pension liabilities would increase by €2.1 million. A decrease in the inflation by 0.25% point and the same other conditions, would cause the present value of pension liabilities to decrease by €2.0 million.

Duration

The duration of the Defined Benefit Obligation as of December 31, 2018 for the plans amount to 20.0 years (2017: 20.6 years).

Sweden

If the discount rate would increase by 1% point, under the same other assumptions, than the present value of pension liabilities would decrease by €9.2 million. A decrease in the discount rate by 1% point and the same other conditions, would cause the present value of pension liabilities to increase by €12.0 million.

If the inflation would increase by 0.25% point, under the same other assumptions, than the present value of pension liabilities would increase by €2.0 million. A decrease in the inflation by 0.25% point and the same other conditions, would cause the present value of pension liabilities to decrease by €1.9 million. If the participants of the three Swedish plans are supposed to live one year longer than assumed, then the liabilities increase by around 4.4%.

The actuarial loss on the pension plans in Sweden (which together make up 77% of the total provision) is €2.4 million, of which €2.5 million is down to a drop in the notional interest rate, beside which a profit of €0.1 million is realized by modified demographic starting points. Amounts payable by the employer directly over the coming years range from €0.5 million to €0.8 million per year. The ITP2 plan has a term of 23.7 years, while the term for the KPA plan is 21.0 years.

Breakdown

The pension liabilities and the pension plan assets are determined based on actuarial calculations that are performed as of December 31. The breakdown and the progress of the pension liabilities and the pension plan assets concerning the defined benefit plans are listed hereafter.

Provision for pension liabilities	12-31-2018	12-31-2017
Breakdown:		
Pension plan assets (fair value)	2,797	2,709
Pension liabilities (net present value)	61,686	57,566
Negative difference	58,889	54,857
Pension plan assets (fair value) presented as asset	-	-
Provision for pension liabilities	58,889	54,857

Changes:	**2018**	**2017**
Pension plan assets as at January 1st	2,709	2,468
Expected return on plan assets	382	44
Pension contributions	1,171	1,258
Pensions paid	(1,441)	(1,207)
Net actuarial gain or loss on plan assets	(24)	146
Pension plan asset as at December 31st	2,797	2,709
Pension liabilities as at January 1st	57,566	49,902
Claims to be awarded in financial year	2,615	2,462
Interest expense	1,705	1,195
Pensions paid	(1,433)	(1,203)
Net actuarial gain or loss on pension liabilities	2,945	6,419
Exchange rate differences	(1,678)	(1,223)
Other changes	(34)	14
Pension liabilities as at December 31st	61,686	57,566
Actuarial results as at January 1st	-	-
Net actuarial gain or loss on pension liabilities	2,975	6,273
Recognized in other comprehensive income	(2,975)	(6,273)
Actuarial results as at December 31st	-	-
Pension expense components under defined benefit plans		
Claims to be awarded in financial year	2,615	2,462
Interest expense	1,705	1,195
Expected return on plan assets	(382)	(44)
Other	(32)	14
Total pension expense under defined benefit plans in statement of income	3,906	3,627

The result realised on plan assets is €0 (2017: €0). The Group did not hold or use any plan assets. The major categories of plan assets as a percentage of the fair value of total plan assets were as follows:

	2018	2017
Bonds	0%	0%
Funds	0%	0%
Other plan assets	100%	100%

Given that the vast majority of the benefit plans is financed with an insurance policy, the assets consist of the guarantee by the insurer that specific pensions will be paid out in the future. The value of these assets is the current cash value of these guaranteed payments. Allocation to different financial instruments is not applicable, therefore these assets are presented under other fund investments.

Please refer to note 20 for the breakdown of pension expenses into defined benefit plans and defined contribution plans. The expected contribution to the defined benefit plans in 2019 is €4.1 million (2018: €4.4 million).

13. Provisions

	12-31-2018	01-01-2018 (reviced) *	12-31-2017
Provision for restructuring	3,502	2,021	2,021
Provision for onerous contracts with customers	46,410	26,538	-
Provision for projects other	12,455	3,716	8,435
Jubilee provision etc.	7,989	7,837	7,837
Other provisions	578	456	456
Total	70,934	40,568	18,749
Non-current part	41,809	26,732	15,606
Current part	29,125	13,836	3,143
Total	70,934	40,568	18,749

* After adjustment in the principles for financial reporting concerning Revenue from contracts with customers (IFRS 15). See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

The non-current component of the provisions (excluding the jubilee provision, etc.) is expected to be settled after one year, and will certainly be settled within five. The current component is expected to be settled within one year.
The jubilee provision and such like are based on an IAS19 calculation, including discount. The likelihood of departure falls over a range from 25% for employees aged 20 years to 0% for employees aged 60 years and up. The other non-current provisions are small.

Change in provisions	Restruc-turing	Onerous contracts with customers	Projects other	Jubilee etc.	Other	Total
Balance at January 1, 2017	1,699	-	7,472	10,236	-	19,407
Changes due to:						
Additions	2,272	-	6,010	1	456	8,739
Acquisition of subsidiaries	-	-	48	-	-	48
Utilization	(1,163)	-	(4,323)	(605)	-	(6,091)
Other	-	-	(56)	-	-	(56)
Release	(787)	-	(716)	(1,795)	-	(3,298)
Balance at December 31, 2017	2,021	-	8,435	7,837	456	18,749
Non-current part	-	-	8,335	7,271	-	15,606
Current part	2,021	-	100	566	456	3,143
Balance at December 31, 2017	2,021	-	8,435	7,837	456	18,749
Balance at December 31, 2017	2,021	-	8,435	7,837	456	18,749
Adjustment IFRS 15	-	26,538	(4,719)	-	-	21,819
Balance at January 1, 2018 (reviced) *	2,021	26,538	3,716	7,837	456	40,568
Changes due to:						
Additions	3,175	61,004	2,284	389	202	67,054
Utilization	(938)	(42,257)	-	-	-	(43,195)
Exchange rate differences	(17)	-	-	-	-	(17)
Other	-	4,979	6,832	-	-	11,811
Release	(739)	(3,854)	(377)	(237)	(80)	(5,287)
Balance at December 31, 2018	3,502	46,410	12,455	7,989	578	70,934
Non-current part	-	23,345	10,962	7,502	-	41,809
Current part	3,502	23,065	1,493	487	578	29,125
Balance at December 31, 2018	3,502	46,410	12,455	7,989	578	70,934

* After adjustment in the principles for financial reporting concerning Revenue from contracts with customers (IFRS 15).
See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

Provision for restructuring
As part of reorganizations underway a restructuring provision has been formed for expected severance costs. The provision is carried at nominal value.

Provison for onerous contracts with customers
The provision for loss-making contracts with customers totals €46.4 million. This provision represents the amount of unrealized losses on contracts based on project progress. Of the total provision for loss-making contracts with customers, €23.1 million is current.

Provision for projects other
The provision concerns mainly guarantee commitments.

Jubilee provision etc.
The provision is the amount of future benefit payments and claims for jubilee payments and leave entitlements. The obligations are realized to present value. Any actuarial gains or losses are recognized in the statement of income in the period in which they occur.

As part of service anniversary schemes at the Group, bonuses are paid out after a certain number of years of service. Given that there are various such schemes in place across the Group, the extent of this bonus and when it is paid depends on the entity at which an employee works. The primary risk the Group runs in relation to this facility is the interest rate risk, as a lower interest rate means a higher liability.

Other
The other provisions include provisions for specific guarantees issued in selling participations, risks of legal proceedings against the group and/or its operating companies, severance schemes and other relatively minor risks.

14. Subordinated loans and Non-current liabilities

Subordinated loans	12-31-2018	12-31-2017
Sanderink Investments B.V.	1,000	1,000
Total	1,000	1,000

The subordinated loan granted by associated party Sanderink Investments B.V. has a term of 55 years. Early repayment is possible. Interest on this loan is payable at a rate of 5.0%. Subordination applies to all of the Group's obligations towards the lender (Sanderink Investments B.V.), ensuing from this subordinated loan in relation to all current and future receivables of the Rabobank under the Rabobank Loan Agreement, both in cases of bankruptcy or suspension of payments on the part of the borrower and otherwise.

Non-current liabilities	12-31-2018	12-31-2017
Total current and non-current liabilites	236,299	107,116
Less:		
Current portion of non-current liabilities	(19,220)	(54,441)
Non-current liabilities	217,079	52,675
Property, plant and equipment financing	477	436
Term loan	30,786	29,845
Debts financing real estate projects	1,852	2,109
Bankloans	9,914	17,252
Groupe IRH	579	483
Lease liabilities	1,638	706
Non-recourse Ppp-financing	171,826	1,509
Other non-current liabilities	7	335
Total	217,079	52,675

The increase of the non-current liabilities is caused by the non-recourse Ppp-financing.

Non-current loans with terms up to and including 2022 have been taken out to finance property, plant and equipment (cars, tools and software).

The term loan consists of a USD-part of 23.8 million (A) and a Euro-part of 10 million (2017: 10 million) (B). The loan runs until July 27, 2020. Interest consists of three-month Libor (A) or Euribor (B) plus a margin of 1.8%-point (A) or 1.6% (B). Given the duration till July 27, 2020 this term loan is recognized as non-current liability. The mortgage loan on property Oosterhout is repaid in 2017. The carrying amount of the item of property, plant and equipment encumbered with the mortgage was €10,498,000 at year-end 2018 (2017: €10,955,000). The mortgage serves as security for the term loan.

The interest rate on debt financing real estate projects is 2.00%, duration till 2021. The interest on bankloans is 1.80%, duration varies from 2018 to 2026. Due to consolidation of ppp projects, in 2018 the non-recourse Ppp-financing came to €171.8 million (2017: €1.5 million). The interest rate is between 3.30% and 4.51% and the duration varies from 2018 to 2024. The other non-current liabilities concern private loans.

The repayment plan for the non-current liabilities and the repayment liabilities entered under the current liabilities is as follows:

2017	< 1 year	1-5 years	> 5 years	Total
Property, plant and equipment financing	238	436	-	674
Term loan	-	29,845	-	29,845
Debts financing real estate projects	216	2,109	-	2,325
Bankloans	47,207	14,932	2,320	64,459
Groupe IRH	649	483	-	1,132
Lease liabilities	5,735	706	-	6,441
Non-recourse Ppp-financing	396	1,245	264	1,905
Other non-current liabilities	-	335	-	335
Balance at December 31, 2017	54,441	50,091	2,584	107,116

2018	< 1 year	1-5 years	> 5 years	Total
Property, plant and equipment financing	271	477	-	748
Term loan	-	30,786	-	30,786
Debts financing real estate projects	172	1,852	-	2,024
Bankloans	15,765	8,421	1,492	25,678
Groupe IRH	-	579	-	579
Lease liabilities	2,613	1,635	3	4,251
Non-recourse Ppp-financing	399	34,119	137,708	172,226
Other non-current liabilities	-	-	7	7
Balance at December 31, 2018	19,220	77,869	139,210	236,299

2018	Balance at 1-1-2018	Dra-wings	Repay-ments	Exchange differences	Acquisi-tion/sale	Other	Balance at 12-31-2018
Property, plant and equipment financing	674	312	(238)	-	-	-	748
Term loan	29,845	-	-	941	-	-	30,786
Debts financing real estate projects	2,325	-	(301)	-	-	-	2,024
Bankloans	64,459	9,889	(8,691)	-	21	(40,000)	25,678
Groupe IRH	1,132	-	(553)	-	-	-	579
Lease liabilities	6,441	269	(2,333)	(5)	190	(312)	4,250
Non-recourse Ppp-financing	1,905	10,706	(396)	-	160,011	-	172,226
Other non-current liabilities	335	-	(328)	-	-	1	8
Total	107,116	21,176	(12,840)	936	160,222	(40,311)	236,299

The increase in non-recourse Ppp-financing due to acquisitions relates to the acquisition of the remaining 50% equity stake in MEET Strukton Holding B.V. (formerly StruktonHurksHeijmans Holding B.V.) from Hurks and Heijmans.

