

Annual Financial Statements

Facilicom Group | 2018 Annual Report

Financial | Financial Statements

Consolidated balance sheet (before profit appropriation)

Assets			
X € 1,000		31 December 2018	31 December 2017
Fixed assets			
Intangible fixed assets	1)	5,130	7,949
Tangible fixed assets	2)	117,762	118,148
Financial fixed assets	3)	60,717	62,325
		183,608	188,422
Current assets			
Stocks	4)	11,159	7,251
Trade receivables	5)	213,855	202,972
Other receivables, prepayments and accrued income	6)	9,127	17,093
Liquid assets	7)	86,868	92,659
		321,009	319,975
		504,617	508,397

Liabilities			
X € 1,000		31 December 2018	31 December 2017
Group equity	8)	204,222	206,595
Provisions			
Personnel and other provisions	9)	7,376	5,799
Taxation	10)	2,196	2,363
		9,572	8,162
Long-term liabilities	11)	40,251	41,184
Current liabilities			
Amounts owed to credit institutions		2,793	2,710
Debts to suppliers		55,969	49,848
Debts to group companies		8,761	16,779
Tax liabilities and social security premiums		45,977	51,824
Debts in respect of pensions		5,351	3,712
Other debts, accruals and deferred income	12)	131,721	127,583
		250,572	252,456
		504,617	508,397

Consolidated profit and loss account

Liabilities			
X € 1,000		2018	2017
Operating income	13)	1,263,938	1,242,956
Operating expenses			
Costs of (auxiliary) materials		94,387	86,395
Outsourced work and other external costs		212,800	227,532
Staff costs	14)	814,422	782,450
Amortisation of intangible fixed assets		2,637	3,315
Depreciation of tangible fixed assets	15)	23,771	21,831
Impairments	16)	1,512	652
Other operating expenses		100,546	96,100
		1,250,074	1,218,276
Operating result		13,864	24,680
Financial income and expenses			
Interest income and similar income		669	28
Interest charges and similar charges		1,467	1,296
		-798	-1,268
Result from ordinary activities before taxation		13,066	23,412
Taxation	17)	6,055	8,980
		7,011	14,432
Results from participating interests		1,230	10,301
Profit after taxation		8,241	24,733
Share of third parties		-702	-1,924
Net profit		7,539	22,809

Consolidated cash flow statement

X € 1,000	2018	2017
Cash flow from operating activities:		
Operating result	13,864	24,681
Depreciation of fixed assets	28,612	27,107
	42,475	51,788
Changes in operating capital: 18)		
Trade receivables	-10,883	22,279
Stocks	-3,908	-1,334
Other receivables, prepayments and accrued income	7,966	-1,217
Current liabilities	-1,748	-6,892
	-8,574	12,836
	33,902	64,624
Financial results and taxes 19)		
Interest income and similar income	669	1
Interest charges and similar charges	-1,088	-959
Dividends received	1,117	1,229
Profits tax	-6,027	-11,670
Change in provisions	1,410	23
	-3,919	-11,376
Cash flow from operating activities	29,983	53,248
Cash flow from investment activities 20)		
Change in group companies	-	6,596
Investments in financial assets	635	1,987
Investments in intangible fixed assets	-329	-161
Investments in tangible fixed assets	-28,098	-26,738
Disinvestments of tangible fixed assets	3,021	1,253
	-24,771	-17,063
	5,212	36,185
Cash flow from financing activities		
Dividend paid to shareholders	-	-21,922
Dividend paid out to related parties	-10,000	-
Drawdown of loan	-	-
Repayment on loan	-933	-543
	-10,933	-22,465
Net cash flow	-5,722	13,720
Liquid assets gained in acquisition of group companies	-	-5,579
Exchange rate and conversion differences	-70	-410
Change in liquid assets	-5,791	7,731

Notes to the Annual Financial Statements

[Click for the Notes to the Annual Financial Statements](#)

