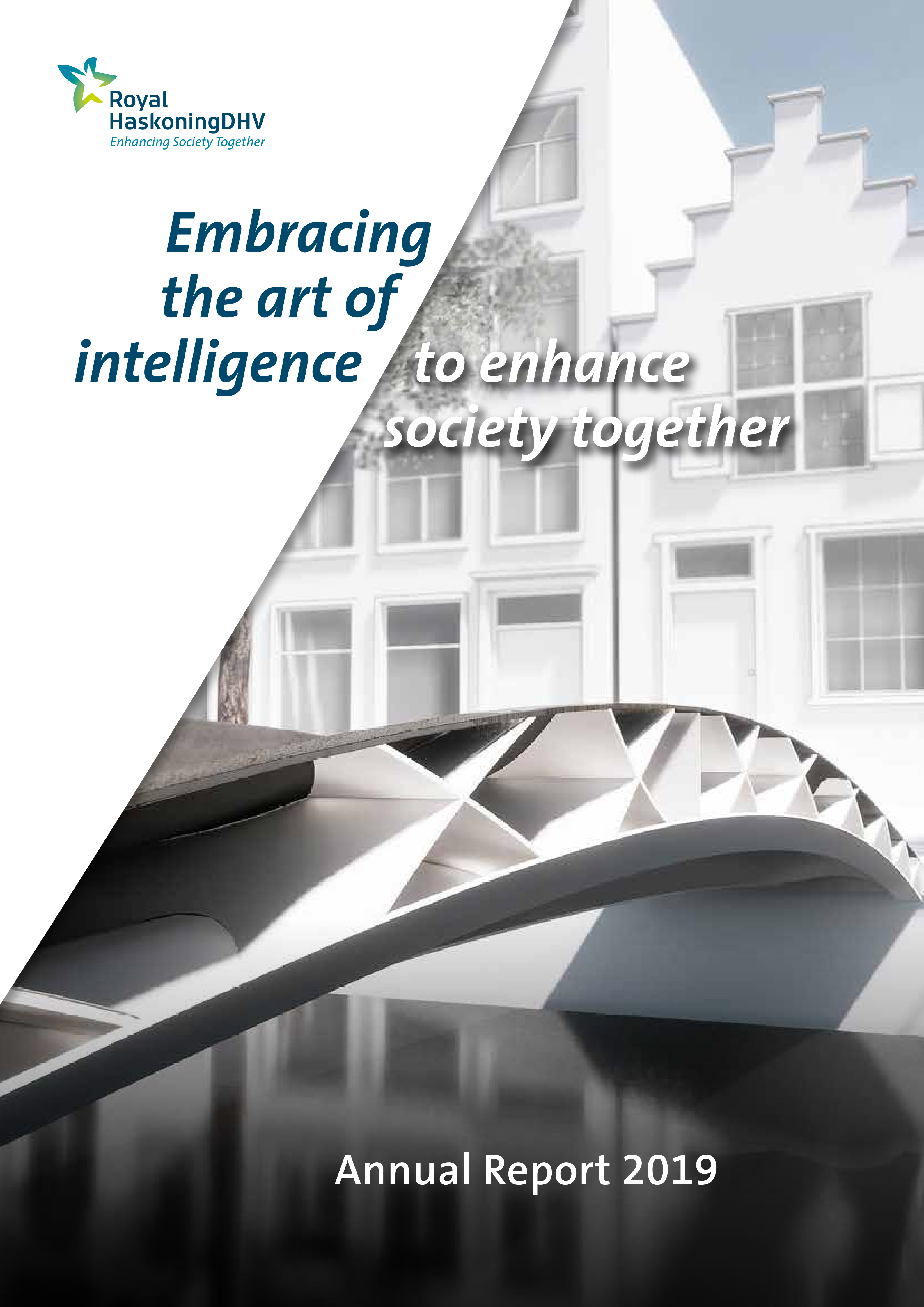
Royal HaskoningDHV
Enhancing Society Together

Embracing the art of intelligence to enhance society together



Annual Report 2019

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Cover image: Artist impression of our 3D printed bridge made of circular composites. Royal HaskoningDHV, together with CEAD and DSM, designed and printed the first circular pedestrian bridge prototype.

INTRODUCTION

The world in which we operate changes constantly and significantly. New challenges arise in our economies, environments and societies at large. Many of these challenges are driven by climate change and related policy changes and by the acceleration and impact of digital and data.

These two fundamental trends – climate change and digital – influence the needs and desires of society, our clients, our current and new colleagues. Three years ago, we started with a strategy that enables the company to be prepared and ready for growth helping clients to navigate through and lead in a complex, volatile and rapidly changing world.

From the 2019 client survey it is clear that our clients find us a reliable partner with great technical expertise and that we're easy to work with. In addition, the majority of our clients also see us as a trustworthy organisation to buy digital services and products from. This shows that our strategy is the right one and puts us in a great position to further expand and grow.

At Royal HaskoningDHV, we are constantly curious, applying our creativity and intellect to develop new solutions. Solutions that do not exist today, but which will help to enhance society tomorrow. It is therefore exciting and inspiring to see the impact of combining our creative human intelligence with analytical intelligence, leading to new data and better insights.

In 2019 we accelerated our focus on bringing data science and digital technology into the domains we are active in. The opportunities and possibilities that are emerging are revolutionising our solutions and the way we deliver them. Our knowledge of both asset and process help our clients to make quicker decisions, build smarter places, create adaptive designs and achieve higher efficiency. For example, we measure and analyse people flows for the central rail station of Milan to optimise throughput while predicting potentially unsafe situations before they materialise. Our early warning system for flooding in the Philippines alerts citizens threatened by flood, potentially saving thousands of lives.

I am pleased to report that we have had a positive 2019. Our business continues to grow with a steady operating margin and increasing order portfolio. Our EBITA recurring improved compared to 2018 and our focus on project management yielded significantly higher project results. We are fairly pleased with the overall financial performance as we continue to invest in and transform our organisation.

Our Annual Report 2019 describes the many ways in which we are mastering the new art of intelligence and what that means for our people, our clients and for society. Read on, be inspired and stay curious with us as we embrace the opportunities ahead, enhancing society together.

Erik Oostwegel
CEO Royal HaskoningDHV

SCOPE AND APPROACH

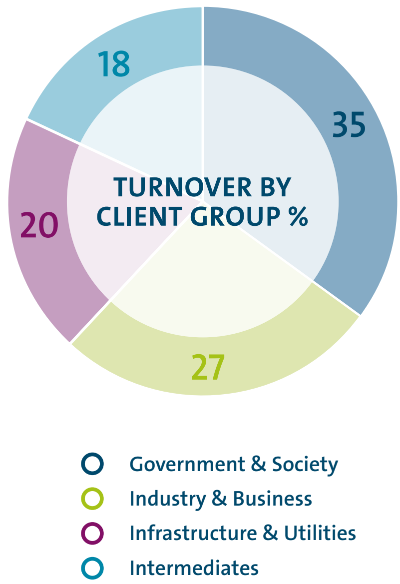
Royal HaskoningDHV's Annual Report 2019 is based on financial and administrative documentation from the entire organisation and refers to activities between 1 January and 31 December 2019. The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code, audited by PwC. Sustainability reporting, within Key Figures and the Report of the Executive Board, is based on Global Reporting Initiative (GRI) standards and the latest recommendations from the International Integrated Reporting Council.

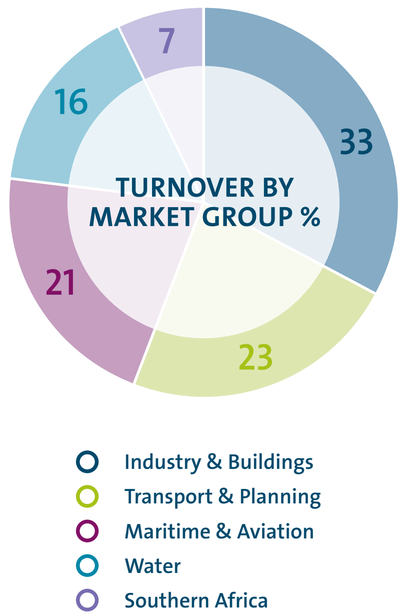
KEY FIGURES

(€ MILLIONS, UNLESS STATED OTHERWISE)

	2019	2018
Net turnover	**649.7**	**598.5**
Operating income	**637.2**	**614.8**
Added value	**502.7**	**477.7**
Results		
EBITA recurring	26.9	25.9
EBITA	24.6	22.6
Net result	9.2	12.7
Return on average shareholders' equity (%)	6.0	8.9
EBITA margin, recurring (%)	4.2	4.2
Earnings per share (€)	1.80	2.51
Balance Sheet		
Total assets	327.7	312.9
Shareholders' equity	158.1	149.6
Group equity	157.9	149.7
Group equity as percentage of total assets (%)	48.2	47.8
Financial Position		
Net working capital	17.4	14.0
Free cash flow	2.0	17.4

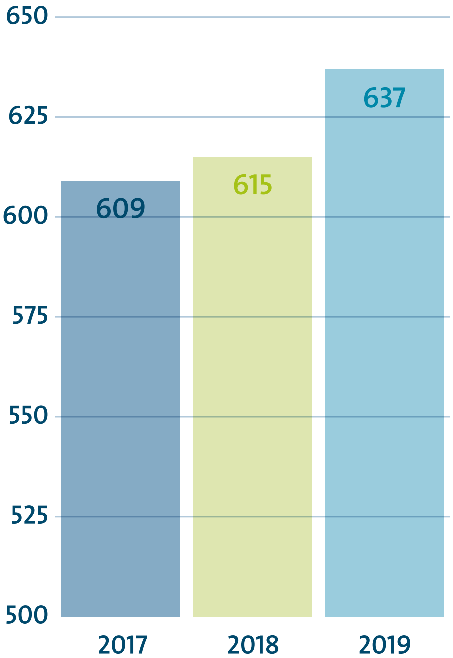
Net turnover	Amounts invoiced to clients (excluding VAT), excluding invoiced in advance
Operating income	Net turnover adjusted for change in work in progress, including other operating income, excluding non-operational items
Added value	Operating income less cost of work subcontracted and other external charges
EBITA recurring	EBITA excluding non-operational items
Non-operational items	Restructuring costs and other one-off items
EBITA margin	EBITA recurring / Operating income
Return on average shareholders' equity	Net result / Average shareholders' equity
Earnings per share	Net result / Number of ordinary shares issued
Net working capital	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Free cash flow	Cash flow from operating and investing activities