The other change to the bank financing is related to, among other things, the new financing deal signed on April 13, 2018. As part of this new financing deal, the €40 million loan has been repaid and a new current account facility has been agreed. This current account facility has been recognized as debt to credit institutions under current liabilities.

For more information about interest and currency risks, see the section on financial instruments and the financial risk management section. Further reference is made to the continuity paragraph in the accounting policies.

15. Other current liabilities	12-31-2018	12-31-2017
Repayment obligations	19,220	54,441
Debts to affiliated companies	1,332	2,175
Debts in respect of other taxes and contributions	74,707	67,317
Pension obligations	2,704	3,059
Other liabilities	119,167	137,884
Accrued liablities	95,153	85,812
Total	312,283	350,688

The decrease in the current part of the long-term liabilities is due to the new financing deal signed on April 13, 2018. As part of this new financing deal, the €40 million loan has been repaid and a new current account facility has been agreed.

Other payables and accrued liabilities consist largely of outstanding invoices for work completed (mainly the metro project in Riyadh) and holiday money and days.

Oranjewoud N.V. is for its financing arrangement in compliance with the conditions agreed with the banks for the entirety of 2018 and as of December 31, 2018.

16. Liabilities not included in the statement of financial position
Contingent liabilities
Contingent liabilities are liabilities resulting from events in the past whose existence is only confirmed by the occurrence of one or more uncertain future events, over which the entity does not have total control.

If it is not likely that an outflow of means that contain economic benefits will be required to settle a liability or if the amount of the liability cannot be valued in a sufficiently reliable manner, then the liabilities in question will also be designated as contingent liabilities. The contingent liabilities are guarantees issued and any liabilities from legal proceedings against Oranjewoud N.V. and/or its operating companies for which the scope of the risks and any resulting liabilities cannot be valued in a sufficiently reliable manner.

In addition to this, Oranjewoud N.V. is jointly and severally liable for all liabilities of general partnerships (contractor combinations) in which it is directly involved. This liability is limited to the Group companies participating in the general partnership. Liabilities of this kind have not been entered in the financial statements.

Bank guarantees, rental and lease obligations
The bank guarantees for projects, leases and capital commitments amounted to €340,002,000 (2017: €307,084,000). The total financial obligations for rental and operating lease amounted to €152,072,000 (2017: €144,985,000). The installments mature as follows:

	12-31-2018	12-31-2017
Within one year	50,389	48,554
After one year but within five years	87,984	84,688
After five years	13,699	11,743
Total	152,072	144,985

The lease installments relate to cars and computer equipment. The rental obligations relate mainly to office buildings. Investment obligations related to tangible fixed assets amounted to €4,567,000 (2017: €7,641,000). The investment obligations in 2017 and 2018 relate mainly to contractual commitments that came with the investment in two specific machines.

Dividend payments, if any, made by Oranjewoud N.V. to shareholders do not result in corporate income tax consequences.

Legal proceedings
The Group was involved in a number of legal proceedings at year-end 2018 and 2017, most of which are small scale.

In May 2018, a court in the Middle East returned a ruling in a material legal case to which the Group has appealed. The Group has not recognized a provision for this because the Group does not deem it likely, based on a detailed analysis and consultations with external lawyers, that this will lead to an outflow of resources. There are further means of redress available to the Group. In the event that the court does ultimately rule against the Group, this may lead to a considerable outflow of resources.

FIOD
On Friday February 15, 2019, officers of the Dutch Fiscal Intelligence and Investigation Service (FIOD) raided various Strukton Groep premises. The board maintains that there was no need whatsoever for this raid, and that it was conducted without any kind of preparation. Strukton Groep would happily have provided the information obtained through the raid. The exact reason behind the Fiscal Intelligence and Investigation Service's raid remains unclear.

The suspicion relates to involvement of various Strukton Groep companies and several of their (former) employees in corruption and forgery of documents in landing a contract for the Riyadh subway project. We are fully prepared to cooperate with the Fiscal Intelligence and Investigation Service in any way as may be required and to disclose the full state of affairs.

Immediately after the raid, the board of Strukton Groep launched an internal investigation. The list of all information confiscated by the Fiscal Intelligence and Investigation Service has been reviewed for indicators of irregularities. This review did not reveal any indications of non-compliance with applicable legislation and regulations.

The Supervisory Board subsequently had an independent external legal expert assess the quality of the internal investigation. This legal expert concluded that the internal investigation was conducted adequately and meticulously, and that there is not a single specific indicator backing up the Fiscal Intelligence and Investigation Service's suspicions.

Although the board has full confidence in the outcome of its investigation, the Fiscal Intelligence and Investigation Service has not yet concluded its investigation, which could lead to sanctions for the company.

Corporate income tax
The Dutch tax authorities are currently auditing the Riyadh subway project and the associated transfer pricing and distribution of profits between the Netherlands and Saudi Arabia. The tax authorities deem the Group's own Transfer Pricing report to be incomplete. Based on this audit, the tax authorities are provisionally of the view that similar business parties operating under the same circumstances would have agreed a different profit distribution arrangement, while also stating that they intend to reach a solution for the transfer prices to be used for the project that is acceptable to both parties.

Our financial statements do not include a provision for this. In part based on the double taxation avoidance agreement between the government of the Kingdom of the Netherlands and the government of the Kingdom of Saudi Arabia, which includes a provision regarding corresponding corrections and a provision on a mutual consultation procedure, we assume that the countries involved will reach an amicable solution that will not have any kind of adverse impact on the Group.

17. Financial instruments

General
The main financial instruments of the Group comprise of bank loans and credits and cash and cash equivalents. The Group also uses interest rate swaps and inflation swaps to hedge interest rate and inflation risks arising from corporate and project financing. The main purpose of the financial instruments is to raise financing for the operating activities of the Group. In addition there are various other non-current financial assets and liabilities, including trade receivables and debts to suppliers, which arise directly from the operating activities. No derivatives and financial instruments are held for trading purposes.

On conclusion of the ppp-contracts, the variable interest rate on the non-current non-recourse financing will be switched to a fixed rate using interest rate swaps. Here, the interest accrual factor is also determined for the non-current ppp-receivable. The swapped interest and the interest accrual factor are interlinked in models and are close together. When determining the fair values of the ppp-liability and ppp-receivable, we look at the future cash flows and the differences in value resulting from the change in market interest rates with respect to the interest accrual factor and the swap interest, respectively.

Interest rate risk
The interest rate risk in respect of interest-bearing loans and bank debts is discussed under the heading Non-current liabilities.

The impact of a 1 percentage point interest increase on profit before taxes and equity is around €0.5 million negative (2017: €1.0 million negative). The impact of a decrease is similar in size but contrary. This interest rate risk is exclusive the effect of derivates.

Currency risk
The majority of the Group's activities are carried out in the eurozone. Most subsidiaries outside of the eurozone do business in their country's currency. For transactions in foreign currency the policy is to hedge the total net position by means of foreign currency contracts. In 2014 and 2016 forward exchange contracts are closed to the metro project in Riyadh, where the currency risk on future cash flows in USD is covered. The translation risk on equity and loans granted to subsidiaries is not hedged outside of the eurozone, except for Antea USA (see below). The Group's currency risk is limited to its foreign subsidiaries in India, Brazil, Scandinavia and in Riyadh (Saudi Arabia). The total equity of these foreign subsidiaries amount to €23.1 million at year-end 2018 (2017: €41.6 million).

The high volatility of the US dollar versus the euro is a risk. The acquisition of Antea USA in early 2008 for a sum of USD 23,750,000 was settled in full by means of a transaction in euros. The euro/dollar rate at the time of the transaction was 1.47. The currency risk for this non-current investment was hedged by means of a loan in early 2011. As of August 1, 2013 and as of July 27, 2017 the mentioned US dollar loan has been replaced with a new loan of US dollar 23.8 million. The US dollar loan functions as a natural hedge as to the equity value in US dollar of Antea USA.

The main exchange rates over the financial year are as follows:

	Average rate		Spot rate	
	2018	2017	2018	2017
USD	1.1810	1.1322	1.1450	1.1993
DKK	7.4532	7.4269	7.4673	7.4449
NOK	9.5975	9.3270	9.9483	9.8403
SEK	10.2583	9.6351	10.2548	9.8438
GBP	0.8847	0.8770	0.8945	0.8872
COP	3,486.5744	3,337.0406	3,719.1395	3,581.2169
INR	80.7332	73.5324	79.7298	76.6055
SAR	4.4295	4.2389	4.3107	4.5003

A 10% increase in the value of the euro against other currencies at year-end would have reduced equity by €3.7 million (2017: €3.0 million) and profit by €0.8 million (2017: €2.2 million). All other variables, interest rates in particular, are assumed to remain unchanged. A 10% fall in the euro against the other currencies would have had a similar, but contrary, effect, assuming that all other variables remain unchanged.

Interest rate and inflation swaps
A 100 bps rise in the interest rate means a gain of €0.7 million on the financial derivative. Virtually the entire amount of €0.7 million will be recognized in the shareholders' equity. A 100 bps drop in the interest rate means a loss of €0.7 million on the financial derivative. Virtually the entire amount of € 0.7 million will be recognized in the shareholders' equity. The measurement of derivatives is based on data supplied by banks and checked against corresponding figures from the market.

Credit risk
The Group applies procedures and policies to limit the extent of the credit risk with any counterparty or in any market. These procedures and the spread across numerous customers limit the Group's exposure to the risk related to credit concentrations and market risks. In addition, projects are invoiced on a progress basis and to the extent possible under the contract advanced billing are used. Escrow arrangements have been drawn up for specific projects as security for payment.The available cash and cash equivalents is held with creditworthy banking institutions.

Liquidity risk
The Group monitors its risk of a cash deficit by means of a liquidity planning tool. This tool considers the maturity of both investments and operating cash flows. The liquidity planning tool is used where relevant for specific parts of the Group. The Group aims for a balance between continuity in financing and flexibility in the use of credit facilities, loans and equity.

The total credit facilities for Oranjewoud N.V. (included Strukton Groep) amounted to some €255 million (2017: €246 million). Oranjewoud N.V. and its Group companies established in the Netherlands are jointly and severally liable for the aforesaid facility. The borrowers have imposed themselves not to encumber their assets with security without the lender's advance consent. Assets have been pledged as security for some of the debts. From these current account facilities €52 million (2017: €67 million) was used at December 31, 2018.