Notes to the consolidated balance sheet

Intangible fixed assets		1)		
X € 1,000	Goodwill	Development costs		Total
Beginning of the financial year				
Purchase value	18,840	875		19,715
Cumulative impairment	-4,191	-		-4,191
Cumulative depreciation	-7,306	-269		-7,575
Book value	7,343	606		7,948
Changes in the book value				
Investments	250	79		329
Impairment	-512	-		-512
Depreciation	-2,505	-132		-2,637
Balance of changes	-2,767	-53		-2,819
End of the financial year				
Purchase value	19,090	954		20,044
Cumulative impairment	-4,703	-		-4,703
Cumulative depreciation	-9,811	-401		-10,211
Book value	4,576	553		5,130
Depreciation percentages	20%	10%		

Tangible fixed assets				
2)				
X € 1,000	Commercial property and premises	Equipment and installations	Other fixed assets	Total
Beginning of the financial year				
Purchase value	66,449	26,451	127,907	220,806
Cumulative impairment			-936	-936
Cumulative depreciation	-19,814	-16,512	-65,396	-101,722
Book value	46,635	9,938	61,575	118,148
Changes in the book value				
Investments	423	4,498	23,178	28,098
Withdrawal by group companies	-	-	-	-
Disinvestments	-2,139	-46	-836	-3,021
Impairment			-1,000	-1,000
Depreciation	-4,365	-2,898	-17,200	-24,463
Balance of changes	-6,081	1,553	4,142	-386
End of the financial year				
Purchase value	63,652	30,447	139,564	233,663
Cumulative impairment	-	-	-1,936	-1,936
Cumulative depreciation	-23,099	-18,955	-71,911	-113,965
Book value	40,553	11,492	65,717	117,762
Depreciation percentages	0.0% - 20%	10% - 33%	10% - 33%	

The other fixed assets up to a book value of € 0.21 million are offset by lease commitments.

Financial fixed assets				
3)				
X € 1,000	Other participating interests	Other receivables	Deposits	Total
Balance at the beginning of the financial year	3,029	37,593	21,703	62,325
Acquisitions	-	-	-	-
Deconsolidation	-	-	-	-
Share in the result	1,135	-	-	1,135
Dividends received	-1,417	-	-	-1,417
Changes	-	-614	-712	-1,326
Balance at the end of the financial year	2,747	36,979	20,991	60,717

The other receivables include an amount of € 2.4 million in (deferred) tax receivables, valued at the nominal taxation rate. This receivable will be realised within a period of 5 years. The other receivables include a sum of € 33.4 million recognised in the context of a 30-year receivable on a PPP project with annual repayments.

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

Stocks		4)	
X € 1,000		End of financial year	End of previous financial year
Tangibles and goods for resale		5,972	5,350
Work in progress for third parties		5,187	1,901
Balance at the end of the financial year		11,159	7,251

An amount of up to € 10.9 million in projects (end of previous financial year: € 11.6 million) is included in the balance of Work in progress for third parties whose invoiced instalments are higher than the attributed charges.

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

Costs incurred including attributable cover	105,505	151,116
Invoiced instalments	106,083	148,451
	-578	2,665
Value of Work in progress	5,766	764
Balance at the end of the financial year	5,187	1,901

Trade receivables		5)	
X € 1,000		End of financial year	End of previous financial year
Balance at the end of the financial year		218,746	208,147
Provision for bad debts		-4,890	-5,175
		213,855	202,972

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

Other receivables, prepayments and accrued income		6)	
X € 1,000		End of financial year	End of previous financial year
Other receivables		1,677	7,883
Accrued Income		7,449	9,210
		9,127	17,093

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

Liquid assets		7)	
X € 1,000		End of financial year	End of previous financial year
Cash, bank and giro accounts		86,868	92,659

The above includes escrow accounts pursuant to the Wages and Salaries Tax and National Insurance Contributions (Liability of Subcontractors) Act up to an amount of € 1.2 million (year-end 2017: € 6.6 million). These are not immediately claimable. Aside from our receivables from institutions, the maximum credit limit granted is € 48.6 million.

Group equity 8)			
X € 1,000			
		End of financial year	End of previous financial year
Balance at the beginning of the financial year		206,595	242,008
Other changes		-229	-147
Purchased goodwill		-	-
Conversion differences for foreign participating interests		-122	-379
Total direct changes in equity		-352	-526
Dividends paid			-55,951
Transfer from net profit in accordance with proposed profit appropriation		7,539	20,060
Total result		7,187	-36,417
Change in share of third parties		-9,560	1,004
Balance at the end of the financial year		204,223	206,595

The group equity includes the share of third parties of € 5.2 million (year-end 2017: € 14.8 million).