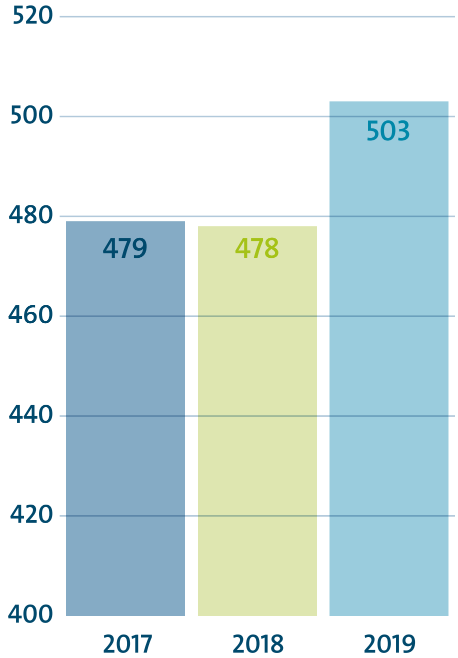


KEY FIGURES

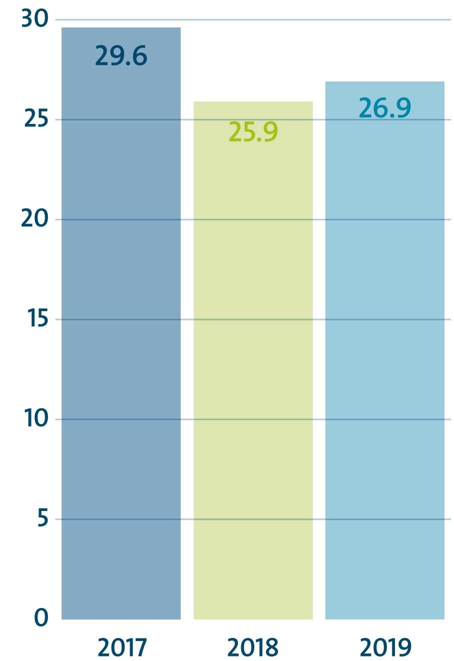
OPERATING INCOME (€ MILLION)



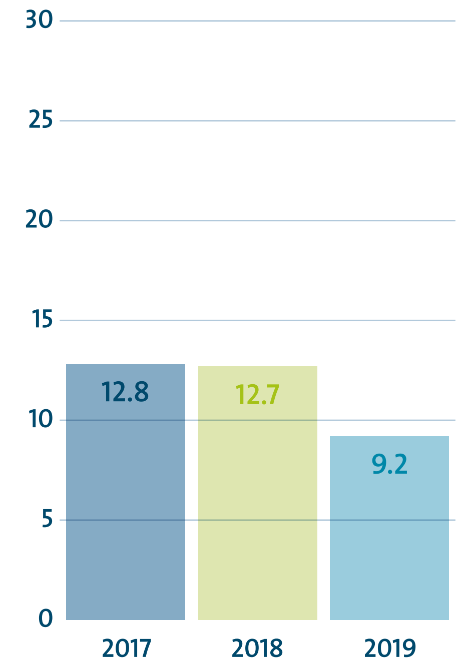
ADDED VALUE (€ MILLION)



EBITA RECURRING (€ MILLION)



NET RESULT (€ MILLION)



Operating income	Shareholders' equity	Average workforce
637 € million	158 € million	5,862

KEY FIGURES

ACCIDENTS & INCIDENTS

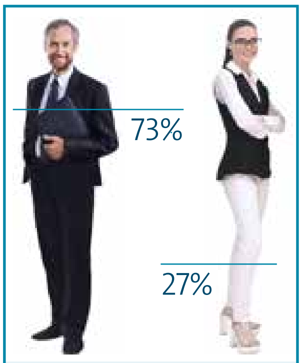
Lost time injuries
(per 200,000 workable hours)

2019: 0.17
2018: 0.07

Total recorded cases frequency
(per 200,000 workable hours)

2019: 2.39
2018: 1.92

STAFF GENDER PERCENTAGE



2019: 73 & 27
2018: 72 & 28

CARBON FOOTPRINT PER EMPLOYEE

CO_2 footprint
(tonnes CO_2 equivalent per employee)

-27.9%*

2019: 2.37
2018: 2.72
2017: 3.10

CO_2 footprint in office buildings
(tonnes CO_2 equivalent per employee)

-52.9%*

2019: 0.26
2018: 0.29
2017: 0.39

CO_2 footprint for business travel by car
(tonnes CO_2 equivalent per employee)

-37.7%*

2019: 1.10
2018: 1.46
2017: 1.68

CO_2 footprint for business travel by plane
(tonnes CO_2 equivalent per employee)

4.9%*

2019: 1.00
2018: 0.97
2017: 1.03

* Trend (to 2016)


SCENARIO
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SCENARIO
2
SENIOR CONSULTANT,
BUILDING SERVICES
& ENERGY
GEERT FILIPPINI

OUR COMPANY

OUR COMPANY

The world is in transition. Solving today's biggest challenges involves physical solutions, smart brains and digital technology. This is the combination Royal HaskoningDHV is using to help build a better, more efficient and sustainable society.

With the possibilities that digitisation brings, we have found new ways to visualise, predict and impact our society – whether it's improving mobility, smart ports, high-performing production sites, water efficiency or climate resilience. We connect the physical world with the digital domain by integrating digital and data capabilities in our engineering expertise to positively impact society. Our insights support decision making, reveal efficiencies and help create long-term value for our customers.

OUR MARKETS AND GLOBALLY LEADING SERVICES

We deliver our products and services within the markets described below. Particular services are recognised as being at the forefront of their field and these also appear below, highlighted in italics.

Aviation

Royal HaskoningDHV's full subsidiary companies, NACO and InterVISTAS, are world-leading aviation consultancies. We provide independent services to airports, airlines, governments, investors and contractors. We are experts in airport consultancy, transportation economics, policy and regulation advice, finance, master-planning, functional planning and design, building design and civil engineering. Our expertise in airport systems includes airport IT infrastructure and master-planning, as well as passenger terminal IT, security and baggage handling systems. With the knowledge and experience from our team of in-house experts, clients across the globe benefit from short communication lines and efficient project management.

Airports

As a global leader in airport development, we have shaped over 600 airports in more than 100 countries, with projects spanning major landmark designs to regional and domestic airports. Our clients benefit from our state-of-the-art approach to airport design, where digital engineering tooling, 3D modelling and BIM technology are used to gather and analyse vast quantities of data. This can be accessed and shared in real time to help our clients accurately understand, predict and direct passenger flows, improve their asset utilisation and deliver a better passenger experience.

Industry

Many of our industrial clients share a common objective: to produce high quality goods in the most efficient way possible. By working in close partnership with our food and beverage, pharmaceutical, oil and gas, chemical and automotive clients, we co-create solutions that are transforming industry through innovation. We develop digital solutions that design reliable, sustainable and compliant assets and predict maintenance and provide timely insights. Combining requirements and goals for both the CAPEX and OPEX side of our client's business, we provide data-driven optimisation solutions that enhance performance and minimise environmental impact for new and repurposed industrial sites.

Consumer goods

From breweries, food and beverages to industrial and pharmaceutical goods, we support manufacturers in proactively and effectively responding to consumer demands, such as speed to market and accommodating market expansion. Clients benefit from our practical knowledge and expertise for efficient production and increased flexibility. Together we develop high-performance, multi-purpose sites and place technology, automation, access and connectivity at the forefront of every project.

Buildings

Whether an office, hospital, data centre, factory or school building, we approach our clients' challenges strategically and holistically. We work in close partnership with our private and public sector clients to realise added value for their organisations, such as improving data centre efficiency and reducing energy consumption. Our solutions prioritise health, productivity and comfort, while achieving KPIs related to asset performance and management. Combining our domain expertise with cutting-edge digital twin capability, our consulting services ensure the best use of space, materials and energy, while contributing to business and climate resilience.

Energy

Addressing the energy transition has become a central challenge for our clients. Our expertise in innovative energy solutions draws on over 30 years of consultancy experience in energy diversification. We provide services across the whole value chain, from strategy and implementation to technology. Our clients' needs are vast and diverse: from large-scale wind and water infrastructure to technology platforms that optimise energy use across a global portfolio. Together we explore scenarios to deliver the best possible solution for clients seeking leading-edge, sustainable power supplies.

Urban and Rural Development

Population growth and changes in society, such as an increasing desire for demand-driven sustainable transport, are bringing new challenges to both urban and rural areas. Challenges also include sweltering cities, water and floods, ghettos and abandoned industrial zones. We assist our clients with economic and market research to create spatial master plans and draw on our multi-disciplinary expertise, to shape every aspect of urban design, including water management, infrastructure, utilities and transportation. Our robust, resilient solutions unlock the potential of rural areas, balancing economic growth and investments with circularity and sustainability. Vital services include financial feasibility studies, environmental and social impact assessments. We develop plans to manage resources and improve ecologies, designing attractive living environments for the benefit of communities and stakeholders.

OUR COMPANY

Transport and Infrastructure

Well-functioning infrastructure helps societies thrive and individuals prosper. Smart planning, novel technologies and stakeholder management – together with our integrated engineering approaches – are achieving multiple goals and delivering wider societal benefit, such as the energy transition, circularity, accessibility and reduced pollution. For instance, the world's first lightweight 3D-printed fibre reinforced polymer bridge, developed with our partners, transforms bridge design and brings longer lifespan, lower lifecycle costs and improved sustainability for our clients. Innovation such as this is at the core of our business. We are collaborating with clients to shape the new mobility system, which balances individual needs for affordability and reliability with society's need for liveability and urban planning. Using the latest digital tools to create greater efficiencies or developing new innovative services such as **Flowtack** to optimise traffic flows, we're pushing the frontiers of infrastructure and mobility design to drive sustainability and enhance society – now and in the future.