To finance accounts receivables, factoring agreements have been concluded with financiers with a total facility of €28 million (2017: €49 million). Of this, an amount of €28 million (2017: €24 million) was used.

The maturity profile of the financial obligations of the Group as at December 31, 2017 and 2018 is as follows:

Maturity profile (amounts x € 1,000)	Book Value	Contracted Cash flows	Within 6 months	6 to 12 months	1 to 5 years	> 5 years
At December 31, 2017						
Subordinated loans	1,000	1,103	-	-	1,103	-
Interest-bearing loans	107,116	109,525	45,022	10,203	51,302	2,999
Trade payables and other liabilities	917,145	917,145	492,788	347,120	77,237	-
Amounts owed to credit institutions	35,664	36,139	33,710	2,429	-	-
Financial derivatives	-	-	-	-	-	-
Total	1,060,925	1,063,911	571,520	359,751	129,641	2,999
At December 31, 2018						
Subordinated loans	1,000	1,103	-	-	1,103	-
Interest-bearing loans	236,299	322,370	16,726	20,065	117,458	168,122
Trade payables and other liabilities	964,731	964,731	514,331	369,223	81,177	-
Amounts owed to credit institutions	62,325	62,389	60,191	2,198	-	-
Total	1,264,355	1,350,593	591,248	391,486	199,738	168,122

Given the policy to cover liquidity and interest risks the Group has entered into several swaps. The special purpose companies have entered into interest and inflation swaps for the ppp projects. The changes of these interest and inflation swaps have been accounted in the ppp projects. Fair value accounting was applied for all swaps that existed at the time of Strukton's acquisition. This means that the value transactions for the derivative are accounted for directly in the statement of income. For the other swaps, hedge accounting was applied using the cash flow model.

Cash Flows due to derivatives (amounts x € 1,000)	Book Value	Contracted Cash flows	Within 6 months	6 to 12 months	1 to 5 years	> 5 years
2017						
Financial derivatives: assets	385	385	385	-	-	-
Total	385	385	385	-	-	-
2018						
Financial derivatives: assets	14	14	14	-	-	-
Total	14	14	14	-	-	-

Fair values

A comparison of the carrying amounts and fair values of financial assets and liabilities of the Group are set out below:

(amounts x € 1,000)	Carrying amount		Fair value	
	2018	2017	2018	2017
Financial assets				
Trade receivables	419,942	419,644	419,942	419,644
Other receivables	500,455	422,027	500,455	422,027
Non-current receivables	24,926	27,617	24,926	27,617
Ppp-receivables	36,743	5,109	35,042	5,109
Cash and cash equivalents	275,950	198,945	275,950	198,945
Total	1,258,030	1,073,727	1,256,329	1,073,727
Financial liabilities				
Interest-bearing loans	236,299	107,116	239,236	107,116
Trade payables and other liabilities	1,002,511	944,357	1,002,511	944,357
Amounts owed to credit institutions	62,325	35,664	62,325	35,664
Total	1,302,135	1,088,137	1,305,072	1,088,137

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing financial instruments, distinguishing between valuation methods.

Level 1: quoted (non-adjusted) prices in active markets for similar assets or liabilities.

Level 2: other methods with all variables having a significant impact on the recognized fair value and being directly or indirectly observable

Level 3: methods using variables that have a significant impact on the recognized fair value, but are not based on observable market data.

The fair values are based on a model in which the main variable is the market rate and in which indications of value from third parties have been processed.

Assets measured at fair value

(amounts x € 1,000)

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Ppp-receivables	2,159	-	-	2,159
Financial derivatives	385	-	385	-
Total	2,544	-	385	2,159

	December 31, 2018			
	Total	Level 1	Level 2	Level 3
Ppp-receivables	33,232	-	-	33,232
Financial derivatives	14	-	14	-
Total	33,246	-	14	33,232

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

18. Segmented information

Performance details of operational segments are reported based on internal reports to the board. The board assesses business operations from a combination of industries and geographical regions and defines Consulting and Engineering Services, Rail Systems, Civil Infrastructure, Technology and Buildings, and Other as operational segments. Operational segments have not been aggregated. The distribution of the revenue from contracts with customers and profit and the distribution of statement of financial position items on the basis of the core segments of the company are as follows:

In millions of euros	Consulting & Enginee-ring Services		Rail		Civil		Technology & Buildings		Other		Eliminations		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Revenue from projects	**417.2**	396.6	**517.2**	511.5	**544.2**	665.9	**184.2**	161.5	**66.9**	62.8			**1,729.7**	1,798.3
Revenue from secondment									**10.0**	11.0			**10.0**	11.0
Revenue from maintenance			**302.0**	361.5	**0.7**	-0.7	**181.9**	177.9					**484.6**	538.7
Revenue from inventory					**7.2**	6.9							**7.2**	6.9
Revenue other			**7.4**	4.9	**28.1**	16.8	**1.8**	8.1					**37.3**	29.8
Revenue from contracts with customers (external)	**417.2**	396.6	**826.6**	877.9	**580.2**	688.9	**367.9**	347.5	**76.9**	73.8			**2,268.8**	2,384.7
Between segments	**16.8**	18.5	**7.8**	14.0	**14.9**	12.9	**8.2**	5.8	**12.3**	12.6	**-60.0**	-63.8		
Depreciation	**5.5**	6.1	**17.6**	18.0	**5.4**	6.0	**1.6**	1.7	**0.2**	1.3			**30.3**	33.1
Amortization	**2.1**	3.2	**3.6**	5.7	**0.9**	1.3			**2.9**	1.3			**9.5**	11.5
Operating profit	**23.8**	20.5	**9.7**	39.7	**-5.2**	-11.3	**4.4**	2.6	**-0.2**	0.8			**32.5**	52.3
Finance revenue and costs	**-0.9**	-0.7	**-0.3**	-2.3	**-3.7**	-7.1	**-3.3**	-1.2	**-0.6**	-0.6			**-8.8**	-11.9
Profit form associates			**0.7**	1.2	**6.2**	10.8	**0.2**	0.3	**0.1**	0.1			**7.2**	12.4
Taxes	**-5.5**	-4.9	**-6.0**	-9.4	**-3.6**	1.7	**0.2**	-0.5	**-0.6**	0.4			**-15.5**	-12.7
Net profit	**17.4**	14.9	**4.1**	29.2	**-6.3**	-5.9	**1.5**	1.2	**-1.3**	0.7			**15.4**	40.1
Total assets	**275.3**	247.9	**665.9**	621.0	**371.6**	418.4	**408.9**	245.8	**66.1**	66.3	**-158.5**	-162.5	**1,629.3**	1,436.9
Total financial assets	**13.0**	14.0	**50.4**	27.6	**25.2**	25.3	**53.2**	3.7	**0.4**	0.4	**-40.0**		**102.2**	71.0
Total liabilities	**146.1**	139.3	**513.6**	477.4	**289.0**	342.0	**387.4**	212.7	**84.5**	79.2	**-118.5**	-162.5	**1,302.1**	1,088.1
Total investments	**6.7**	5.6	**15.7**	18.1	**6.7**	3.9	**0.4**	0.6	**0.2**	0.3			**29.7**	28.5
Employees	**3213**	3155	**3817**	3743	**1291**	1357	**1751**	1765	**203**	212			**10275**	10232

Revenue from contracts with customers for €235.6 million came from a single external customer. This revenue is attributed to the segment Rail Systems.

The geographical spread is as follows:

In millions of euros	The Nether-lands		Italy		Sweden		Other Europe		US		South-America		Asia		Middle East		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Revenue from projects	**1,056.7**	1,034.6	**168.4**	171.1	**29.5**	55.4	**232.8**	204.0	**72.2**	75.6	**4.5**		**2.9**	2.9	**162.7**	254.7	**1,729.7**	1,798.3
Revenue from secondment	**10.0**	11.0															**10.0**	11.0
Revenue from maintenance	**293.3**	302.0			**190.5**	211.5	**0.8**	25.2									**484.6**	538.7
Revenue from inventory	**7.2**	6.9															**7.2**	6.9
Revenue other	**33.4**	29.6	**1.8**	0.1			**2.1**	0.1									**37.3**	29.8
Revenue from contracts with customers (external)	**1,400.6**	1,384.1	**170.2**	171.2	**220.0**	266.9	**235.7**	229.3	**72.2**	75.6	**4.5**		**2.9**	2.9	**162.7**	254.7	**2,268.8**	2,384.7
Total assets	**889.7**	722.9	**269.9**	223.9	**123.6**	120.5	**179.7**	168.8	**42.3**	41.6	**4.7**	0.7	**3.9**	3.7	**115.5**	154.8	**1,629.3**	1,436.9
Total financial assets	**81.0**	49.3	**8.0**	7.6	**9.7**	5.2	**-8.7**	-4.7	**12.2**	13.6							**102.2**	71.0
Total liabilities	**734.6**	543.0	**186.7**	160.3	**73.0**	53.9	**156.7**	147.3	**35.0**	35.4	**8.8**	0.1	**0.4**	0.3	**106.9**	147.8	**1,302.1**	1,088.1
Total investments	**18.9**	12.3	**3.6**	7.6	**2.0**	2.1	**4.4**	5.5	**0.7**	0.9	**0.1**			0.1			**29.7**	28.5

Projects for third parties
The performance obligation is fulfilled in proportion to project progress. Invoicing is based on installment schedules that are related to project progress. The use of installment schedules means that fulfillment of the performance obligation does not run in sync with the payments. If output is higher than the amount due on the invoice, a contract asset will be recognized. If the amount due on the invoice is higher than the output, a contract liability will be recognized. Work under a cost-plus contract will be invoiced after completion of the work. Invoices are generally paid between 30 and 60 days after the send date. For certain contracts, advance payments are contractually required.

Temporary Staff
The performance obligation is fulfilled in proportion to the progress of the secondment. Invoicing is periodic. Payment must be made before the invoice due date.

Service maintenance and concessions
The performance obligation is fulfilled in proportion to the progress of the output. Service maintenance and concessions are invoiced monthly based on contractual arrangements. Work under maintenance contracts is invoiced at the end of the month. Invoicing at the end of the month means that fulfillment of the performance obligation does not run in sync with the payments. Whenever invoicing is in arrears, a contract asset will be recognized. If the contract includes variable fees, these will be estimated periodically and included in the transaction price. For certain contracts, advance payments are contractually required before the maintenance service is provided.

The following provides additional information on revenue from contracts with customers recognized in the financial year.

Recognized revenues that in the beginning of the period were included in the credit balance work in progress (amounts in thousands of euros):

	2018
Projects for third parties	153,753
Secondment	-
Service maintenance and concessions	3,775
Revenue from inventory	-
Other	-
Total	**157,528**

Recognized revenues from in former periods (partial) performance obligations fulfilled (amounts in thousands of euros):

	2018
Projects for third parties	2,160
Secondment	-
Service maintenance and concessions	-
Revenue from inventory	-
Other	-
Total	**2,160**

Projects may take longer than one year or may be carried over from one calendar year to the next. As at December 31, expected revenue from contracts with customers in relation to unfulfilled performance obligations (current projects or future projects that have already been acquired) is as follows:

	2018
Within one year	1,552,610
After more than one year	1,645,722
Total	**3,198,332**

For further explanation on the revenue from contracts with customers see note 17 ‘Financial instruments’.