The exchange rate differences reserve amounted to € -0.3 million at the end of the financial year (year-end 2017: € -0.2 million).

Personnel and other provisions 9)					
X € 1,000	Personnel provision	Other provision	End of financial year	End of previous financial year	
Balance at the beginning of the financial year	5,799	-	5,799	9,202	
Deconsolidation	-	-	-	-3,494	
Changes	594	983	1,577	91	
Balance at the end of the financial year	6,393	983	7,376	5,799	

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

Provision for taxes 10)			
The provision for taxes pertains to differences between accounting principles for commercial purposes and for tax purposes.			
X € 1,000			
		2018	2017
Balance at the beginning of the financial year		2,363	2,431
Change relating to difference between commercial and tax result		-167	-68
Balance at the end of the financial year		2,196	2,363

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

Long-term liabilities		11)			
X € 1,000	Lease commitments	Loan to group companies	Loan	End of financial year	End of previous financial year
Balance at the beginning of the financial year	209	20,000	20,975	41,184	21,727
Withdrawal	-	-	-	-	20,000
Repayments in the financial year	-209	-	-724	-933	-543
Balance at the end of the financial year	0	20,000	20,251	40,251	41,184

The loan to group companies in the amount of € 20 million concerns a current account credit facility of a long-term character. No repayment schedule was agreed upon. The interest rate is related to the Euribor. The loan concerns PPP project financing for the duration of the negotiated DBFMO contract up to and including the end of 2045, with an annual annuity payment. The interest rate is 2.443%. The repayment obligation for the coming financial year is recorded under current liabilities. A blocked deposit was pledged as security for the provided financing.

Other debts, accruals and deferred income		12)	
X € 1,000		End of financial year	End of previous financial year
Other liabilities		35,335	34,389
Work in progress for third parties		-	-
Accruals and deferred income		96,386	93,194
		131,721	127,583

Off-balance sheet financial obligations

Long-term obligations have been entered into in connection with tenancy and leasing. The annual obligations arising from this amounted to approximately € 4.9 million at year-end 2018 (year-end 2017: approximately € 4.7 million). Bank guarantees have been issued on behalf of third parties up to a sum of € 8.6 million at year-end 2018 (year-end 2017: € 11.8 million). At the end of 2018, (replacement) investment obligations were entered into for approximately € 5.0 million (year-end 2017: € 10.0 million), including an ERP software package, as well as commitments arising from PPP contracts. At the end of the financial year, various claims and/or issues of liability were received. To the extent possible, the outcomes and/or scope of these issues are stated in the annual financial statements, but in addition there are still a number of issues for which outcomes cannot be predicted. For this reason, there could be no valuation of them. A several liability clause was also issued relating to a number of ongoing contracts up to the amount of the principal.

Notes to the consolidated profit and loss account

Operating income		13)	
X € 1,000	2018	2017	
Net turnover	1,255,106	1,237,357	
Capitalised in-house production	-	-	
Change in work in progress	8,832	5,599	
	1,263,938	1,242,956	
Operating income can be subdivided into the following areas of operations:			
Cleaning Maintenance / Hospitality Services	423,276	404,222	
Building and technical maintenance	136,506	127,114	
Surveillance and security services	356,413	373,091	
Catering management	109,257	103,836	
Staff/Welfare Services	107,755	100,618	
Facility management	130,731	134,075	
	1,263,938	1,242,956	
Net turnover was generated in the following countries:			
Netherlands	995,717	1,003,236	
Belgium	215,814	188,590	
United Kingdom	52,407	51,130	
	1,263,938	1,242,956	

Staff costs	14)		
X € 1,000		2018	2017
Wages and salaries		628,290	594,557
Social security charges		115,601	111,811
Pension contributions		30,099	30,480
Other staff costs		40,432	45,602
		814,422	782,450

The remuneration paid to the Governing Board during the reporting year was € 1.9 million.