Tunnels and underground structures

Intensive road use is one cause of traffic congestion and in many cities there is simply no space to build more roads. In today's busy cities and ports, tunnels and underground structures can make all the difference in connecting communities and boosting accessibility. Through our joint venture, TEC (Tunnel Engineering Consultants), we are the global leader in soft ground tunnelling. We have a strong track record demonstrating our expertise in immersed tunnels. Our integrated approach means we deliver for clients at every stage, from tunnel design and construction right through to risk management and safety analysis.

Maritime

We are a world leader in maritime port and infrastructure development and home to one of the largest groups of maritime consulting engineers in the world. We are involved in high-profile maritime projects from Europe to Australia and Asia to Latin America. By applying technology, drawing on our global expertise and consulting with specialist partners, we develop smart solutions working together with our clients. Our integrated, multidisciplinary approach means we can deliver all the expertise required – optimising existing terminals, creating new port facilities, relocating terminals or refurbishing facilities.

Smart ports, shipyards and terminals

Globally, ports and terminals are under pressure to become more streamlined and more environmentally friendly. We see major opportunities for our clients to drive efficiency through digitalisation and automation. Applying smart solutions can help improve efficiency, return on investment and bring sustainable performance for ports and shipyards. Our maritime experts understand the economic realities of ports and terminals and the need to create lasting solutions. We assist our clients in all phases of their maritime and transport projects: from trade and traffic forecasts, feasibility studies and first consents/permits, to design and execution, maintenance and business support.

Water for the future

A safe and secure living environment is ultimately about improving the quality of people's lives and of systems, as cities, business and infrastructure become ever-more complex. A holistic vision is needed to plan for future development. Royal HaskoningDHV offers a seamless integration of consulting engineering, technology and software services related to water. These services accelerate adaptation to increasing demand and risks. To help navigate a world of increasing complexities, such as fast-paced climate and societal change, we bring a combination of the deep domain knowledge of our engineering consultants, our award-winning technologies and emerging digital technologies such as digital twin and AI. This empowers our clients to make informed decisions and increase resilience and adaptative speed.

Smart water in cities

As cities and their populations grow, so does the demand for accessible, safe drinking water. The higher population densities of cities also lead to increased water pollution and contamination. Our deep domain knowledge and our technologies, in combination with emerging digital innovations such as AI and predictive analytics, gears to increased efficiency, performance and lifespan of water and waste water assets and infrastructure. This seamless connection between real and virtual water systems enables redesign and creation of the water circuit of the future.

Resilience in cities

People and their assets now operate 24/7/365 in high-density urban environments, making society more vulnerable to climate and weather-related disruption. Extreme weather events and natural hazards impact severely on people in terms of loss of lives, health and well-being, and temporary or permanent loss of homes and livelihoods. Besides environmental and ecological damage, the wider societal and economic impact includes disruption to infrastructure, transport and business operations. We support our clients by creating resilient strategies and systems for communities, businesses, infrastructure and the financial sector to reduce the impact of extreme weather, natural disasters and climate change before events occur. Resilience suite is our digital service offering that provides our clients with actionable insights to make their business processes more resilient. This includes risk assessments for governments and cities (e.g. BlueLabel in Netherlands) and for the insurance sector (FloodScore in the United Kingdom and Australia). We look at the best combination of measures at different timescales fitting local needs; using an integrated system approach combining structural and organisational measures with social inclusiveness.

OUR COMPANY

OUR STAKEHOLDERS AND HOW WE ENGAGE

At Royal HaskoningDHV, we have embedded an open and collaborative approach into our ways of working. Our network enables us to identify and accelerate innovations which respond more effectively to the changing needs of the world and create positive impact. Our main stakeholders are:

Clients

We work for private companies of all sizes, from multi-nationals to small and medium-sized enterprises. We work for governments – national, regional and local. We work for international semi-governmental organisations and finance institutes as well as not-for-profit organisations.

A client engagement survey was conducted by an independent external research agency in 2019 among nearly 1,000 clients. Results indicated further increase in the strength of our relationships with clients and emphasised the necessity of our strategy for reinforcing our market position. On qualities valued by clients, our score for technical knowledge is considerably above competitors and our score for ease to work with is much better than average. Clients praise our rich expertise across markets. Overall, clients indicate that we have a lot to be proud of but that we are too modest in broadcasting our achievements. These insights will be used to support and shape initiatives in 2020 and beyond.

Comments from clients who scored us 10 on overall project satisfaction include:

Sasol, engineering, procurement & construction management (EPCM) for a housing project to provide accommodation, supporting infrastructure and amenities for employees (Mozambique): *"Royal HaskoningDHV was instrumental in providing technical solutions to problems that could not have been foreseen during the design phase. We were assigned a team of Royal HaskoningDHV professionals, all highly skilled in their areas of expertise. They are solutions driven, they know the local environment and they know how to excel under local conditions – with the appointment of Royal HaskoningDHV the project gained a definite advantage."*

North Holland Environmental Federation, study into the opportunities for trains to substitute short distance flights (Netherlands): *"The end result was an excellent combination of technical research with practical recommendations. An enthusiastic and expert research team that thinks along with you and delivers on time!"*

Balfour Beatty, expert review of overall design, drainage detail and construction workmanship of Anchorsholme Sea Defence Scheme (United Kingdom): *"The team's expert support has been technically excellent, getting to the root of and explaining the problem, which has helped to inform and progress the final solution."*

Weavind & Weavind, NACO acted as expert witness in an arbitration for an airport design project (South Africa): *"Excelled in every possible aspect and went above and beyond what was requested and/or expected."*

SM Prime Holdings, Pasay Paranaque development project to design the reclamation and the horizontal development works (Philippines): *"Royal HaskoningDHV was able to deliver the expertise; the report produced was excellent and considered all environmental aspects of the site."*

AVIC International Holding Corporation, design of iconic air traffic control tower, new third runway and taxiways, and renovation of existing runway (Kuwait): *"Based on the experience of Kuwait runway project, we believe NACO is one of the best designers of airports in the world."*

NS Fiets BV, improvement of self-service bicycle parking entrances, (Netherlands): *"Royal HaskoningDHV has succeeded in delivering the product on time and within budget in a complex environment with many and demanding stakeholders. A unique achievement within this domain."*

OUR COMPANY

Partners and associations

Our collaboration with partners and associations supports the active role we play at the forefront of key global trends.

Digital service partners

We are accelerating the development of faster and better insights in expected flood risk for cities, businesses and residents through a strategic partnership with Singapore-based Hydroinformatics Institute, **H2i**. Our minority shareholder position brings together our companies' deep understanding of climate-related challenges and urban flood resilience to produce data-driven solutions using big data analytics, machine learning and advanced modelling. The partnership was recognised in the Winsemius Awards 2019 for innovative and impactful achievements in business links between Singapore and Netherlands. We also extended our partnership with **Autodesk** for a further three years, bringing our engineering and consultancy intelligence together with Autodesk's data and programming intelligence. The partnership has a particular focus on generative design, augmented and virtual reality and digital twins to deliver tailor-made solutions to our clients using the latest technologies and insights.

Data partnerships are central to the growth and development of **Ambiental**, a company we acquired in 2019. Ambiental works in partnership with many leading organisations in the public and private sector to shape solutions for some of the world's biggest challenges. It has extensive data partnerships with leading national authorities which form the input parameters to its flood modelling algorithms.

Technology development partners

Our collaboration with industry leaders CEAD and DSM is leading a revolution in bridge construction and design. In 2019 it led to a prototype of the world's first lightweight 3D printed fibre reinforced polymer bridge which has a longer lifespan, lower lifecycle costs and improved sustainability.

Networks and partnerships continue to be central to the growing number of installations of our revolutionary waste water technology Nereda® and we are successfully involved with further innovation. The Nereda® community now includes 13 licensees and 5 preferred suppliers alongside its involvement in research consortiums. There are 74 Nereda® plants in operation or under construction worldwide which, on completion, will bring high-quality waste water treatment to more than 10 million people across 19 countries. Regarding innovation, a large-scale production unit for a new bio-based resource, Kaumera, was opened in 2019 and a second production unit is coming online in 2020. Kaumera is extracted from the aerobic granular sludge originating from the Nereda® treatment process. The development is the result of a collaborative project involving multiple stakeholders and in 2018 Royal HaskoningDHV acquired the original patents from Delft University of Technology in order to accelerate growth. Kaumera won a major innovation award during the year (see page 20).

Knowledge networks

Our links with knowledge institutes remain vital for the progress we are making in addressing the challenges facing governments, businesses and individuals in society. Our employees have contacts with more than 80 universities across the world and we continue particularly close collaboration with Delft University of Technology (Netherlands), Imperial College London (United Kingdom), University of Cape Town (South Africa) and Institute of Technology Bandung (Indonesia).

We are involved in research into areas such as flood management and protection and smart energy management through partnerships in programmes funded by The Dutch Research Council (NWO) and the Technology Foundation STW. Other partnerships focused on a sustainable future include our board membership of Climate Campus, committed to climate resilience for cities and deltas, and our association with TU Delft's Delta Futures Lab for Sediment and Subsidence. We are collaborating closely with the Green Village (Delft), a living lab for sustainable innovation. In 2019, following our leading role in the design process, building work started on the Co-Creation Centre which we co-founded at the Green Village. We have also been investigating further collaboration in areas including digital twin developments.

We are the only private sector partner in the Netherlands Land Academy, LANDac, working on land governance for equitable and sustainable development, and are members of the social advisory board of the Copernicus Institute of Sustainable Development.

Associations across industries

Royal HaskoningDHV plays an active role in a wide range of industry associations and, in 2019, joined the **OECD Water Governance Initiative**, which informs the debate around water governance, sustainability and facilitating dialogue between public and private bodies. We are a member of the **Smart Water Networks Forum (SWAN)**, the leading global hub for the smart water and waste water sectors, collaborating to make complex water infrastructure more resilient through intelligent technology.