Segments

Growth of revenue from contracts with customers in the **Consulting and Engineering Services** segment is twofold. Autonomous growth was generated primarily in the Netherlands and Belgium. Growth through expansion of the Group in the last few months of 2017 came in the form of the addition of Iceacsa and Angelbrasil. Profit growth was driven by strong performance in the Netherlands and the United States. Profits posted in France, Belgium and India, as well as at Iceacsa and Angelbrasil, were good.

Poor performance of a number of maintenance contracts in Sweden has resulted in the **Rail Systems** segment posting a disappointing operating profit. Rail Italy, on the other hand, recorded excellent profits, while projects and maintenance contracts in the Netherlands also contributed significantly to the overall profit. In Belgium, Strukton Rail is still struggling with a difficult market. Strukton Rolling Stock has been running a loss, but expects performance to improve in 2019. Total revenue from contracts with customers was down on 2017, mainly as a result of falling output under maintenance contracts in Sweden.

In 2018, a restructuring saw Strukton Civiel's and Strukton International's civil infrastructure operations and specialist products and services merged into one single "Civil Infrastructure" segment. The **Civil Infrastructure** segment's results were up on 2017, mainly on the back of the solid performance of regional companies and in specialist areas. The profit recorded by the project department was disappointing. The emphasis will increasingly be on integrated rail and civil engineering work. These contracts allow Strukton to set itself apart from the competition. Profits made on the Riyadh subway project have stayed stable and the project is making good progress. The drop in revenue from contracts with customers was caused by the fact that civil engineering output of the construction joint venture (CJV) for the Riyadh subway project had already peaked in previous years.

The operating profit posted by the **Technology and Buildings** segment is up on the previous financial year. Management and maintenance operations have contributed substantially towards the result. For a number of projects that were completed in 2018, an additional reserve has been created, significantly reducing the organization's risk profile. Progress on the construction of new premises for the National Institute for Public Health and the Environment (RIVM) and Medicines Evaluation Board (CBG) was good: this ppp project is on schedule.

In June 2018, Hurks' and Heijmans' equity stakes in MEET RIVM CBG B.V. and MEET Strukton Holding B.V. (formerly StruktonHurksHeijmans Holding B.V.) were acquired, pushing up revenue from contracts with customers. Acquisition of these equity stakes also drove up total assets and liabilities by €171 million and financial assets by €33 million.

19. Other operating income

In 2018 the realized other oprating income is €2.6 million. This concerns in particular the badwill and the transaction result arising from the extension of the interest in MEET Strukton Holding B.V. Other operating income in 2017 relates to the book profit on the sale of the production activities of Edel Grass B.V.

20. Staff costs

	2018	2017
Wages and salaries	550,140	537,779
Social security contributions	105,936	102,315
Defined contribution plans	44,621	41,484
Defined benefit plans	3,906	3,627
Temporary agency staff	71,950	63,461
Other staff costs	98,944	92,706
Total	875,497	841,372

Some of the Group companies also have defined benefit plans (see note 12). The lease payments for passenger cars, included under other staff costs, were €43.7 million (2017: €41.5 million).

At December 31, 2018, the number of employees in the Group, expressed in full-time equivalents, was 9914 (2017: 9879). The breakdown is as follows:

	2018	2017
The Netherlands	6120	6121
Other Europe	3129	3134
US	357	367
South America	135	70
Asia	173	187
Total	9914	9879

21. Related parties

Sanderink Investments B.V. with its associates is identified as a related party. Oranjewoud N.V. is for 98.20% owned by Sanderink Investments B.V. Sanderink Investments B.V. is for 100% owned by Stichting Administratiekantoor Sanderink Investments of Gerard Sanderink. The related parties of the Group consist of the associates, the directors, the managers on key positions and other related parties. For a list of the subsidiaries see note 40.

Purchases from related parties were made at normal market prices and concern IT related purchases in "the normal course of business" of both Oranjewoud and other companies belonging to the Group. The total amount of these purchases amounted to €6.1 million (2017: €2.7 million). As of the year end, we have the following outstanding receivables and liabilities due to transactions with Sanderink Investments B.V.: receivables €8,000 (2017: €128,000) and liabilities €1,332,000 (2017: €2,175,000). In addition, there is a subordinated loan of Sanderink Investment B.V. of €1 million (2017: €1 million). See also note 14 “Subordinated loans”.

Balances outstanding at year-end are not covered by collateral security, carry no interest and are settled in cash. Current account balances with foreign related entities carry interest, with a limited divergence from the current variable market rate of interest. No guarantees have been issued nor received for the amounts payable to or receivable from related parties.

Board of Directors

In 2018, the membership of the Board of Directors consists until Februay 28, 2018 of Mr. G.P. Sanderink and Mr. P.G. Pijper. On February 28, 2018 the Board of Directors of Oranjewoud N.V. and Mr. Pijper decided to say goodbye to each other. The remuneration provided by the company for the financial year, consisting of fixed and variable remuneration, as well as pension expenses and dissolution fees for directors came to €374,577 (2017: €319,998).

	Year	Salary	Bonus [1)]	Ending	Pension
G.P. Sanderink	2018	-	-	-	-
	2017	-	-	-	-
P.G. Pijper	2018	39,266	11,900	321,244	2,167
	2017	235,598	71,400	-	13,000

[1)] The bonus is based on agreed criteria by calendar year.

No loans, advances or related guarantees have been issued to the management.

Transactions with managers in key positions

Managers in key positions are those persons who are authorized and responsible for the planning, direction, and exercise of control over the entity’s operations. Until February 28 in the 2018 financial year, Oranjewoud N.V. had two directors. After that date, this number was reduced to one. The directors of Oranjewoud N.V., the directors of Antea Group, and the directors of Strukton Groep are the managers who have been identified as managers in key positions. Pay and employee benefits for managers in key positions are made up of the following components:

	2018	2017
Short term employee benefits	1,463,306	1,736,686
Post-employment benefits	61,343	65,692
Other long term employee benefits	-	-
Dissolution fees	321,244	-
Share-based payments	-	-
Total	1,845,893	1,802,378

Oranjewoud N.V. pays for the director (Mr. Sanderink) a management fee to Sanderink Investments B.V. This management fee is reflected in the table above and amount to €275,000 (2017: €325,000).

Supervisory Board
The remuneration for the members of the Supervisory Board, consisting only of fixed short term employee benefits, is:

	2018	2017
H.G.B. Spenkelink	37,500	37,500
J.P.F. van Zeeland	28,500	28,500
W.G.B. te Kamp (until May, 16 2018)	10,688	28,500
H.P.J.M. Jans (off September 21, 2017)	28,500	7,125
Total	105,188	101,625

22. Other operating expenses

	2018	2017
Facility expenses	34,430	37,294
Office expenses	13,031	13,259
Selling expenses	5,205	5,186
Other expenses	147,597	151,953
Total	200,263	207,692

The lease payments for company cars, included under other expenses, amount to €24.0 million (2017: €25.7 million). The rental costs, included in facility costs, amount to approximately €23.1 million (2017: €25.3 million). The rental costs mainly relate to leases of office buildings. Leases are entered into for an average of 5 to 10 years, generally with renewal options. The future lease obligations are specified in the "Liabilities not included in the statement of financial position" (note 16).

In 2018, a total of €1.3 million was granted (2017: €1.3 million). These grants are deducted from the costs of which the grant relates to.

23. Finance revenue and costs

		2018	2017
Finance revenue:	Interest income	3,219	4,531
	Accretion financial non-current assets	817	94
	Result on associates	362	228
	Exchange gains	378	225
	Results forward exchange contracts	149	-
	Subtotal	4,925	5,078
Finance costs:	Interest expense for bank debt and affiliated companies	(12,951)	(13,762)
	Exchange losses	(794)	(468)
	Results forward exchange contracts	-	(2,768)
	Subtotal	(13,745)	(16,998)
	Total finance revenue and costs	(8,820)	(11,920)

In comparison to 2017, the negative balance of financial income and expenditure was €3.1 million less, due mainly to the forward exchange contracts settled in 2017.

The result forward exchange contracts relates to contracts for the Riyadh subway project that were entered into in 2014 and 2016 and settled in 2017. Losses are offset by a positive Ebitda result as US-dollar cash flows from Riyadh resulted in more euros as a result of the relative increase of the US-dollar against the euro.

24. Income Tax

The main components of the corporate income tax expense for 2018 and 2017 were:

Consolidated statement of income	2018	2017
Current corporate income tax		
Corporate income tax payable on profit for the year	15,594	11,519
Adjustment tax expense previous years	546	167
Deferred corporate income tax		
Relating to acquisition of associates concerning intangible assets and property, plant and equipment	(3,596)	(2,518)
Relating to valuation of carry-forward losses	4,663	2,133
Relating to other temporary differences	(1,672)	1,340
Corporate income tax presented in the statement of income	15,535	12,641

The reconciliation between the nominal and the effective tax rate is as follows:	2018	%	2017	%
Profit before tax	30,979		52,738	
Nominal corporate income tax	7,745	25.0	13,185	25.0
Effect adjustment tax expense previous years	546	1.8	167	0.3
Effect adjustment deferred tax rate	5,760	18.6	-	-
Participation exemption	(1,807)	(5.8)	(3,132)	(5.9)
Effect of foreign group companies	1,494	4.8	1,190	2.3
Impairment goodwill	625	2.0	98	0.2
(Not) valued compensable losses	1,019	3.3	2,109	4.0
Other	152	0.5	(976)	(1.9)
Total	15,535	50.1	12,641	24.0

The effective tax rate in 2018 differs sharp from the nominal rate. The main effect is caused by the adjustment of the rate of income tax.

The effective tax rate in 2017 differs only limited from what can be expected on the basis of the nominal rate. The effects of participation exemption, foreign group companies and (not) valued compensable losses cancel each other out.

25. Cash flow statement

In the cash flow statement the changes without a cash flow have been made visible separately as a part of the operatonal cash flow. Besides that the interest receved, the interest paid and the income tax paid has been stated separately.

The total net cash flow in 2018 is €86.0 million positive (2017: €11.7 million negative). Cash flow in 2018 was pushed up sharply by the acquisition of equity stakes in MEET Strukton Holding B.V., prompting consolidation of associated cash.

The operational cash flow in 2018 is €6.3 million positive (2017: €65.8 million positive). Investments in consolidated companies of €3.5 million in 2018 concerns A1 Electronics, Promofer en CLF. In 2017 the investments in concolidated companies concerns mainly Iceacsa Consultores S.L.U. and NS Spooraansluitingen.

26. Subsequent events

On January 16, 2019, Strukton Rail increased its stake in Italian railroad construction firm CLF Group (Costruzioni Linee Ferroviarie) from 60% to 100%. Strukton Rail acquired the remaining 40% of the shares from Unieco. Strukton Rail's stake in CLF dates back to 1998, and was increased to a majority stake in 2013. CLF Group is made up of CLF SpA, the UNIFER and S.I.F.EL subsidiaries, and the TES engineering firm.

CLF Group is a leading player in railroad, subway, and tram line design, construction, maintenance, and upgrades in Italy and elsewhere (Algeria, Morocco, Venezuela, and Bulgaria). The company's primary focus is on ensuring safe and reliable transport by rail. CLF has sites in Bologna, Alessandria, and Spigno Monferrato.