The average number of people in permanent employment of the group companies was 27,218 in 2018 (2017: 28,093), broken down as follows:

Cleaning Maintenance / Hospitality Services	14,151	14,226
Building and technical maintenance	485	556
Surveillance and security services	6,467	6,282
Catering management	1,732	2,186
Healthcare and welfare services	2,762	3,311
Facility management	430	350
Management and administration	1,192	1,182
	27,218	28,093

Depreciation of tangible fixed assets 15)		
X € 1,000	2018	2017
Depreciation of tangible fixed assets	24,463	23,143
Profit from sale of tangible fixed assets	-692	-1,312
	23,771	21,831

Impairments 16)		
X € 1,000	2018	2017
Intangible fixed assets	512	652
Tangible fixed assets	1,000	-
	1,512	652

Taxation 17)		
X € 1,000	2018	
Netherlands	5,091	38.2%
Belgium	950	204.6%
United Kingdom	13	-7.3%
	6,055	44.5%

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

Notes to the consolidated cash flow statement

X € 1,000		Change in annual accounts	Change in cash flow	Total
Changes in operating capital	18)			
Current liabilities		-1,884	135	-1,749
Financial results and taxes	19)			
Interest charges and similar charges		-1,467	379	-1,088
Dividends received		1,417	-300	1,117
Profits tax		-6,055	28	-6,027
Cash flow from financing activities	20)			
Investments in financial assets		876	-241	635

Company Balance Sheet (before profit appropriation)

Assets		
X € 1,000	31 December 2018	31 December 2017
Fixed assets		
Financial fixed assets 22)	21,549	10,236
Current assets		
Receivables from group companies	181,611	200,860
Other receivables, prepayments and accrued income	2,199	-
Liquid assets	34	-
	<u>183,845</u>	<u>200,860</u>
	<u>205,394</u>	<u>211,096</u>
Liabilities		
X € 1,000	31 December 2018	31 December 2017
Shareholders' equity		
Issued Share Capital 23)	59	59
Share premium reserve	29,529	29,529
Statutory reserves	553	606
Other reserves 24)	161,377	141,624
Undistributed profit	7,539	20,060
	<u>199,057</u>	<u>191,878</u>
Provisions		
Employee benefits 25)	4,790	4,790
	<u>4,790</u>	<u>4,790</u>
Current liabilities		
Credit institutions	-	11,510
Debts to suppliers	1,447	1,772
Taxation liabilities	-	1,006
Other debts, accruals and deferred income	100	140
	<u>1,547</u>	<u>14,428</u>
	<u>205,394</u>	<u>211,096</u>

Governing Board

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

Company profit and loss account

X € 1,000	31 December 2018	31 December 2017
Results from participating interests	8,673	21,917
Facilicom Group N.V. result	-1,134	892
Net profit	7,539	22,809

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

Notes to the company balance sheet

Financial fixed assets		22)		
X € 1,000	Participating inter- ests in group companies	Other participating in- terests	Other receivables	Total
Balance at the beginning of the financial year	9,895	0	342	10,236
Share in the result	8,673	-	-	8,673
Change in group companies	-	-	-	-
Dividends received	-	-	-	-
Exchange rate and conversion differences	-130	-	-	-130
Capital contribution	3,000	-	-	3,000
Other changes	-230	-	-	-230
Balance at the end of the financial year	21,207	0	342	21,549

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

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

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

Statutory reserves		24)	
X € 1,000		2018	2017
Balance at the beginning of the financial year		606	661
Changes		-53	-55
Balance at the end of the financial year		553	606

The statutory reserve was formed for the capitalised development costs.

Notes to the company balance sheet

Other reserves		25)	
X € 1,000			
	End of financial year	End of previous financial year	
Balance at the beginning of the financial year	141,624	181,942	
Addition to the statutory reserves	53	55	
Other changes	-229	-147	
Exchange rate and conversion differences	-130	-379	
Profit appropriation from previous financial year	20,060	16,104	
Paid dividend	-	-55,951	
Balance at the end of the financial year	161,377	141,624	

Profit appropriation

The Board has proposed to account for the net profit of € 7,539,145 broken down as follows:

Dividend payment	€ 1,130,000
Transfer to the other reserves	€ 6,409,145

Provision for employee benefits		26)	
X € 1,000			
	2018	2017	
Balance at the beginning of the financial year	4,790	6,003	
Changes	-	-1,213	
Balance at the end of the financial year	4,790	4,790	

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

Off-balance sheet financial obligations

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

Statutory provisions regarding profit appropriation

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

Equity Investments

See list of equity investments on the next page.