As International members of **buildingSMART**, we continue to deepen our relationship with this leading industry-driven organisation dedicated to open BIM and interoperability standards and processes. We also play a leading role in the end-user focused airport domain and are looking to extend our involvement in the buildings, tunnels, rail, roads, bridges and GIS domains. An important initiative to develop best practice documentation and guidance in the ports and harbours domain is being led by **PIANC**, the world association for waterborne transport infrastructure.

A fruitful partnership with the monthly magazine of the Institution of Civil Engineers in the United Kingdom continued in 2019. Among other activities, it provided an opportunity for us to host an exclusive round table debate to explore innovations around financing for infrastructure projects, building stakeholder and political support and how to deliver best whole life value at an early stage. We also presented our vision on flood resilience at the magazine's Future of Floods event.

OUR COMPANY

An initiative we instigated in Africa brings together government, industry and academia to shape the future of mobility. The Mobility Centre for Africa was borne out of a need to start a dialogue on and plan for the disruptive forces that are shaping the transport industry. Through the partnership, we are working together on finding lasting solutions to issues such as congestion, emissions and affordability

A focus on entrepreneurship

We encourage entrepreneurship and innovation through specific initiatives. In South Africa, for example, we are partners with Orange Corners, which contributes to the country's economic growth by creating an environment in which local entrepreneurship can thrive. In Netherlands, we partner YES!Delft, a tech incubator that helps entrepreneurs to build and grow leading technology companies.

Shareholders

Koninklijke HaskoningDHV Groep B.V. has two shareholders: Stichting (Foundation) HaskoningDHV that holds all A-shares (representing at least 75.5% of the entire issued share capital) and Stichting Administratiekantoor (Trust Office) that holds all B-shares (representing 24.5% of the entire issued share capital at max) for which depositary receipts (certificates) have been issued which can be purchased by employees in various countries all over the world. Through these certificates, employees can share in the results of Royal HaskoningDHV. The certificate holders choose the board of the Trust Office HaskoningDHV.

The Board of the Foundation consists of five members. One is appointed by (not out of) each of the Supervisory Board, the Executive Board and the Works Council. One member is appointed by and out of the depositary receipts holders. The fifth member is the Board's chair and is an independent external individual appointed by the four other members.

The Board of the Trust Office manages the B-shares in Koninklijke HaskoningDHV Groep B.V. and issues and administers the depositary receipts for shares to eligible HaskoningDHV staff members. This board consists of three members and is appointed by and out of the depositary receipt holders.

The annual Shareholder Meeting is attended by the Board Members of the Foundation HaskoningDHV, the Board Members of the Trust Office HaskoningDHV, the Supervisory Board, the Executive Board, the depository receipt holders and (on invitation of the Chairman) the representatives of the Works Council. This enables a dialogue between the Executive Board and various groups of stakeholders.

Suppliers

We strive for lasting relationships with reliable partners and have high expectations from our suppliers. Suppliers may expect a clear, transparent and honest attitude from us and must comply with our **Business Principles** for our Partners and Suppliers.

Governments and International Institutions

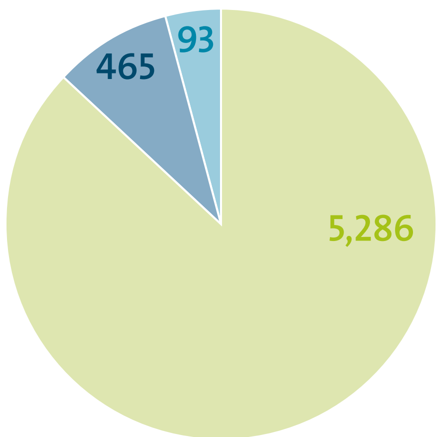
We engage with bodies of the Dutch Government to support the international trade and sustainability agenda, sharing expertise and information through our participation in trade missions, round tables and collaborative ventures. In 2019, we joined amongst others Dutch trade missions to Vietnam and India. The focus in Vietnam was on climate resilience and socio-economic development through improved port and inland waterways. Agreements signed during the mission included a World Bank funded project to improve the resilience of the Mekong Delta while delivering clean water and sanitation. We are involved with an Airport city concept and port improvements for the city of Da Nang and developing a public-private partnership for sustainable flood protection in greater Ho Chi Minh City. During the trade mission to India, our specialists shared insights into smart port development, highlighting opportunities to address challenges facing ports. Experts from our water business explored collaboration for tackling issues relating to rapid urbanisation and extreme weather events while maximising the economic potential of cities.

Communities

Communities are important stakeholders in many of our projects and we seek to make positive impact where we work. Our 3D visualisations and other digital tools are enhancing the ways in which we engage and connect with stakeholders, giving them more insight and understanding of plans. Feedback and suggestions generated help to improve the outcome for all. We also support the communities in which we work through individual and corporate initiatives to enhance society together. For example, a charitable fund set up and run by employees, the **BrITE Foundation**, assisted disadvantaged young people in 2019. Funds accrue through regular voluntary contributions made directly from employees' salaries. In 2019 they were used to set up a small library in a remote rural village in China, where children can go on Saturdays to watch cartoons, read and borrow books. The fund also contributed to new toilet units in a secondary school in Uganda to ensure the health and good hygiene of the students. The education they receive at the school helps provide a route out of poverty by broadening their employment prospects. Further information on our activities in the communities where we work appears on page 25.

Employees

We are a people company and the intelligence, innovation and passion of a diverse and inclusive workforce is at the heart of our success. In 2019 we maintained focus on building the skills needed to achieve our ambitions, through recruitment and skills development.



Our workforce at the end of 2019:

- Fixed-term Employment Contracts
- Contractors / Agency Workers / Freelancers
- Trainees / Sponsorship Students

Colleagues in our Vietnam office have set up a local initiative to identify practical ideas to ensure office operations are more sustainable and contribute to a better future. In December, 200 trees were planted outside Ho Chi Minh city (one for each employee) in what is planned to become an annual activity to help absorb carbon produced through office activities.
royalhaskoningdhv.com/en-gb/about-us/corporate-responsibility

OUR LEADERSHIP

Royal HaskoningDHV is organised globally across five Business Lines. Each Business Line Director has an integral responsibility and reports to the Executive Board, which is supervised by the Supervisory Board. The business is supported by Corporate Groups, which include Strategy & Operational Excellence, HRM, Finance & Control, Legal, Workplace Solutions, Innovation & Digital Services and Communications & Brand. Information about members of the team leading our company is available on our **website**.

EXECUTIVE BOARD AND EXECUTIVE COUNCIL

Back from left to right:
Craig Huntbatch – *Business Line Director Maritime & Aviation,*
Erik Oostwegel – *CEO,*
Jasper de Wit – *CFO,*
Anton van der Sanden – *Business Line Director Transport & Planning,*
Marije Hulshof – *Business Line Director Industry & Buildings,*
Anke Mastenbroek – *Business Line Director Southern Africa.*

Front from left to right:
Meike Salvadó – *Director Human Resource Management,*
Niels Schallenberg – *Business Line Director Water.*

REPORT OF THE SUPERVISORY BOARD

SUPERVISORY BOARD

From left to right:
Angelique Paulussen-Hoogakker,
Peter Blauwhoff,
Joop van Oosten – *Chairman of the Supervisory Board*,
Tjalling Tiemstra,
Daan Sperling.

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board is pleased to present the 2019 Royal HaskoningDHV Annual Report including the Financial Statements, as prepared by the Executive Board. The company is committed to delivering responsible and sustainable solutions for clients in relation to cities, water, transport and industry. Staff in the company continue to be proud of delivering projects that matter to society and support the company's Strong22 strategy for which further implementation steps have been taken in 2019.

The Financial Statements are prepared by the Executive Board, audited by the external auditor PwC and signed following consultation with the Supervisory Board. Given the 2019 result, we support the proposal of the Executive Board to pay a dividend of €0.90 per share. We recommend that the 2019 Financial Statements are adopted by the Annual General Meeting and the Executive Board is granted discharge with respect to its management and the Supervisory Board for its supervision during the financial year 2019.

The company has a two-tier Board structure. The Supervisory Board advises and supervises the Executive Board of the company in setting and achieving the objectives, strategy and policies. The Supervisory Board is nominated by the shareholders and operates fully independently of the Executive Board. The Supervisory Board is guided by the interests of the company and shall take relevant interest of all company stakeholders into account. The Supervisory Board also has had continuous due regard for corporate social responsibility and culture issues that are relevant to the company.

The Supervisory Board has two committees, an Audit Committee and a Remuneration and Appointment Committee, that prepare the decision-making process in the full Supervisory Board.

SUPERVISORY BOARD MEETINGS

The full Supervisory Board convened five times in 2019 in several office locations in Netherlands.

We are pleased to report that average attendance of our members was again high at 92%. Both Tjalling Tiemstra and Angelique Paulussen-Hoogakker had to apologise for a meeting once.

In addition to the formal Supervisory Board meetings, various (informal) meetings between the Supervisory Board and the Executive Board took place. Almost every month there have been bilateral meetings between the chairs of the Supervisory and Executive Board. Members of the Supervisory Board participated in meetings with the Dutch Works Council. The Supervisory Board furthermore participated in a session with Young RHDHV.

The Supervisory Board advised on developments in the company and its strategy. There was ample attention for specific projects and further enhancement of project management in general. Project results, utilisation rates, sales, working capital and profitability were discussed in every meeting. Other main items on the agenda included compliance and integrity, investments (e.g. in Lanner, H2i, Ambiental), remuneration policy, talent development, strategy & digitisation, financial results, claims and risks, incidents and accidents and the annual plan.

Throughout the year the Supervisory Board was informed about the financial and economic situation in South Africa as well as the impact this had on our operating company. The Supervisory Board approved the plan prepared by the management by the end of the year for financial restructuring of Royal HaskoningDHV South Africa. It expresses its hope that the economic situation in the region will improve in the coming year and the company will be able to reverse the recent downturn.

During the year Jan Bout left the Supervisory Board due to reaching the maximum statutory appointment period. During the AGM in March 2019, Daan Sperling was appointed as member of the Supervisory Board by the shareholders. As from September 2019 Francine van Dierendonck attended the meetings of the Supervisory Board. The Supervisory Board proposes the shareholders to appoint Francine van Dierendonck as member of the Supervisory Board as per the AGM in March 2020. The current chairman, Joop van Oosten, will reach the maximum statutory appointment period in March 2020 and will be succeeded by Peter Blauwhoff.