Over the past years, Strukton Rail and CLF have worked closely together in the areas of mechanization and digitization. The two companies use each other's specialist high-output machines for fast and efficient construction, upgrade, and maintenance work. CLF crews and machines have in recent years successfully been deployed for Strukton projects in Denmark and the Netherlands. CLF also partners with Strukton in the application of smart maintenance products in Italy, such as Dual Inventive's IoT sensors.

On Friday February 15, 2019, we were surprised by a raid of Strukton Groep offices by the Dutch Fiscal Intelligence and Investigation Service (FIOD). Further details about this are included in note 16, "Off-balance sheet liabilities and securities provided."

Antea Group's acquisition of the Polish arm of Tractebel-Engie was made official on May 29, 2019. This engineering and consultancy firm employs around 75 people and has made a good name for itself as a specialist in thermal and renewable energy and the transportation and distribution of energy. This firm is also a well-established player in the area of water, wastewater, and infrastructure. The company now operates under the name Antea Group Poland.

On June 14, 2019, major shareholder Sanderink Investments B.V. granted Oranjewoud N.V. a subordinated loan of €10 million, which has been used to secure the continuity of financing in Sweden by shoring up Strukton Rail Sweden's shareholders' equity.

27. Services rendered for concessions and public private partnership (ppp)

Oranjewoud Group companies participate at year-end 2017 in a set of six Special Purpose Companies for ppp-concession projects. These companies have closed a concession agreement for provision of services. All agreements are based on a public private partnership. These contracts are of a type known as DBFM(O) (Design, Build, Finance, Maintain and Operate). The companies over which the Group can (collectively) exercise decision-making authority have been consolidated (proportionally). If the Group does not have collective decision-making authority, then the company is accounted for as a participation or investment.

The following applies for all concession agreements:

- the concession payments depend on the availability of the installation or accommodation;
- insofar as the payment is for provision of (support) services, it is accounted for in proportion to the services provided;
- the concession agreement contains indexation provisions and certain aspects can be adjusted on the basis of a benchmark;
- the Group itself is not the owner of the installation or accommodation;
- the volatility of the revenue and earnings is limited;
- the concession agreement does not include an option for extension.

Schoolbuildings

The Group holds a 9% (2017: 9%) stake in Talentgroep Montaigne B.V. The concession agreement is a DBFMO contract for construction, maintenance and management of a school building for the Montaigne Lyceum high school in The Hague. The concession started in 2004 and runs until 2034.

The Group holds a 10% (2017: 10%) stake in SPC ISE B.V. The concession agreement is a DBFMO contract for construction, maintenance and management of a school building for the International School Eindhoven. The concession started in 2011 and runs until 2043.

Public buildings

The Group holds a 6% (2017: 6%) stake in Duo2 B.V. The concession agreement is a DBFMO contract for construction, maintenance and management of the shared accommodations of the Education Executive Agency (Dienst Uitvoering Onderwijs) and the Tax Administration (Belastingdienst) in Groningen. The concession started in 2008 and runs until 2031.

In the financial year 2018 the Group acquired the remaining 50% of the shares in MEET Strukton Holding B.V. (earlier StruktonHurksHeijmans Holding B.V.) of Hurks en Heijmans. The Group holds thereby, since June 8, 2018, a 100% stake in MEET Strukton Holding B.V. (2017: 50%, under the name StruktonHurksHeijmans). The concession agreement is a DBFMO contract for construction, maintenance and management of the new accommodations of the National Institute for Public Health and Environment (Rijksinstituut voor Volksgezondheid en Milieu (RIVM)) and the Medicines Evaluation Board (College ter Beoordeling van Geneesmiddelen (CBG)) at the Utrecht Science Park. The concession started in 2014 and runs until 2043.

The Group holds since July 2015 a 80% (2017: 80%) stake in consortium R-creators Holding B.V. The concession agreement is a contract for the redevelopment of the national office the Knoop. The project involves the combination of partial demolition, renovation and extension on the site of the former Knoopbarracks for the realization of a combined office and meeting centre of approximately 30,000 m^2 gross floor area for the National Government. The realization will start in the spring of 2016 and the national office will be put to use at the beginning of 2018. Then will start a maintenance and operation period of 20 years.

Infrastructure

The Group holds a 4.8% (2017: 4.8%) stake in A-Lanes A15 B.V. The concession agreement is a DBFM contract for construction and maintenance of sustainable infrastructure solutions which will ensure maximum traffic flow and safety on the A15 Maasvlakte - Vaanplein route, both during and after the works. The concession started in 2010 and runs until 2035.

The special purpose companies in question were financed with non-recourse loans. Repayment and interest guarantees were not issued by the Group. At 2018 year-end, the ppp projects had a backlog of €493.5 million (2017: €444.3 million).

SEPARATE STATEMENT OF FINANCIAL POSITION

before proposed profit appropriation (in thousands of euros)

	12-31-2018		12-31-2017	
Non-current assets				
Intangible assets (28)		**16,685**		16,685
Associates and receivables from associates (29)	**294,092**		325,839	
Other financial fixed assets (30)	**11,250**		11,250	
		305,342		337,089
		322,027		353,774
Current assets				
Receivables (31)	**1,278**		818	
Cash and cash equivalents	**388**		617	
		1,666		1,435
Total assets		**323,693**		355,209
Equity				
Issued capital	**6,287**		6,287	
Share premium	**201,896**		201,896	
Translation differences reserve	**3,920**		4,933	
Hedge reserve	**(3,446)**		(1,861)	
Actuarial reserve	**(15,379)**		(12,740)	
Retained earnings	**81,191**		74,639	
Undistributed profit	**10,919**		38,111	
Total equity (32)		**285,388**		311,265
Provisions (29)		**4,303**		11,572
Non-current liabilities				
Subordinated loans (14)	**1,000**		1,000	
Non-current liabilities (14)	**30,786**		29,845	
Total non-current liabilities		**31,786**		30,845
Current liabilities (33)		**2,216**		1,527
Total equity and liabilities		**323,693**		355,209

SEPARATE STATEMENT OF INCOME
(in thousands of euros)

	2018	2017
Internal charges	**1,486**	1,496
Staff costs (35)	**(130)**	(107)
Other operating expenses (36)	**(1,092)**	(1,709)
Total operating expenses	**(1,222)**	**(1,816)**
Operating profit	**264**	**(320)**
Finance revenue	**2,681**	2,993
Finance costs	**(67)**	(317)
Net finance revenue/(costs)	**2,614**	**2,676**
Share in profit after taxes of associates	**8,637**	**35,873**
Profit before taxes	**11,515**	**38,229**
Income tax	**(596)**	(118)
Profit after taxes	**10,919**	**38,111**

NOTES TO THE SEPARATE STATEMENT OF FINANCIAL POSITION

Accounting policies

The separate financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. In accordance with Section 362 (8) of Book 2 of the Code, the accounting policies applied are consistent with the accounting policies applied by Oranjewoud N.V. in the consolidated financial statements, with the exception of the accounting policy concerning associates. For the accounting policies see the notes to the consolidated financial statements.

Associates

Subsidiaries included in the consolidation (please refer to Consolidated equity interests and associates in note 40) are accounted for using the equity method pursuant to Section 362 (8) of Book 2 of the Code, with equity and profit of the subsidiaries being determined in accordance with the accounting policies of Oranjewoud N.V.

Associates with a negative net asset value are valued at zero. If the company fully or partly guarantees the debts of the associate concerned, a provision is formed primarily against the receivables from this associate and then in the other provisions for the share in the losses incurred by the associate, or the expected obligations at the company on behalf of these associates.

28. Intangible assets	Goodwill
Carrying amount at January 1, 2017	16,719
Other	(34)
Carrying amount at December 31, 2017	16,685
Balance at December 31, 2017:	
Accumulated cost	16,685
Carrying amount	16,685
Carrying amount at January 1, 2018	16,685
Carrying amount at December 31, 2018	16,685
Balance at December 31, 2018:	
Accumulated cost	16,685
Carrying amount	16,685

29. Associates and receivables from associates

	Associates	Receivables	Provisions	Total
Position at January 1, 2017	236,369	70,001	(9,165)	297,205
Reclassification and other	(699)	733	-	34
Change in actuarial reserve	(4,844)	-	-	(4,844)
Dividend payment	(4,000)	-	(16,000)	(20,000)
Translation differences	1,268	-	-	1,268
Reported profit	26,949	(495)	9,419	35,873
Increase in receivables	-	557	4,174	4,731
Position at December 31, 2017	255,043	70,796	(11,572)	314,267
Adjustment IFRS 15	(30,419)	-	-	(30,419)
Position at January 1, 2018 (reviced) *	224,624	70,796	(11,572)	283,848
Change in actuarial reserve	(2,639)	-	-	(2,639)
Change in hedge reserve	(1,585)	-	-	(1,585)
Dividend payment	(94)	-	-	(94)
Translation differences	(1,212)	-	-	(1,212)
Reported profit	(103)	(445)	9,185	8,637
Increase in receivables	-	4,750	(1,916)	2,834
Position at December 31, 2018	218,991	75,101	(4,303)	289,789

* After adjustment in the principles for financial reporting concerning Revenue from contracts with customers (IFRS 15). See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

The receivables from associates were influenced in particular by the distribution of dividend, the set-off in current account of the corporate income tax within the tax group and by the issue of loans by Oranjewoud N.V. On loans to associates an interest of 5% is charged.

30. Other financial fixed assets

The other financial fixed assets include the provided subordinated loan to Strukton Groep of €11 million (2017: €11 million). The interest on the subordinated loan to Strukton Groep is 5% per year. The duration is 55 years. Early repayment is possible. In addition, this item includes a loan to Sanderink Holding B.V. of €0.25 million (2017: €0.25 million). Interest 3.0% per year.

31. Receivables

	12-31-2018	12-31-2017
Other receivables	1,278	818
Total	1,278	818

32. Equity

	Issued share capital	Share premium	Transla-tion diffe-rences reserve	Hedge reserve	Actua-rial reserve	Retained earnings	Profit for the financial year	Total
Balance at January 1, 2017	6,287	201,896	932	(1,945)	(7,896)	63,308	11,331	273,913
Retained earnings for 2016	-	-	-	-	-	11,331	(11,331)	-
Unrealized results	-	-	4,001	84	(4,844)	-	-	(759)
Add: profit for the financial year	-	-	-	-	-	-	38,111	38,111
Balance at December 31, 2017	6,287	201,896	4,933	(1,861)	(12,740)	74,639	38,111	311,265
Adjustment IFRS 15	-	-	-	-	-	(1,140)	(30,419)	(31,559)
Balance at January 1, 2018 (reviced) *	6,287	201,896	4,933	(1,861)	(12,740)	73,499	7,692	279,706
Retained earnings for 2017	-	-	-	-	-	7,692	(7,692)	-
Unrealized results	-	-	(1,013)	(1,585)	(2,639)	-	-	(5,237)
Add: profit for the financial year	-	-	-	-	-	-	10,919	10,919
Balance at December 31, 2018	6,287	201,896	3,920	(3,446)	(15,379)	81,191	10,919	285,388

* After adjustment in the principles for financial reporting concerning Revenue from contracts with customers (IFRS 15).
See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

The authorised share capital at December 31, 2018 amounted to €10,000,000 consisting of 100,000,000 A and B shares of €0.10 each. The issued and fully paid-up share capital amounted to 62,872,869 shares of €0.10 each. The issued capital at December 31, 2018 consisted of €2,955,307 in A shares and €3,331,980 in B shares (December 31, 2017: €2,955,307 in A shares and €3,331,980 in B shares). Unlike for A shares, no listing was requested for B shares. There is no difference in terms of control between the A shares and B shares.