Subsequent events

Facilicom Group will transfer its non-controlling interest in Albron acquired in 2016 to Stichting Albron. This returns the full ownership of Albron BV to Stichting Albron. In March, the company Secman was acquired. This firm provides services regarding emergency response room, prevention, fraud (investigation) and retail surveillance.

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

List of Equity Investments

Group Companies at year-end 2018	Registered Office	Holding
Facilicom Group N.V.		
Facilicom Bedrijfsdiensten B.V.	Schiedam	100%
Facilicom Beheer B.V.	Schiedam	100%
Facilicom Solutions B.V.	Rotterdam	100%
Facilicom PPS Contracten B.V.	Schiedam	100% *
Incluzio B.V.	Schiedam	100%
Facilicom Bedrijfsdiensten		
Cleaning		
Gom Schoonhouden B.V.	Schiedam	100%
Kleentec Reiniging & Onderhoud B.V.	Rijssen	100%
Kleentec B.V.	Almelo	100%
Kleentec Zuid B.V.	Rijssen	100%
Kleentec Noord-West B.V.	Schiedam	100%
Atris Groep B.V.	Nieuwegein	100%
Security		
Trigion Beveiliging B.V.	Schiedam	100%
Trigion Services B.V.	Schiedam	100%
Trigion AlarmCentrale B.V.	Schiedam	100%
Trigion Safety B.V.	Schiedam	100%
Trigion Brand- en Beveiligingstechniek B.V.	Schiedam	100%
Hoffmann Bedrijfsrecherche B.V.	Amsterdam	100%
Axxicom Airport Caddy B.V.	Schiedam	100%
A Company B.V.	Schiphol	100%
Safety Group B.V.	Zwolle	100%
Traffic Support B.V.	Zwolle	100%
Traffic Support Events B.V.	Zwolle	100%
Event Travel B.V.	Zwolle	100%
Online Ticket.nl B.V.	Zwolle	100%
IVON opleidingen B.V.	Zwolle	100%
Kenniscentrum Evenementenveiligheid B.V.	Zwolle	100%
Crowd Support B.V.	Zwolle	100%
Crowd Support Services B.V.	Zwolle	100%
City 360 B.V.	Zwolle	100%
Hospitality and Catering		
Albron B.V.	Utrecht	31.25%
Hospitality Services		
Tapwacht Service B.V.	Schiedam	100%
Facilicom Technische Service B.V.	Schiedam	100%
Holding Activity		
Facilicom Wagenpark B.V.	Schiedam	100%
Kleentec Holding B.V.	Rijssen	100%
Facilicom Arbodiensten B.V.	Schiedam	100%
Facilicom Buitengewoon B.V.	Schiedam	100%
Facilicom Solutions		
Facilicom Facility Solutions B.V.	Schiedam	100%
Asset Facility Management B.V.	Rotterdam	100%
Energy Management		
Ploos B.V.	Maarheeze	100%
Construction and Contracting		
Breijer Projecten B.V.	Rotterdam	100%
Breijer Schilders B.V.	Rotterdam	100%
Breijer Betonconservering B.V.	Rotterdam	100%
Breijer Techniek West B.V.	Rotterdam	100%
Contract Maintenance		
Breijer Contractonderhoud B.V.	Rotterdam	100%
Management and Administration		
Breijer Holding B.V.	Rotterdam	100%
Schaap & Woudsma Beheer B.V.	Huizen	100%
Facilicom PPP Contracts		
Facilicom PPS B30 B.V.	Schiedam	100%*
Facilicom PPS B30 DBMO B.V.	Schiedam	100%*
Facilicom PPS Doetinchem OG. B.V.	Schiedam	100%
Facilicom PPS Doetinchem Exploitatie B.V.	Schiedam	100%