In the fourth quarter an investigation into the remuneration of both the Supervisory Board and the Executive Board was performed by an external advisory firm. The outcome of this investigation may lead to an amendment of the Executive Board's fixed remuneration from April 2020, as well as a proposal to the AGM to adjust the remuneration of the Supervisory Board.

In May 2019 the then CFO of the company, Nynke Dalstra, informed the Supervisory Board of her decision to step down as CFO. It was her personal wish to take a break from her professional career and thereafter to pursue her career outside of Royal HaskoningDHV. The Supervisory Board would like to thank Nynke Dalstra for her contribution to the Executive Board. She has shown the right balance between managing control and stimulating entrepreneurship which enabled a solid implementation of the company strategy.

The Supervisory Board was pleased an internal candidate, Jasper de Wit, succeeded Nynke Dalstra, as CFO from September 2019.

AUDIT COMMITTEE MEETINGS

The Audit Committee is composed of two members Tjalling Tiemstra (chairman) and Jan Bout who was replaced by Daan Sperling in March 2019. They met on four occasions with management, the internal auditor and external auditors. The Audit Committee furthermore advised the Supervisory Board on the financial restructuring of South Africa. The committee also met with the internal and external auditors without the presence of management.

Topics on the agenda were the Financial Statements, the annual plan, cash management and working capital, refinancing South Africa, compliance with bank covenants, tax policies, defined benefit pensions, risk management and developments in ICT and ICT security. In addition, the internal and external auditor's audit plan and audit report and the external auditor's management letter were discussed. The financial results and extended business analysis were on every meeting's agenda.

REPORT OF THE SUPERVISORY BOARD

REMUNERATION AND APPOINTMENT COMMITTEE

Current members are Peter Blauwhoff (chairman), Joop van Oosten and Angelique Paulussen-Hoogakker. In 2019 the committee convened in scheduled meetings five times. Topics on the agenda were amongst others the remuneration of the Executive Board, also in relation to the development of to the remuneration of the Extended Executive Council. (consists of the Business Line Directors and Corporate Directors).

During the year the Remuneration Committee met with several senior managers in the company. They concluded that succession planning was in place: sufficient and capable successors have been identified for the leadership levels in the organisation.

This year, the Supervisory Board performed its self-evaluation with the support of an external specialist, Governance University. The topics discussed included the organisation, way of working and culture of the Supervisory Board. The effectiveness and focus of the Supervisory Board were investigated as well. Improvement actions and working arrangements for the Board were agreed upon.

The main findings of the self-evaluation were discussed with the Executive Board.

We further refer to the Remuneration Report on page 61.

PROFILE AND COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board is properly constituted according to the Articles of Association and its members possess the desired competencies in accordance with the profile of the Board. The current Board consists of five members. A reappointment and resignation scheme has been agreed for the coming years. Background information on the Board is available on our **website**.

DIVERSITY

The Supervisory Board consists of one female and four male members, all of whom are of Dutch nationality.

The Executive Board consisted of one female and one male member until September 2019; thereafter of two male members, both of Dutch nationality.

The Supervisory Board continues to strive and achieve a balanced composition of both the Executive and the Supervisory Board in terms of gender in the future.

The Executive Council consists of 62.5% male and 37.5% female members.

CORPORATE GOVERNANCE

The Royal HaskoningDHV Corporate Governance Report and further information concerning the remuneration policy, the Code of Conduct, the SpeakUp Line and regulations for the Executive Board, Supervisory Board, Audit Committee and Remuneration and Appointment Committee are in line with the Corporate Governance Code and can be found on the company's website. The remuneration of the Executive Board is included in this Report of the Supervisory Board on page 18. The remuneration of the Supervisory Board is reported in the Financial Statements, which forms part of this Annual Report.

WORKS COUNCIL

Various delegations of the Supervisory Board met several times with the Dutch Works Council to discuss the general course of events and the developments within the company in an open and constructive dialogue. The quality and outcome of these meetings is highly appreciated by the Supervisory Board.

IN CLOSING

In 2019 the Executive Council consisted of the Executive Board, the Business Line Directors and the Corporate Director HRM. The Executive Council convenes with the Corporate Directors in the Extended Executive Council to discuss company-wide topics. Individual Corporate Directors are also regularly invited to Executive Board and Executive Council meetings depending on the agenda items. The Supervisory Board believes that the composition of the (Extended) Executive Council has proven to remain a good management model to lead the company.

The Supervisory Board is positive about the future of Royal HaskoningDHV. We appreciate the achievements made in 2019 and thank all staff members for their commitment and energy. We are grateful to clients for continued trust in the company, reflected in the inspiring range of projects undertaken during the year. It is pleasing to see positive impact being delivered through the strategic transformation and we look forward to further development in the year ahead.

Amersfoort, Netherlands
March 6, 2020

SUPERVISORY BOARD

J.A.P. (Joop) van Oosten (Chairman)

P.M.M. (Peter) Blauwhoff

J. (Jan) Bout (until 26 March 2019)

A.M. (Angelique) Paulussen-Hoogakker

D.A. (Daan) Sperling (as from 27 March 2019)

J.S.T. (Tjalling) Tiemstra

REPORT OF THE SUPERVISORY BOARD

REMUNERATION REPORT

Adoption of Remuneration policy

The Supervisory Board has developed the remuneration policy for the Executive Board of Royal HaskoningDHV on the basis of a proposal of the Remuneration Committee. The remuneration policy was adopted by the General Meeting of Shareholders.

Remuneration principles

The current remuneration of the Executive Board is based on a comparative study done in 2016 by an independent firm of terms and conditions of employment in the executive remuneration market for peer companies, that is companies operating in a grossly comparable market with a roughly similar risk profile and size as Royal HaskoningDHV. The policy is designed to be able to attract, reward, incentivise and retain qualified and expert individuals that the company needs to achieve its strategic objectives.

The Supervisory Board evaluated the remuneration package on the basis of information supplied by external remuneration experts, most recently in December 2019, to verify that it is in line with the company's objectives and the market.

The remuneration policy provides for a fixed component and a variable component (short-term incentive). The company does not operate a long-term incentive scheme, as it is not considered to be a way of incentivising suitable to Royal HaskoningDHV.

The variable component is based on the performance of the company, whereby this variable component is challenging, but not excessive. Furthermore, the ratio between the total remuneration of the Executive Board relative to the average remuneration in the company was taken into consideration.

Fixed remuneration component

The Supervisory Board of Royal HaskoningDHV aims to offer its Executive Board a fixed remuneration component targeted at approximately Q1 level of the general Dutch market and at the median of the direct (mostly Dutch and some EU) peer group.

Variable remuneration component

The Supervisory Board determines the variable remuneration component for the members of the Executive Board on the basis of their performance and the company's results compared to the agreed performance criteria.

The variable remuneration for the Executive Board is intended to drive the pursuit of Royal HaskoningDHV's short and longterm objectives and is appropriate in relation to both the fixed remuneration and the peer group. The maximum annual variable remuneration component amounts to 40% of the gross fixed remuneration if targets set are widely exceeded, whereas an on-target performance will result in 31% variable remuneration.

The criteria for the variable remuneration comprise both financial (max. 29%) and non-financial (max. 11%) performance elements to balance short-term operational performance with the long-term objectives and stakeholders' interests. The detailed criteria are not disclosed because of competitive and market intelligence reasons.

The criteria are agreed annually between the Supervisory Board and the Executive Board at the start of the relevant financial year. The variable income is, in principle, payable in depositary receipts until the maximum holding (for all employees the same) is achieved.

The Supervisory Board has verified and is comfortable with the potential pay-out of the variable remuneration component for various scenarios as prescribed by the Netherlands Corporate Governance Code.

Pensions and risk premium

Pursuant to the policy applicable to all staff members in Netherlands, the company contributes to the cost of their pension and the premium for partner pensions and disability. Equally, the members of the Executive Board are compensated for the reduction of the maximum pension accrual pursuant to the Reduction of Maximum Pension Accrual and Contribution Rates and Maximum Pensionable Income Act (Wet verlaging maximumopbouw- en premiepercentages pensioen en maximering pensioengevend inkomen) (Witteveen Framework 2015).

Severance pay

In the event of termination of the employment contract on Royal HaskoningDHV's initiative, a member of the Executive Board is entitled to a severance payment of one year's gross fixed annual remuneration. There is no right to the severance payment if the contract is being terminated due to urgent cause or serious culpability.

Sundry

Royal HaskoningDHV offers the members of its Executive Board a package of secondary employment benefits in accordance with those offered to other staff. The benefit package includes disability insurance, a company car and a Director's Liability insurance. The company does not issue loans, advance payments or guarantees to the members of its Executive Board.

No other exceptional remuneration was paid to the members of the Executive Board in 2019.

The ratio of the combined remuneration of the Executive Board relative to the average of Royal HaskoningDHV Netherlands staff for 2019 is 7.1 (2018: 7.7), with the CEO at 8.3 and the CFO at 5.9.

The Remuneration Committee of the Supervisory Board has taken note of individual Executive Board members' views with regard to the amount and structure of their respective remuneration packages. The Remuneration Committee has been informed about the remuneration packages for Business Line Directors and Corporate Directors and is confident that remuneration across the top management structure of the company is consistent.

REPORT OF THE SUPERVISORY BOARD

REMUNERATION 2019

Fixed income component

The Supervisory Board decided, within the remuneration policy adopted by the General Meeting of Shareholders, to increase the fixed remuneration of the Executive Board members as from 1 April 2019 by 2.17% for the CEO and 11.41% for the CFO.

Variable income component

The maximum variable income continues to amount to 40% of the fixed annual remuneration. The variable criteria for 2019 have slightly changed compared to 2018.

For further information regarding the remuneration we refer to page 61.