The translation difference reserve contains all currency exchange rate differences arising due to conversion of the Group's net investment in foreign subsidiaries with a currency other than the functional currency.

The hedge reserve consists of the cumulative change in fair value of hedge instruments when the hedged transactions have not yet been carried out or the hedge position has not yet ended.

The actuarial reserve consists of the cumulative change in present value of pension liabilities minus the fair value of the plan assets as a result of changes in actuarial assumptions. It concerns a distributable reserve.

The Articles of Association of the company provide that issues of shares take place pursuant to a decision of the Management. The company may acquire fully paid-up shares in its own capital, but only for no consideration. Acquisition other than for no consideration can only take place if the general meeting has authorised the Management accordingly. The translation differences reserve and the hedge reserve are not freely distributable. Other reserves consist of the balance of accumulated losses and retained earnings.

33. Current liabilities

	12-31-2018	12-31-2017
Amounts owed to suppliers and trade payables	-	1
Other liabilities	2,216	1,526
Total	2,216	1,527

Oranjewoud N.V. and its Group companies established in the Netherlands are jointly and severally liable for the credit facility. The borrowers have undertaken not to encumber their assets with security without the lender's advance consent.

The amounts owed to credit institutions are further explained in note 10. For an explanation on the repayment obligations see note 14.

34. Liabilities not included in the statement of financial position
All Dutch wholly-owned associates, which are not a part of the Strukton Groep, are part of the tax group for corporate income tax purposes of Oranjewoud N.V. (with the exception of Edel Grass B.V.). Consequently, the aforesaid companies are jointly and severally liable for corporate income tax liabilities of Oranjewoud N.V. and the companies forming part of this tax group.

Within the tax group the corporate income tax will be settled in current account. The corporate income tax is calculated by applying the current rate (2018 and 2017: 25%) to the profit before taxes.

As of October 29, 2010 Strukton Groep N.V. is forming a new taxable unit with the majority of its 100% domestic subsidiaries.

NOTES TO THE SEPARATE STATEMENT OF INCOME

35. Remuneration

For details of the remuneration of the Board of Directors, the managers on key positions and the Supervisory Board as referred to in Section 383 b-e of Book 2 of the Dutch Civil Code, see note 21 to the consolidated statement of income.

36. Other operating expenses

	2018	2017
Office expenses	73	58
Other expenses	1,019	1,651
Total	1,092	1,709

37. Audit fees

The audit firm's fees can be broken down as follows:

	2018 PwC The Netherlands	**2018 PwC Network**	**2018 PwC Total**	**2017 PwC The Netherlands**	**2017 PwC Network**	**2017 PwC Total**
Audit of the financial statements	1,320	451	1,771	1,200	401	1,601
Other assurance services	-	36	36	-	36	36
Total PwC Assurance	1,320	487	1,807	1,200	437	1,637
Tax advice	-	76	76	-	141	141
Other non assurance services	-	-	-	-	-	-
Total PwC taks and other	-	76	76	-	141	141
Total	**1,320**	**563**	**1,883**	**1,200**	**578**	**1,778**

The audit firm's fees have been disclosed in accordance with Section 382a of Part 9 of Book 2 of the Dutch Civil Code.

38. Proposal regarding profit appropriation over 2018

The Board of Directors, with the approval of the Supervisory Board, has proposed to pass dividend payment for the financial year 2018.

39. Subsequent events

See explanatory note 26.

40. Consolidated interests and associates

The consolidated subsidiaries and the equity interest percentages are:

	Equity interest (%) 2018	2017
Oranjewoud N.V., Gouda	100	100
Antea Nederland B.V., Heerenveen	100	100
Croonen B.V., Rosmalen	100	100
BodemBasics B.V., Oosterhout	100	100
Oranjewoud Beheer B.V., Heerenveen	100	100
Ingenieursbureau Oranjewoud III B.V., Heerenveen	100	100
Oranjewoud International B.V., Heerenveen	100	100
Antea Inspection B.V., Heerenveen	100	100
Hannover Milieu- en Veiligheidstechniek B.V., Rotterdam	100	100
Hazelaar/HMVT Milieutechniek B.V., Coevorden	-	100
Inogen Design en Management B.V., Capelle aan den IJssel	-	100
WeGroSport N.V., Antwerpen (Belgium)	-	100
WeGroSan/HMVT B.V.B.A., Antwerpen (Belgium)	100	100
Antea Belgium N.V., Antwerpen (Belgium)	100	100
Antea Group N.V., Gouda	100	100
Inogen Global Holding Inc., Delaware (USA)	100	100
Antea USA Inc., St. Paul (USA)	100	100
Integrated Rail Solutions North America Inc., Delaware (USA)	-	100
AG Participations SNC, Olivet (France)	100	100
Antea France SAS, Orléans (France)	100	100
Géo-Hyd SARL, Olivet (France)	100	100
Antea Burkina Faso, Ouagadougou (Burkina Faso)	100	100
Antea Mali SASU, Bamako (Mali)	100	-
Antea Benin SASU, Cotonou (Benin)	100	-
Groupe IRH Environnement SAS, Gennevilliers (France)	100	100
ICF Environnement SAS, Gennevilliers (France)	100	100
IRH Ingenieur Conseil SAS, Gennevilliers (France)	100	100
Sorange SAS, Bezannes (France)	-	100
Iceacsa Consultores S.L., A Coruña (Spain)	100	100
Iceacsa Colombia SAS, Bogotá (Colombia)	100	100
Iceacsa Panama S.A., Ciudad de Panamá (Panama)	100	100
Iceacsa Mexico S.A., México (Mexico)	100	100
Iceacsa Peru SAC, Lima (Peru)	100	100
Antea Ventures B.V., Heerenveen	100	-
Unihorn India Pvt. Ltd, New Delhi (India)	100	100
Oranjewoud Realisatie Holding B.V., Gouda	100	100
Antea Realisatie B.V., Oosterhout	100	100
Van der Heide Beheer B.V., Kollum #	100	100
Van der Heide Bliksembeveiliging B.V., Kollum #	100	100
Van der Heide Bliksembeveiliging Inspecties B.V., Kollum #	100	100
Van der Heide Opleidingen & Inspecties B.V., Kollum #	100	100
Van der Heide Cathodic Protection & Corrosion Engineering B.V., Kollum #	100	100
Instituut voor Technische Vakexamens B.V., Kollum #	100	100
Waterrijk Infra Boskoop B.V., Oosterhout	-	100

	Equity interest (%) 2018	2017
Gebrüder Becker GmbH, Taunusstein-Hahn (Germany)	100	100
Edel Grass B.V., Genemuiden #	100	100
Oranjewoud Detachering Holding B.V., Gouda	100	100
TecQ B.V., Capelle aan den IJssel	100	100
InterStep B.V., Utrecht	100	100
InterStep Projects B.V., Utrecht	100	100
InterStep Professionals B.V., Utrecht	100	100
Nexes Services B.V., Utrecht	100	100
Ingenieursbureau Oranjewoud II B.V., Gouda	100	100
Centric Information Engineering Gouda B.V., Gouda	-	100
Oranjewoud Holding B.V., Gouda	100	100
KSI Software Solutions B.V., IJsselstein	-	100
KSI Interactive B.V., IJsselstein	100	100
Delphi Data B.V., Gouda	100	100
Multihouse Technical Scientific and Industrial B.V., Gouda	100	100
ASAC Belgium N.V., Brussel (Belgium)	-	100
Strukton Groep N.V., Utrecht	100	100
Strukton Rail B.V., Utrecht	100	100
Strukton Rail Nederland B.V., Utrecht	100	100
Strukton Rail Short Line B.V., Utrecht	100	100
IWORKX B.V. (earlier Strukton Rail Projects B.V.), Utrecht	100	100
Strukton Rolling Stock B.V., Utrecht	100	100
Strukton Embedded Solutions B.V., Utrecht	100	100
Strukton M&E B.V., Maarssen	100	100
Strukton Systems B.V., Utrecht	100	100
Strukton Rail Equipment B.V., Utrecht	100	100
Strukton Rail Consult B.V., Utrecht	100	100
Strukton Railinfra Projecten B.V., Utrecht	100	100
Strukton Rail Italy S.r.l., Bologna (Italy)	100	100
Strukton Rail Investment S.r.l., Bologna (Italy)	100	-
Strukton Rail Australia PTY Ltd., Perth (Australia)	100	100
Strukton Rail International B.V., Utrecht	100	100
Nova Gleisbau AG, Baar (Switzerland)	100	100
Strukton Rail N.V., Merelbeke (Belgium)	100	100
Siebens Spoorbouw B.V.B.A., Wilrijk (Belgium)	100	100
Strukton Railinfra AB, Stockholm (Sweden)	100	100
Strukton Rail AB, Stockholm (Sweden)	100	100
RBS ban och signal AB, Stockholm (Sweden)	100	100
Strukton Rail A/S, Kopenhagen (Denmark)	100	100
Strukton Railinfra Nordic AB, Stockholm (Sweden)	-	100
Strukton Rail Västeras AB, Stockholm (Sweden)	100	100
SR Kraft AS, Oslo (Norway)	100	100
Strukton Rail Holding A/S, Taastrup (Denmark)	100	100
Strukton Rail S-Bane A/S, Taastrup (Denmark)	100	100
Strukton Rail North America Inc., Delaware (USA)	100	100