Group Companies at year-end 2018	Registered Office	Holding
Incluzio		
RadarIncluzio B.V.	Schiedam	51%
Zorgcentrale B.V.	Schiedam	100%
Axxicom Thuishulp B.V.	Schiedam	100%
Cordaan Thuishulpdiensten B.V.	Amsterdam	52.5%
Incluzio Hollands Kroon B.V.	Schiedam	51%
Compartijn Beheer B.V.	Rotterdam	55%
Compartijn Exploitatie B.V.	Rotterdam	55%
Compartijn Vastgoed B.V.	Rotterdam	55%
Stichting Radar Uitvoering	Venlo	0%**
Stichting Radar Wmo Diensten	Amsterdam	0%**
Stichting ATA	Amsterdam	0%**
Stichting BuurtteamOrganisatie Sociaal Utrecht	Utrecht	0%**
Incluzio B.V.	Schiedam	51%
International		
Belgium		
Facilicom Services Group Belgium N.V.	Antwerp	100%
Gom N.V.	Antwerp	100%
Prorest Catering N.V.	Antwerp	100%
Facilicom Facility Solutions N.V.	Antwerp	100%
Axxicom N.V.	Antwerp	100%
Axxi4you B.V.B.A.	Merchtem	100%
Trigion B.V.B.A.	Aarschot	100%
Facilicom Wheels B.V.B.A.	Antwerp	100%
One Fleet Services N.V.	Antwerp	100%
One Building Maintenance N.V.	Antwerp	100%
Coworx B.V.B.A.	Antwerp	100%
HEC B.V.B.A.	Mechelen	100%
Cross Services B.V.B.A.	Mechelen	100%
United Kingdom		
Facilicom UK Ltd.	London	100%
Facilicom Cleaning Services Ltd.	London	100%
Trigion Security Services Ltd.	London	100%
Management and Administration		
Facilicom International B.V.	Schiedam	100%
Other participating interests at year-end 2017		
H.O.D. Nederland B.V.	Utrecht	50%
H.O.D. Presentie B.V.	Utrecht	50%
Schoonzorg B.V.	Amsterdam	49%
Radar Groep B.V.	Amsterdam	40%
R. Creators Holding B.V.	Maarssen	20%
GGB InBalans B.V.	Breda	7.5%
Nach DBMO B.V.	Rosmalen	10%
Related parties		
Facilicom Bedrijfsgebouwen B.V.	Schiedam	100% Preference shares

A declaration of joint and several liability within the meaning of Article 403 in Title 9 of Book 2 of the Dutch Civil Code has been filed for all 100% owned Dutch group companies (except for *) with the office of the Trade Register of the companies in question.
The above list only includes the active companies; a comprehensive list is available for inspection at the Chamber of Commerce.

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



INDEPENDENT AUDITOR'S REPORT

To: Facilicom Group N.V

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A. Report on the Audit of the Financial Statements

Our Opinion

We have audited the financial statements 2018 of Facilicom Group N.V., based in Schiedam.-

In our opinion the accompanying financial statements give a true and fair view of the financial position of Facilicom Group N.V. as at December 31, 2018 and of its result for year 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated and company financial statements comprise:

1. the consolidated and company balance sheet on December 31, 2018;
2. the consolidated and company profit and loss account for the year 2018; and the notes comprising a summary of the accounting policies and other explanatory information.

Basis for Our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of [naam client] in accordance with [optioneel igv WTA-opdracht: the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act),] the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

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Grant Thornton Accountants en Adviseurs B.V. is ingeschreven bij het handelsregister van de Kamer van Koophandel Den Haag onder nummer 28105565. Op al onze diensten zijn de algemene voorwaarden, gedeponeerd ter griffie van de Arrondissementsrechtbank te Den Haag, van toepassing. Op verzoek ontvangt u een exemplaar van deze voorwaarden. Iedere aansprakelijkheid is beperkt tot het bedrag dat is vermeld in de algemene voorwaarden.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information, that consists of:

- the management board's report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code;

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements**Responsibilities of management [and the supervisory board] for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our Responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items

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

Alphen aan den Rijn, 19 april 2019

Grant Thornton Accountants en Adviseurs B.V.

M. Baks RA