REPORT OF THE EXECUTIVE BOARD

OUR STRATEGY

Our strategy, Strong22, has continued to guide our activities during 2019 with a clear focus on new innovative services, products and digital engineering, to deliver high-quality expertise to our markets. We are successfully integrating digital and data capabilities with our core engineering and consultancy expertise. Investments made in 2019 supported our strategy and strengthened our portfolio. We acquired simulation software expert, **Lanner**; flood resilience digital solutions provider, Ambiental; and took a minority share in Hydroinformatics Institute, H2i (see page 11). We are confident that our strategy ensures our services remain relevant and we are able to assist our clients in a rapidly changing world in which we enhance society together.

Analytical intelligence

Recent years have seen an exponential rise in the capability of analytical intelligence – the ability to analyse and evaluate ideas and make decisions based on insights and data. It will continue and accelerate further, fuelled by the ever-increasing speed and capabilities that digitisation brings. These are bringing radical transformation, disruption and challenges as well as new and exciting opportunities in the industry. It is developments like these that make our strategy so important for our future business. To ensure it remains aligned, we regularly review our strategy and ways to achieve it. Part of this process includes engaging at board level (Board2Board meetings) as well as at other levels with representatives from clients and other organisations.

Looking further ahead, we see an overarching concept that connects our heritage as an engineering firm with our digital data-driven future. That concept is the digital twin – a virtual representation of physical assets. The digital twin has applications for the built environment, for entire eco systems like airports or cities, for individual assets like a hospital operating theatre or a brewery and for processes like passenger flow or manufacturing operations. We have been building our capability in this area, establishing a digital twin centre of excellence. Already, **Aquasuite®** provides a digital twin solution for the water sector and we have been developing its capability further in 2019. In other industries, we have worked on getting important building blocks in place. Our acquisition of Lanner and its predictive simulation technology further strengthens our digital twin offering.

Innovative products and services

Our faster, more crowded and interconnected world needs innovative solutions that help people, communities, businesses and governments to take the right decisions that help the world move forward – sustainably. Solving today's biggest challenges involves physical solutions, smart brains and digital technology. Innovation is integral to our strategy and we have developed a structured and scalable process to boost our innovation pipeline and embed a culture of innovation across our organisation. The result is an evolving portfolio, presenting new models for service delivery, including subscriptions, and new industry openings – for example, flood-risk prediction software from Ambiental that is relevant for the insurance industry.

A joint project with Lanner and data science experts Ynformed, also a company of Royal HaskoningDHV, is exploring the use of Artificial Intelligence (AI) and simulation technologies to create more intuitive digital models for a client. This has led to unprecedented impact on balancing costs and performance, as well as future-proofing business decisions. Another collaborative project in the water industry has identified a valuable raw material extracted from aerobic granular sludge originating from the Nereda® waste water treatment process. Called Kaumera, the material can repel and absorb water and acts as a fire retardant. It has potential applications in various industries as a viable alternative to oil-based substances. It won the **2019 Aquatech Innovation award** and was described by the jury chairman as 'by far the biggest innovative step from all of the entries received'.

Products based on innovative technologies are continuing to grow and mature in their markets. Nereda®, our game-changing sustainable waste water technology, is proving to be a formidable player on the global stage. A new-build construction in Utrecht using Nereda® Technology won Waste water Project of the Year at the Global Water Awards 2019. Another plant in Portugal was acclaimed in the Innovation in Infrastructure category at the Water and Energy Exchange Awards, 2019. Our **Ephyra®** sludge digestion technology which accelerates sludge treatment and releases biogas for energy production is gaining industry prominence. Flowtack, launched last year, shows a promising trajectory. A sophisticated traffic management system which collates and analyses traffic data in real time to keep cities moving, it has already been introduced in a number of cities in Netherlands and studies are under way for its use in various locations in the United Kingdom.

Our moves towards optimising the use of assets driven by data has been rewarded with a number of interesting project wins. A contract won with our tunnelling consultancy, TEC, combines the renovation of tunnels in Amsterdam with the modernisation of traffic control centres, introducing systems to monitor and manage flow. In South Africa, our Aviation team designed a smart security screening point which uses technology to further optimise security gates drawing on real-time passenger flow information. In Maritime, our smart ports health check provides a technology road map for clients to put the structure and processes in place to use data insights to support strategy and decision making.

An important strand within Business Line Industry and Buildings is the energy transition. The number of services sold within this umbrella theme has doubled compared to 2018 and we anticipate it will rise more steeply. Just as the energy transition is steadily gaining traction in industry, resilience is a growing theme.

In 2019, we established an additional Business Line for our organisation, Southern Africa. It contrasts with our other Business Lines in that it is organised geographically rather than across industries. It reflects our desire to provide more focus and agility in what has been a challenging environment. The year has seen considerable restructuring of the business, with a view to rebalancing our portfolio towards selected leading services and providing more focus on our digital approach.

REPORT OF THE EXECUTIVE BOARD

Digital engineering

We are making good progress on digitising our engineering and consulting business and reaping benefits. The transformation programme has been supported by our digital academy which in 2019 passed the milestone of 1000 employees trained in the digital way of working. Across our organisation we are focusing on enhancing capabilities and ensuring every project possible is benefitting from appropriate digital tools, including 3D modelling and parametric design. We are also investigating where we can automate processes and ways of working further to generate the data to drive enhancements in our services for clients. A good example is our use of **iReport** which replaces physical reports with visual, dynamic information and data presented on a digital media platform. It enables clients and stakeholders to navigate information in their own way, using a range of tools to drive faster and clearer understanding. It won the **2019 IEMA Sustainability Impact Awards**.

A great example of a digital engineering project is the creation of the design for the new **Feyenoord soccer stadium** in Netherlands, which is planned to be built. The use of a parametric model and an interactive 3D model, supported by BIM, enabled a rapid design that could be optimised quickly, for instance for creating optimal sightlines for each individual seat in the stadium. Another great example is the **digital sand engine** for Bacton Energy that we delivered in the United Kingdom. With a fully automated process for data gathering and processing, an initial digital twin was created for the sand placement. This helps the client intervene in beach erosion.

Excelling in our operations

We regularly evaluate our strategy in relation to progress on efficiency. In 2019, we identified no need to refine our strategy but there was a need to streamline and accelerate progress towards our ambitions. To that end, project excellence remains a strong focus across our business. In June a new Director Project Excellence was appointed, with a focus on project management to continuously improve efficient service delivery to clients. Initiatives introduced in 2018, including Project Health Check and Drive2Win, are streamlined further to support project success and manage risks. Furthermore, we are centralising our recruitment activities to focus expertise and quality throughout the recruitment process.

Quality Management

As a global organisation, we ensure we deliver products and services to our clients according to standard working practices wherever we are working in the world. This is achieved with our global Integrated Management System, which was updated in 2019 to reflect and guide our digital ways of working. It is certified against globally-accepted international standards (ISO 9001, ISO 14001 and ISO 45001) and also covers integrity, business continuity, knowledge management, information security and our business principles. To ensure it continues to comply with global standards, QHSE audits were undertaken in 2019. Internal audits were conducted in all our Business Lines and offices by Corporate QHSE. DNV GL conducted external audits in the following countries: Netherlands, South Africa, Oman and the United Kingdom. As a result of these audits, our ISO 9001:2015 (quality) and ISO 14001:2015 (environment) certificates were renewed. In addition, we obtained the ISO 450001 certificate for the first time (replacing OHSAS 18001). All three certificates are valid until September 2022.

Integrity highlights

We have been a partner of the UN Global Compact (UNGC) for more than a decade, supporting the 10 UNGC principles on human rights, labour, environment and anti-corruption which are integrated in our Global Code of Business Principles. We actively show our commitment to these principles in our tenders and offers and share our principles on integrity and compliance with suppliers and sub-contractors through e-learning.

We have a zero-tolerance approach to bribery and corruption and aim to meet and surpass international best practice standards in anti-corruption compliance and business ethics. Our integrity policy is embedded throughout the company and we have held the ETHIC Intelligence Anti-Corruption Certificate since 2010. In 2019, ETHIC Intelligence audited our Integrity Management System again and concluded that it is robust and ensures compliant behaviour in our daily business.

There were no major integrity incidents during 2019 but 134 issues and concerns were reported. It is higher than in 2018 (98) and reflects increased transparency, awareness and openness across our business in all regions. Characteristics of the reports included: unwelcome workplace behaviour; financial inaccuracies; working in controversial countries; and involvement in publicly disputed projects (for example placement of windmills, working on military projects). All issues were investigated, discussed when appropriate and concerns were addressed to mitigate risks. Several requests for advice were received about potential controversies, perceived conflicts of interest and third-party due diligence. Improvements to our way of working in respect of third-party due diligence will be further implemented in 2020.

There were no allegations against the company or its management for bribery and corruption, nor investigations on this by any authority in 2019.

We introduced a special integrity programme for new employees in 2019 and launched an internal campaign to focus awareness on equality, diversity and inclusion. The campaign will continue in 2020 and include controversiality risk in projects and partnering. A new Compliance Academy with a broad range of relevant learning topics will be launched in 2020. It will also include a new e-learning for our Global Code of Business Principles.

Integrity is closely integrated with sustainable business practices, increased enforcement and accountability for a clean supply chain. In 2020, we will further enforce our responsible and sustainable business.