	Equity interest (%) 2018	2017
THV Noordzuidlijn, Merelbeke (Belgium)	100	100
Promofer S.r.l., Rome (Italy)	100	60
Strukton Civiel B.V., Utrecht	100	100
Strukton Civiel Projecten B.V., Utrecht	100	100
GBN Groep B.V., Utrecht	100	100
GBN Immobilisatie, Utrecht	100	-
Grondbank Stadskanaal B.V., Utrecht	100	100
Grind & Ballast Recycling Nederland B.V., Utrecht	100	100
A-Lanes Asset Management B.V. (earlier Strukton Asset Management Civiel B.V.), Utrecht	100	100
Terracon Molhoek Beheer B.V., Werkendam	100	100
Terracon Funderingstechniek B.V., Nieuwendijk	100	100
Terracon International B.V., Nieuwendijk	100	100
Terracon Spezialtiefbau GmbH, Berlijn (Germany)	100	100
Molhoek Aannemingsbedrijf B.V., Nieuwendijk	100	100
Strukton Engineering B.V., Utrecht	100	100
Strukton Infratechnieken B.V., Utrecht	100	100
Strukton Microtunneling B.V., Maarssen	100	100
Canor Benelux B.V., Utrecht	100	100
Reanco Benelux B.V., Utrecht	100	100
Strukton Prefab Beton B.V., Utrecht	100	100
Strukton Verkeerstechnieken B.V., Utrecht	-	100
Strukton Civiel Regio Noord & Oost B.V. (earlier Strukton Civiel Noordoost B.V. and Reef Beheer B.V.), Oldenzaal	100	100
Strukton Civiel Noord & Oost B.V. (earlier Reef Infra B.V.), Oldenzaal	100	100
Reef Milieu B.V., Oldenzaal	-	100
Reef GmbH, Gronau (Germany)	100	100
Strukton Civiel Regio West B.V. (earlier Strukton Civiel West B.V. and Ooms Civiel B.V.), Scharwoude	100	100
Strukton Civiel West B.V. (earlier Ooms Construction B.V.), Scharwoude	100	100
Strukton Civiel West Materieel B.V. (earlier Ooms Materieel B.V.), Scharwoude	100	100
Strukton Civiel West Transport B.V. (earlier Ooms Transport B.V.), Scharwoude	100	100
Ooms Producten B.V., Scharwoude	100	100
Unihorn B.V., Avenhorn	100	100
Unihorn Astana, Astana (Kazakhstan) **	100	100
Strukton Milieutechniek B.V., Utrecht	100	100
Strukton Civiel Regio Zuid B.V. (earlier Strukton Civiel Zuid B.V.), Utrecht	100	100
Strukton Civiel Zuid B.V. (earlier Rasenberg Infra B.V.), Breda	100	100
Reanco B.V., Breda	100	100
Rasenberg Verkeer & Mobiliteit B.V., Breda	100	100
Recycling & Overslag Breda B.V., Breda	100	100
Van Rens B.V., Horst	100	100
Colijn Beton- en Waterbouw B.V. (earlier Colijn Aannemersbedrijf B.V.), Breda	100	100
Tensa B.V., Nieuwendijk	100	100
Combinatie Strukton Infratechnieken - Colijn - Reef v.o.f., Utrecht	100	100
Colijn-Rasenberg v.o.f., Breda	100	100
RACO A59 v.o.f., Breda	100	100
Avenue2 Infra v.o.f., Nieuwegein	100	100
Meppelerdiepsluis v.o.f., Utrecht	100	100

	Equity interest (%) 2018	2017
Combinatie Geo Grid v.o.f., Utrecht	100	100
Strukton Bouw B.V., Utrecht *	100	100
Strukton Bouw & Onderhoud B.V., Utrecht *	100	100
Strukton Van Straten B.V., Eindhoven	100	100
Strukton Revitalisatie en Ontwikkeling B.V. (earlier Strukton Projectontwikkeling B.V.), Utrecht	100	100
Strukton Gamma B.V., Utrecht	100	100
Strukton Delta B.V., Utrecht	100	100
C.V. Voorstadslaan, Utrecht	100	100
La Mondiale N.V., Etterbeek (Belgium)	100	100
Strukton CSNS v.o.f., Utrecht	100	100
Het Spaarne v.o.f., Utrecht	100	100
Strukton Services B.V., Utrecht	100	100
Strukton WorkSphere B.V., Utrecht	100	100
WorkSphere Beheer B.V., Utrecht	100	100
Strukton WorkSphere Bouw B.V., Utrecht	100	100
Strukton WorkSphere België B.V.B.A., Tongeren (Belgium)	100	100
MEET RIVM CBG B.V., Utrecht	100	37,5
Strukton Integrale Projecten B.V., Utrecht *	100	100
Strukton Finance ESCo's Holding B.V., Utrecht	100	100
RGG cluster zwembaden ESCo Invest B.V., Utrecht	100	100
RGG KPP Esco Invest B.V., Utrecht	100	100
Strukton Assets B.V., Utrecht	100	100
MEET Strukton Holding B.V. (earlier StruktonHurksHeijmans Holding B.V.), Utrecht	100	50
MEET Strukton B.V. (earlier StruktonHurksHeijmans B.V.), Utrecht	100	50
Strukton Management B.V., Utrecht *	100	100
Strukton Vastgoedbeheer en Facility Management B.V., Utrecht	100	100
Servica B.V., Utrecht	100	100
Servica Advies B.V., De Meern	100	100
Strukton Materieel B.V., Utrecht *	100	100
Strukton Vuka B.V., Utrecht	100	100
Strukton Elschot B.V., Utrecht	100	100
Molhoek - CCT B.V. (earlier Ecorail B.V.), Utrecht	100	100
Combinatie Strukton Zaanstad CSZ v.o.f., Utrecht	100	100
Duo2 v.o.f., Maarssen	100	100
Strukton International B.V., Utrecht	100	100
Strukton International Sweden AB, Göteborg (Sweden)	100	100
Strukton International Denmark A/S, Kopenhagen (Denmark)	100	100
Strukton Immersion Projects B.V., Utrecht	100	100
Strukton Specialistische Technieken B.V., Utrecht	100	100
Onderwatertechniek Nederland B.V., Utrecht	100	100
Ooms PMB B.V., Scharwoude	100	100
Strukton International Rail B.V., Utrecht	100	100
Strukton International Belgium N.V., Merelbeke (Belgium)	100	100
Strukton International Deutschland GmbH, Kleve (Germany)	100	100

	Equity interest (%) 2018	2017
Strukton International Argentina SA, Buenos Aires (Argentina)	100	100
Integral consolidation with minority interests include the following:		
J&E Sports B.V., Oss	85	85
Mook Trading B.V., Nuenen	85	85
Inogen Environmental Alliance Inc., Delaware (USA)	73	73
Angelbrasil Geologia e Meio Ambiente, Sao Paulo (Brazil)	50,94	50,94
A1 Electronics Netherlands B.V., Almelo	80	50
Buca Electronics B.V., Almelo	80	50
Uniferr S.r.l., Reggio Emilia (Italy)	60	60
Costruzioni Linee Ferroviari S.p.A., Bologna (Italy)	60	60
CLF Albanie SHPK, Tirana (Albania)	60	60
Costruzioni Linee Ferroviari CLF C.A., Caracas (Venezuela)	60	60
Frejus s.c.r., Bologna (Italy)	16,79	16,79
Sviluppo 2010 S.r.l., Bologna (Italy)	60	60
S.I.F. EL S.p.A., Spigno Monferrato (Italy)	60	60
Société d'Installations Ferroviaires et Electriques Maroc, Rabat (Marocco)	60	60
Techno Engineering System S.r.l., Bologna (Italy)	60	60
Ar.Fer S.r.l., Alessandria (Italy)	60	60
JPL Rail A/S, Ørje (Norway)	30	-
The following entities have been treated as a joint operation:		
Tribase Computer and Netw Serv v.o.f., Utrecht	33,33	33,33
Combinatie Hollandia – Strukton Systems v.o.f., Utrecht	50	50
Strukton-Aarsleff JV I/S, Aarhus (Denmark)	45	45
Sitec Consorzio Stabile ferr., Bologna (Italy)	28,5	28,5
Exploitatiemaatschappij A-Lanes A15 B.V., Nieuwegein	33,33	33,33
A-Lanes Civil v.o.f., Nieuwegein	45	45
HSL1 Hollandse Meren v.o.f., Utrecht	12,6	12,6
HSL1 Kunstwerken v.o.f., Rijpwetering	22	22
Combinatie Strukton Betonbouw - Van Oord ACZ (Noord-Zuidlijn), Utrecht	75	75
Bouwcombinatie HSL4 Drechtse Steden v.o.f., Zwijndrecht	15,7	15,7
Geluidschermen Combinatie HSL v.o.f., Zaandam	15,7	15,7
Combinatie Zinktunnel Strukton/Van Oord ACZ, Utrecht	50	50
Bouwcombinatie Strukton-Boskalis, Utrecht	58	58
Combinatie Onderwaterwerk Botlek v.o.f., Soest	-	50
Avenue 2 v.o.f., Nieuwegein	50	50
GWW Combinatie A2 v.o.f., Arnhem	25	25
FC AV2 v.o.f., Nieuwegein	50	50
Combinatie Versterken Bruggen v.o.f., Capelle a/d IJssel	50	50
Combinatie Strukton Ballast Maatvoering v.o.f., Zaandam	50	50
Bouwcombinatie Kaam v.o.f., Weert	7	7
Combinatie –SRS, Breda	50	50
BPL Wegen, Rotterdam	50	50
Combinatie Buitenring v.o.f. (BPL Koepel), Rotterdam	33,33	33,33
Combinatie Spanstaal – Tensa v.o.f., Werkendam	50	50
BNSG/Molhoek v.o.f., Soest	-	50
FC Mava v.o.f., Werkendam	-	50
A-Lanes A15 Mobility v.o.f., Nieuwegein	45	45
A-Lanes A15 JV Roads v.o.f., Nieuwegein	45	45
Combinatie Van Gelder - Strukton Civiel Projecten v.o.f. (IGO A1), Elburg	-	50
Combinatie Reef Infra/De Waard, Oldenzaal	-	50
DUOS v.o.f., Oldenzaal	50	50

	Equity interest (%) 2018	2017
A9V1, Utrecht	50	50
Combinatie Natuuronwikkeling Maasplassen v.o.f., Vinkel	50	50
Rions – Rasenberg, Sittard	50	50
Hydraphalt v.o.f.,Scharwoude	50	50
CE-Asfaltonderzoek v.o.f., Scharwoude	50	50
Combinatie Ooms Ballast MNO v.o.f., Scharwoude	33,33	33,33
Zandexploitatie Westfriesland v.o.f., Scharwoude	50	50
Grondbank West Brabant v.o.f., Utrecht	50	50
Grondbank Noord Oost Brabant v.o.f., Utrecht	-	50
Combinatie Dinteloord, Middelharnis	50	50
Combinatie Ooms – Schadenberg, Scharwoude	50	50
Combinatie K. Dekker - Ooms Construction Muiden, Warmenhuizen	50	50
Ooms Construction - RDM v.o.f., Scharwoude	50	50
Combinatie Zijkanaal D, Sliedrecht	50	-
Combinatie Colijn/Rasenberg/van den Herik, Sliedrecht	50	-
BNRA Gladheid v.o.f., Leerdam	50	-
Fast Riyadh Metro Alliance = Fast, Riyad (SA)	14,08	14,08
Construction Joint Venture (CJV), Riyad (SA)	17,96	17,96
Track Joint Venture (TJV), Riyad (SA)	8,08	8,08
Ooms PMB Gulf Asphalt Trading LLC, Abu Dhabi (UAE)	49	49
Grondontwikkeling Beilen B.V., Amsterdam	50	50
Safire Services v.o.f., Eindhoven	33,33	33,33
Bouwcombinatie Komfort v.o.f., Utrecht	50	50
Bouwcombinatie DC 16 v.o.f., Utrecht	50	50
Avenue 2 v.o.f., Nieuwegein	25	25
Bouwcombinatie ISE DB v.o.f., Eindhoven	91	91
Bouwcombinatie Strukton - De Nijs v.o.f., Utrecht	50	50
La Linea Leiden C.V., Rotterdam	50	50
Stichting Centrum Innovatief Vakmanschap de Hallen, Amsterdam	-	50
RGG cluster Zwembaden ESCo Exploitatie v.o.f., Utrecht	50	50
Bouwcombinatie ICCS v.o.f., Utrecht	50	50
SPARK v.o.f., Utrecht	50	50
RCreators DBMO v.o.f., Nieuwegein	45	45
Exploitatiemaatschappij DC 16 B.V., Nieuwegein	50	50
Exploitatiemaatschappij Komfort B.V., Nieuwegein	50	50
ProCUS v.o.f., Utrecht	50	-
Not consolidated are the following entities:		
Thermal Remediation Services Europe B.V., Ede	50	50
Reym-HMVT B.V., Ede	50	50
Aanlegkunstgrasvelden.nl B.V., Oss	18,7	18,7
J & E Sports Baltic UAB, Panevezys, (Lithuania)	43,35	43,35
Mhouse B.V., Gouda	23,9	23,9
AG-LEN BridgXperts SpA, Santiago (Chile)	63,5	-
Antea Ventures Beheer B.V., Oosterhout	50	-
CAG Ventures C.V., Oosterhout	50	-
Sky Survey B.V., Hoofddorp	24,5	-
Strukton Finance Holding B.V., Utrecht ***	11,99	11,99
TalentGroep Montaigne Holding B.V., Rotterdam	8,97	8,97

	Equity interest (%) 2018	2017
TalentGroep Montaigne B.V., Rotterdam	8,97	8,97
ISE Holding B.V., Utrecht	10	10
SPC ISE B.V., Eindhoven	10	10
Duo2 Holding B.V., Utrecht	6	6
Duo2 B.V., Utrecht	6	6
A-Lanes A15 Holding B.V., Nieuwegein	4,8	4,8
A-Lanes A15 B.V., Nieuwegein	4,8	4,8
Profin B.V.B.A., Gent (Belgium)	50	50
Voestalpine Railpro B.V., Hilversum	10	10
Shandong SRCC Rail Transit Technology Co.Ltd., Jihan (China)	45	-
Dual Inventive Holding B.V., Udenhout	50	50
Dual Inventive Nederland B.V., Udenhout	50	50
Dual Inventive Production B.V., Udenhout	50	50
Dual Inventive Technology Centre B.V., Oisterwijk	50	50
Dual Inventive Europe B.V., Oisterwijk	50	50
Dual Inventive Ltd., Sheffield (Great Britain)	37,5	37,5
Eurailscout Inspection & Analysis B.V., Utrecht	50	50
Erdmann Software GmbH, Görlitz (Germany)	25	25
Eurailscout France SAS, Parijs (France)	48,7	48,7
Eurailscout Italy S.r.l., Bologna (Italy)	50	50
New Sorema Ferroviaria S.p.A., Brescia (Italy)	30	30
C2CA Technology B.V., Utrecht	50	50
BAG B.V., Maastricht ****	20	20
Grondstoffen Recycling Weert B.V., Weert	50	50
Nebeco B.V., Ede	50	50
Combinatie Verkeersmaatregelen A-Lanes v.o.f., Rotterdam	50	50
Combinatie Ballast Nedam Infra Spec./Van Rens, Leerdam	30	30
Noordelijke Asfaltproduktie (NOAP) B.V., Heerenveen	50	50
Nederlands Wegen Markeerbedrijf B.V., Oosterwolde	25	25
Lareco Holding B.V., Hardenberg	33,33	33,33
Lareco GmbH, Wesel (Germany)	-	33,33
Sureco N.V., Boom (Belgium)	33,33	33,33
Aduco Holding B.V., Ede	25	25
Aduco Nederland B.V., Ede	25	25
Lareco Bornem N.V., Antwerpen (Belgium)	33,33	33,33
Tubex B.V., Oostburg	50	50
Hoka Noord-West v.o.f., ‘s-Hertogenbosch	50	50
Asfalt Productie Amsterdam (APA) B.V., Amsterdam	25	25
Asfalt Productie Rotterdam Rijnmond, (APRR) B.V., Rotterdam	25	25
BituNed B.V., Reeuwijk	50	50
Palletteer B.V., Wervershoof	-	50
MT Piling B.V., Harmelen	50	50
Microtunneling Equipment Exploitatie B.V., Utrecht	50	50
Rebru v.o.f., Utrecht	50	50
GBB Grondbank Budel v.o.f.	50	-
BNOC v.o.f.	50	-

	Equity interest (%) 2018	2017
Fast Consortium LL, Riyad (SA)	17,96	17,96
Strukton LLC, Riyad (SA)	49	49
DMI Nederland B.V., Weert	50	50
DMI Geräte GmbH, Berlijn (Germany)	50	50
DMI Spezialinjektionen Süd GmbH, Berlijn (Germany)	50	50
DMI International, Berlijn (Germany)	50	50
DMI Injektionstechnik GmbH, Berlijn (Germany)	50	50
DBS Spezialsanierungen GmbH, Forst (Germany)	50	50
Al Jaber Bitumen-Ooms LLC, Abu Dhabi (UAE)	-	30
TIdal Bridge B.V., Eindhoven	-	60
Fish Flow Tidal Power B.V., Medemblik	-	40,02
PT Tidal Bridge Indonesia, Denpasar Bali (Indonesia)	-	57
Strukton Arrigoni SpA, Santiago (Chile)	50	50
Strukton Construction Trading WLL, Doha (Qatar)	49	49
Petroserv Ltd./Strukton Construction and Trading WLL, Doha (Qatar)	50	-
A-team v.o.f., Utrecht	50	-
La Linea Leiden Beheer B.V., Rotterdam	50	50
Venturium Beheer B.V., Capelle a/d IJssel	25	25
Ontwikkel- en Bouwcombinatie Laudy-Strukton v.o.f., Eindhoven	50	50
ISE Exploitatie B.V., Eindhoven	34	34
SPC Management Services B.V., Utrecht	50	50
A-Lanes Management Services B.V., Nieuwegein	25	25
RCreators Holding B.V., Utrecht	80	80
RCreators B.V., Utrecht	80	80

For the with # branded companies disclaimers have been issued by Oranjewoud N.V. in accordance with Article 403 of Title 9 of Book 2 Civil Code.

For the with * branded companies disclaimers have been issued by Strukton Groep N.V. in accordance with Article 403 of Title 9 of Book 2 Civil Code.

** in liquidation

*** Strukton Finance Holding B.V.'s share capital is made up of different kinds of shares that are linked to various investments in ppp projects. The company's participations are generally 80/20 splits (DIF/Strukton), with the only exceptions being ISE Holding BV, for which the share split is 90/10 (DIF/Strukton), and Strukton Finance B.V. (Delfluent) and Komfort Holding B.V., where all tracker shares are held by DIF.

**** declared bankrupt

With the Chamber of Commerce a list has been filed of all associates, joint ventures and joint operations (mainly building combinations) which are involved in the consolidation.

A list of participations as referred to in Article 379 and 414 of Book 2 Civil Code has been filed with the trade register in Rotterdam.

Gouda, September 12, 2019

Supervisory Board:
Mr. H. G. B. Spenkelink, chairman
Mr. J. P. F . van Zeeland

Board of Directors:
Mr. G. P. Sanderink

OTHER INFORMATION

Provisions on profit appropriation in the Articles of Association

Article 33 of the Articles of Association of the company provides that the profit is at the disposal of the General Meeting of Shareholders.

Provisions for amendment of the Articles of Association

The General Meeting is authorised to amend the Articles of Association. A resolution to amend the Articles of Association can only be made on the proposal of the combined meeting. A proposal to amend the Articles of Association must be stated in the notice convening the General Meeting of Shareholders.

Before the combined meeting submits a proposal to amend the Articles of Association to the General Meeting, the combined meeting must consult with Euronext Amsterdam N.V. on the substance of the proposed amendment of the Articles of Association.

Independent Auditor's Report

This is a translation of the formal financial statements, which were originally drafted in Dutch. The English language version of the financial statements has not been audited. The Dutch version, including audit opinion, is available at www.oranjewoudnv.nl/financial-reports.

SHAREHOLDER INFORMATION

Provisions in the Articles of Association on profit appropriation

The Articles of Association provide as follows on profit appropriation:

1. The Management will determine, subject to the approval of the Supervisory Board, which portion of the profit achieved in a financial year is to be added to reserves.
2. The portion of the profit then remaining will be distributed as dividend. This distribution will be made after adoption of the financial statements evidencing that it is permissible.
3. Distributions on shares can only be made up to at most the amount of distributable reserves.
4. The Management can decide to make interim distributions. The decision is subject to the approval of the Supervisory Board.
5. Moreover, Sections 103, 104 and 105 of Book 2 of the Dutch Civil Code will apply to distributions to shareholders.

Proposal concerning the 2018 profit appropriation

The Board of Directors, with the approval of the Supervisory Board, has proposed to pass dividend payment for the financial year 2018.

Disclosure of Significant Shareholdings Act

On December 31, 2018, the following notifications of significant shareholdings had been received:

- Sanderink Investment B.V. 97.73%

Stichting Administratiekantoor Sanderink Investments of Gerard Sanderink has full ownership of Sanderink Investments B.V.

Statement of changes in issued share capital

At year-end 2018, the authorised capital consisted of 100,000,000 ordinary shares of €0.10.

	2018	2017
Balance at January 1st	62,872,869	62,872,869
Balance at December 31st	62,872,869	62,872,869

Selected financial information per share

	2018	2017
Net earnings (net profit after taxes/ average number of issued shares)	0.17	0.61
Equity	4.54	4.95

Five-year summary

	2018 *	2017	2016	2015	2014
Results (in millions of euros)					
Revenue from contracts with customers	2,268.8	2,384.7	2,315.6	2,305.6	2,136.8
Ebitda	72.4	96.9	71.4	88.7	16.3
Net profit	15.4	40.1	13.9	19.2	(25.1)
Total comprehensive income	10.2	39.3	15.3	26.8	(38.5)
Total net cash flow	86.0	(11.7)	43.9	56.5	17.0
Total operational cash flow	6.3	65.8	103.7	67.0	56.6
Equity (in millions of euros)					
Equity (E)	285.4	311.3	273.9	242.1	206.5
Total assets (TA)	1,629.3	1,436.9	1,632.8	1,661.3	1,467.3
E/TA	17.5%	21.7%	16.8%	14.6%	14.1%
Employees (headcount)					
Number at end of financial year	10275	10232	9864	10187	10499
Backlog (in millions of euros)					
Consulting & Engineering Services	239.0	241.7	234.9	248.6	230.7
Rail Systems	1,881.4	1,896.8	1,486.0	1,290.0	1,196.4
Civil infrastructure	442.0	612.5	861.0	1,390.2	1,332.3
Technology & Buildings	619.3	549.3	502.0	538.2	445.2
Other	16.7	16.9	16.4	12.0	12.8
Total	3,198.3	3,317.2	3,100.3	3,479.0	3,217.4

* After adjustments in the principles for financial reporting concerning Financial instruments (IFRS 9) and Revenue from contracts with customers (IFRS 15). See also paragraph "Newly applied and revised standards and interpretations" in the accounting policies.

Prevention of insider trading

Oranjewoud N.V. has drawn up regulations on insider trading in accordance with Section 46d of the Securities Transactions Supervision Act 1995, which have been approved by the Netherlands Authority for the Financial Markets. Oranjewoud N.V. has bound a wide ranging group of employees of the company, as well as the management of Centric Holding B.V., to the Insider Trading Regulations through signatures of commitment.

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