REPORT OF THE EXECUTIVE BOARD

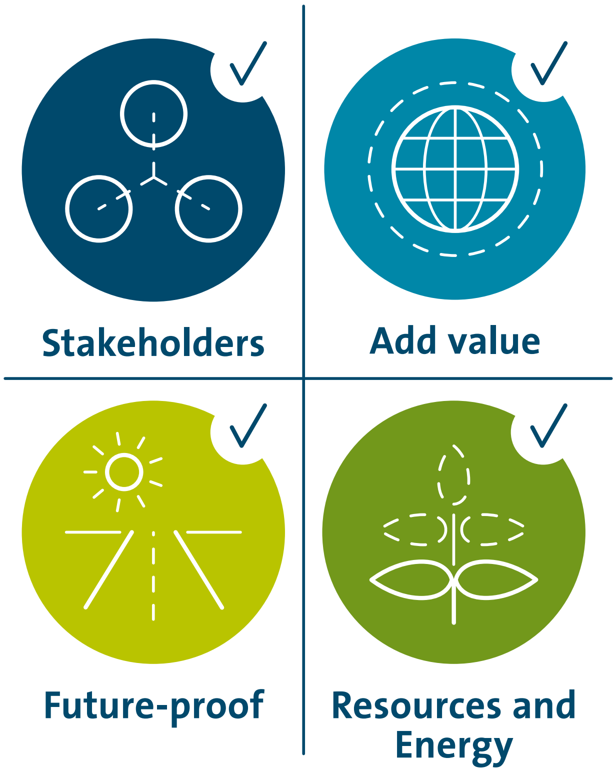
Sustainable Management

The challenge of a growing world population has consequences for towns and cities, particularly in demand for clean drinking water, water security and safety, as well as increasing pressure on traffic and transport. Industry too is facing issues around resource availability, energy and waste. Meanwhile, the impact of a changing climate is becoming increasingly visible and there is growing global demand for action from governments, companies and individuals. We are responding to these challenges through our mission to help build a better, more efficient and sustainable society using a combination of physical solutions, smart brains and digital technology. Key to our strategy is the desire to focus our impact in areas that we master and actively influence and, through that impact, contribute to specific UN Sustainable Development Goals (SDGs). These goals address the world's most pressing issues and explicitly call on businesses to contribute with other stakeholders, which is exactly what we mean by Enhancing Society Together. We focus on where we can actually make a difference, connecting products and services key to our strategy to SDGs where we have scalable solutions which create impact. Together with our clients and partners we aim to contribute to the following SDGs: SDG4, SDG6, SDG7, SDG8, SDG9, SDG11, SDG12, SDG13 and SDG17. We share our progress via our **Responsible Sustainable Business (RSB) Update 2019**.

Adding value through our projects

Our biggest contribution to inclusive sustainable development comes from integrating new ideas, innovations, technology and sustainability into our projects. We try to motivate our clients to make sustainable choices, to embed Enhancing Society Together and to contribute to the SDGs in our daily practice by using our 4 Questions to connect and align with them:

1. Does the output meet the requirements of most stakeholders involved?
2. Does the output serve added value for the client and society as a whole?
3. Is the result lasting, thus is it future proof?
4. Can we meet the client's demand while minimising the use of natural resources and energy?



These questions guide our conversations with clients and partners to determine our added value for society, whether it is in our own operations or through our projects. During 2019, all these 4 Questions were actively used in 74% of our key projects.

Two of our innovations in flood defence technology were used for the first time in the United Kingdom in 2019 and contribute to SDG11 and SDG13. One of these provides stability to the coastline and minimises wave run up using an alternative to conventional rock armour. It involves less construction material, lower costs and a reduced carbon footprint. The other is a sandscaping scheme in an area which has suffered severe coastal erosion which threatens an important gas terminal and nearby villages. The solution works with natural processes to halt erosion and actively restore beaches and has involved the deposit of 1.8 million cubic metres of sand. In Bosnia and Herzegovina we completed a sewerage project which connects 15,000 residents to proper sanitation. The 35km of pipelines will make a huge contribution to domestic sanitation and reduce the threat of contamination of the city's drinking water resources. It supports SDG6.

In Bangladesh, we have been selected to masterplan a greenfield deep-sea port which will help the country achieve its growth ambitions, creating economic growth and more jobs, supporting SDG9. The latest Smart Port thinking will be incorporated to drive efficiency and high performance. The largest bicycle parking facility in the world opened in Netherlands in 2019 offering space for 12,500 bicycles belonging to travellers to and from Utrecht Central, the largest transport hub in Netherlands. We provided the integrated design and advised on efficient, safe routes in and around the facility. It supports SDG11.

Three projects involved with sustainable energy production and use in Netherlands provide examples of our contribution to SDG7 and SDG11. All buildings in the country must be gas free by 2050 to support the government's climate change commitment. This is a major challenge impacting every residential and commercial building which currently uses gas to heat properties and water. In 2019, we assisted a town near Rotterdam in developing a route map to become natural gas free. As a first stage, we carried out a Heat Transition Agenda for Capelle aan den IJssel, looking at where to start and what is required, as well as available alternative heating sources. In another project, this time aligned with the energy agenda of the municipality of Delft, we are designing the first energy neutral station in Netherlands: Station Delft Campus. The station will function on energy generated on site via a platform cover of solar panels delivering a CO_2 reduction of 105,000 kg per year. In a project for a new art depot, our smart, energy-efficient installations will reduce consumption by up to 40%. The depot will provide access to the entire art collection of the Boijmans Van Beuningen Museum and space for visitors to watch conservation and restoration in action, as well as a meeting place, restaurant and roof garden. The climate system we designed uses about seven times less air than a standard climate system for art storage, saving lots of energy in the process. Other energy saving-measures include LED lighting in all rooms and smart switches and sensors to turn off all lighting and power when no one is present. Energy is generated as sustainably as possible with solar panels on the roof and heat-cold storage in the soil.

Please refer to our **RSB Update 2019** for many further examples of our projects bringing tangible positive impact for society.

Contributing through our operations

Our own operations form the second area of our impact, and here too activities are mainly linked to relevant SDGs. We are committed to reduce carbon emissions across our organisation to combat climate change (SDG13). The key indicator we use is our carbon footprint. This covers the CO_2 equivalent greenhouse gas emissions directly caused by our operations and emissions related to energy and paper consumption in our offices and business travel.

Our footprint is based on an international corporate responsibility data collection structure and, in 2019, the data covered 85% of our staff (Netherlands, United Kingdom, Indonesia, Poland and India). A weighted average is applied for remaining staff. The data is collected by a team of local staff appointed in participating countries who report annually to our corporate data-manager. Their report is based on measurements (provided by meters or bills, internal registration systems or reports from partners or suppliers, such as travel agencies). Data definitions and the procedure on how to deal with missing data are standardised. If data is not available in time, the previous year's data for that item and period is reported (temporary estimate). In the next quarter, actual figures are provided to replace the estimate. Data reports are screened for accuracy and completeness by one local data provider and by a team of corporate staff. Inconsistencies are reviewed with and by local staff for explanation or correction. This leads to continuous improvement of our data and an increased understanding of our actual impact for local and corporate staff.

Sustainable offices

We have been working on a wide range of sustainable initiatives in 2019 and developed an office accommodation policy which incorporates ambitions to maximise sustainable possibilities for buildings, uses and control. It includes five key policy statements, such as climate neutral energy use, circular materials and waste recycling. We aim for our buildings to be CO_2 neutral by 2030 at the latest and to support at least one regional SDG.

Sustainable mobility

Our focus on sustainable mobility is a key route to reducing carbon emissions and we are also reducing the need for travel by providing a virtual working environment enabling employees to work and collaborate independently from a physical location. When travel is necessary, we encourage employees to do so in a more sustainable way to reduce emissions/km. In 2019 we increased our electric car fleet by 230% compared to 2018, taking our total number to 285. We are well under way in achieving our goal of a 100% electric lease fleet in Netherlands by the end of 2021. Two offices in Netherlands are participating in an electric car sharing app and we continue to encourage the use of public transport and company e-bikes.

CO_2-Performance Ladder Level 5 certification

In Netherlands, we successfully renewed our CO-Performance Ladder Level 5 certification (the highest level). The scheme stimulates CO_2 reduction in our projects and operations by implementing a management system based on insight, reduction, transparency and participation.

REPORT OF THE EXECUTIVE BOARD

Objectives and results

Our objectives and achievements with regard to reducing our carbon footprint over the past three years appear below.

Objective	2017 RESULT	OBJECTIVE MET?	EVALUATION
Offices: Reduce CO_2 footprint by 50% compared to 2013	-52.7%	Yes	In absolute numbers (tonnes CO_2), the target was met. Looking at the footprint per employee, the reduction was 41.1% due to a reduction in headcount over the period. Reduction was mainly achieved by switching to cleaner types of energy (wind and solar).
Travel excluding flights: Reduce CO_2 footprint by 20% compared to 2013	-21.3%	Yes	In absolute numbers the target was met but looking at the footprint reduction per employee, it was 2.1% due to a 19.7% reduction in employee numbers over that period.
Flight travel: Reduce CO_2 footprint by 10% compared to 2013	-10.7%	Yes	In absolute numbers the target was met but per employee, there was an increase of 11.2%*
Objective	**2018 RESULT**	**OBJECTIVE MET?**	**EVALUATION**
Offices: Reduce CO_2 footprint* by 33% compared to 2016	-48.1%	Yes	Reduction was mainly achieved by switching to cleaner types of energy (wind and solar) and by reducing our number of offices.
Travel excluding flights: Reduce CO_2 footprint* by 16% compared to 2016	-17.1%	Yes	Reduction was mainly achieved through initiatives like electrifying our lease fleet in Netherlands and because fewer business kilometres were made by car.
Flight travel: Reduce CO_2 footprint* by 0% compared to 2016	+1.9%	No	In tonnes CO_2 eq. per employee there was a slight increase because the number of employees decreased by 2.4% compared to 2016. In absolute numbers, a reduction was realised (-0.6%).
Objective	**2019 RESULT**	**OBJECTIVE MET?**	**EVALUATION**
Offices: Reduce CO_2 footprint* by 33% compared to 2016	-52.9%	Yes	Reduction was mainly achieved by on-going initiatives to switch to cleaner types of energy (wind and solar) and by reducing our number of offices.
Travel excluding flights: Reduce CO_2 footprint* by 25% compared to 2016	-37.7%	Yes	Reduction was mainly achieved through on-going initiatives like electrifying our lease fleet in Netherlands and because we again drove fewer business kilometres by car.
Flight Travel: Reduce CO_2 footprint* by 2% compared to 2016	+4.9%	No	In absolute numbers (tonnes CO_2 equivalent), a small increase was realised (+ 1.9%). However, because of a reduction in the headcount (-2.9%) this resulted in an increase of 4.9% per employee. **Action:** Implement flight reduction programme

Longer term, our ambition is to reduce our CO_2 emissions* by the following amount:

	2022**
Office Buildings	40%
Business travel (excl. Flights)	50%
Business travel by air (Flights)	10%

* Reduction in tonnes CO_2 per employee compared to base year 2016

** Feasibility of targets to be reviewed annually and adjusted if necessary.

Measurement and calculation of all material topics

We undertake a materiality analysis to identify, understand and balance the most important topics for our stakeholders. By relating them to the decisions and actions we take, we continuously improve as an organisation. We undertook our first materiality analysis in 2014 which has since been used as a baseline. It is checked and refined each year. The analysis provides a shortlist of material topics, obtained from prioritising a longlist provided by GRI principles, studying our business strategy, internal input and stakeholder engagement. The priorities are:

1. Economic/financial performance
2. Integrity and ethical performance
3. Quality and sustainability in our products and services
4. Employability
5. Health and safety

Shifts in our business strategy towards increasing digitalisation and societal trends such as climate change have raised the priority of emission reduction, security and privacy from medium to high. Human rights assessment, anti-competitive behavior and environmental compliance have been raised from low to medium priority.

Evaluating the impact of our CSR strategy on efficiency

We evaluated our CSR strategy and the impact it has on our efficiency through our employee and client engagement survey conducted by an external research agency in 2019. In a trend that has changed dramatically since our previous survey in 2016, the survey identified that sustainability is becoming increasingly important for our clients. Three key elements were highlighted:

- Customers are seeking to minimise negative effects of a project on the environment;
- They want to minimise use of scarce resources, particularly to: re-use materials and minimise use of fossil fuels during the building phase; use energy efficiently in buildings,
- They are adapting to the energy transition, moving to the use of renewable energy sources.

These results emphasise the importance of our mission to Enhance Society Together for our business. The survey indicated that commitment of employees to enhance society has significantly increased (compared to 2016) and more guidance to actively contribute on a daily basis is requested. For this reason, we have identified a need to make the ambition even more concrete in 2020.

Our Global Code of Business Principles

As an international organisation, we operate in a variety of cultural, social and business environments. Within all these, we conduct our business according to a universal set of principles as we believe that society can only be served when all stakeholders act ethically and adhere to the 10 principles of the UN Global Compact. These principles are embedded in our daily business through our Code of Business Principles (see our Integrity section page 21). This is the way we can create inclusive sustainable development and contribute to SDG8 (Good Jobs and Economic Growth).

Equality, diversity and inclusion

We are committed to equal opportunities and are proud of our increasingly diverse workforce. This diversity and a culture focused on inclusion offers economic and social added value for our business. Furthermore, diversity and inclusion play an important role in innovation where diversity of thought helps generate new and different ideas and approaches.

Adding value to local communities

Across our organisation, we are actively involved in initiatives to benefit the communities within which we work. In Netherlands, we have developed Gro Together which we launched in 2018. The initiative involves listening to the hopes and concerns of residents across Groningen to help meet their needs and contribute to a vibrant and liveable province. In 2019, we started to work on common themes that came from these public discussions, including bicycle parking problems in the city and quality of life in the surrounding areas. Graduate research into how local people would like to see the budget of the Groningen National Programme distributed is under way and three projects have been launched aligned with liveability. Another community activity, this time in Utrecht was participation in a station clean-up which collected 142kg of rubbish.

We are closely involved with the educational community across Netherlands and, for example, provided a case study relating to resilience to water and climate change risks for the 4TU Challenge Day. We provided similar input for an event at the University of Groningen. In 2019, we partnered with the Joint Interdisciplinary Project of TU Delft in which two student teams over a 10-week period designed a digital service which is enhancing resilience and supporting mitigation of business risks and reduction of impacts caused by climate- and weather-related hazards. We are involved with an international research project at Wageningen University which is exploring with students the effect of social and environmental impact assessments. It is focusing on how recommended measures are implemented and whether they are successful. We are also involved with discussions on education programmes and profiles of graduating civil engineering students and their match with business needs.

In the United Kingdom during 2019, offices have run a wide range of fund-raising activities and community initiatives including collecting contributions for food banks and providing Christmas hampers for young adults leaving the care system. We supported three maritime roadshows helping to encourage girls in disadvantaged areas to consider Science, Technology, Engineering, and Mathematics (STEM) careers and maritime engineering. In Vietnam, a team has set up a Going Green initiative to contribute to improving the country's future across four themes: carbon footprint, energy consumption, waste, and healthy minds and bodies. In December, 200 trees were planted outside Ho Chi Minh City – one for each employee. In South Africa, our Young Royal HaskoningDHV colleagues donated refurbished laptops to the Qhakaza Girl Initiative which helps develop coding skills and data literacy among young women aged between 12 and 21 to promote their career development. Also, in South Africa, at the government's request we have been assisting with professional development and registration of their engineering staff. By exploring joint venture opportunities, we are helping small and medium sized enterprises (SMEs) access larger projects and, through this, gain exposure to international best practice.

Our partnerships

Our partnership (SDG17) strategy focuses on influencing policy frameworks and cross-industry transformation. Further information appears on page 11.

THE BrITE FOUNDATION SPONSORING THE PURCHASE OF BOOKS, FURNITURE AND COMPUTERS

XIJIAOLING, CHINA

People working at Royal HaskoningDHV want to make a real difference in the world. That's why our employees through the BrITE Foundation contribute their own time, individual expertise and private money. The Foundation delivers small-scale charity projects for people and planet, close to their hearts and field of expertise. Find out how our employees are positively impacting the lives of vulnerable people and improving their living environment.
royalhaskoningdhv.com/en-gb/about-us/corporate-responsibility/brite-foundation

ACHIEVING OUR OBJECTIVES

REPORT OF THE EXECUTIVE BOARD

FINANCIAL PERFORMANCE 2019

The financial results of 2019 show an organic revenue growth of 1.3% (2018: 3.1%). The operating margin remained at 4.2%, while the order portfolio increased to €314 million (2018: €306 million) in 2019. The net result decreased to €9.2 million (2018: €12.7 million).

Our operational result (EBITA recurring) ended at €26.9 million (2018: €25.9 million), which included significant operational expenditures in relation to our strategy Strong22. The results are strongly driven by the performance of the Maritime & Aviation Business Line. Due to the challenging market situation in South Africa our business in Southern Africa declined and has been restructured. This impacted the net result negatively by € 11 million. Also a number of Asian countries had a negative impact on the result. Excluding subcontractors, organic added value growth was 2.3% (2018: 1.5%).

Our continuous focus on project management yielded much higher project results than last year. Although Sales Added Value was good and the order portfolio increased, this did not result in a higher order-related utilisation rate. Compared to last year the utilisation rate slightly declined, partially caused by a firm focus on innovation and development.

In order to achieve our Strong22 ambition, we undertook a number of investments. We bought the United Kingdom based Lanner Group as well as Ambiental. In addition, we acquired a minority stake in Singapore-based Hydroinformatics Institute. Further information appears on page 11.

The results yielded a positive free cash flow in 2019 of €2.0 million (2018: €17.4 million). The free cash flow is lower than last year due to investments (Lanner, Ambiental, H2i). Trade working capital (work in progress, trade debtors and trade payables) showed a normal seasonal pattern throughout the year and was below last year's level for the full year. The days sales outstanding (DSO) decreased to 79 days at the end of 2019 (2018: 86 days). Our financial position remains healthy, with an equity ratio of 48% (2018: 48%) and a net cash position at the end of the year. We operate well within our bank covenants.

OUR PEOPLE

It is our nearly 6,000 colleagues who are delivering our strategic transformation and, in order to do so, they are continuously learning and developing. We improve our capabilities through recruitment and development. To attract talent, we launched an 18-month traineeship for graduates to accelerate technical and digital skills. It includes one-to-one mentor support, on-the-job training, presentations, seminars and networking events to share knowledge and experience. Our Digital Academy offered online courses and classroom training to further develop the digital skills of staff of all ages. We were proud to receive accreditation for the Academy by the Royal Institute of Engineers (KIVI) in Netherlands and recognition in South Africa.

In 2019 we introduced a global online onboarding programme to provide all new employees with information about our company including our strategy, business principles, our way of working and many other topics. In Netherlands we organised monthly Royal Start induction day for new employees to meet colleagues who recently joined the company which involved interactive games to understand our ways of working.

Engagement and enthusiasm

Employee engagement at Royal HaskoningDHV has increased significantly over the past three years. Results in 2019 indicated the following:

- 85% of our employees say they enjoy their work;
- Employee satisfaction is above benchmark at 80% and has increased (2016: 71%);
- 76% of our employees feel proud working for Royal HaskoningDHV;
- 81% of our employees have confidence in direct management – an increase over recent years and significantly better than the benchmark;
- 74% of employees feel they can freely express thoughts.

HEALTH & SAFETY

We are committed to the highest standards of health and safety across our operations for staff, visitors and partners. Our vision and policies are part of our Management System. They are implemented through our processes and procedures to ensure we maintain and continuously improve a healthy and safe working environment. Following successful audits in various countries, we achieved our objective of the new ISO45001 certificate for Occupational Health and Safety, making us one of the first international engineering consultancy firms to obtain this certification.

Other objectives for 2019 were zero fatalities and a target of at least 0.18 for lost time injuries. During the year, no fatal accidents occurred among our employees and 136 accident and incident reports were submitted. From these reports, 96 related to accidents and incidents relating to employees. In total 7 accidents resulting in at least one day off work were recorded in 2019 (3 in 2018). Two of these occurred at an office location, three at out-of-office locations and two were traffic related. There were 89 other reportable cases.

- Lost time injury frequency (LTIF) per 200,000 workable hours in 2019 was 0.17. The figure has increased compared to 2018 (0.07) but is below the 0.18 target. This resulted from an increase in out-of-office and traffic related accidents in 2019.

- Total recordable cases frequency (TRCF) per 200,000 workable hours over 2019 was 2.39. This increased compared to 2018 (1.92) and provides a good indication that we take health and safety seriously, reporting not only accidents but incidents too.

CONTINUED AND INCREASED FOCUS ON INFORMATION AND CYBER SECURITY

We are committed to protect our clients' and our company's information from security threats and to comply with data privacy regulations. To protect information, we have implemented an Information Security Management System (ISMS) conforming with ISO27001 and received ISO27001 certification in December 2019.

We want to work and provide digital cloud services in a world of open communication via the Internet, mobile working and mobile devices, which means we need to protect our data and privacy. We are constantly searching for weaknesses which could potentially provide unwanted access to our systems and data. We evaluate countermeasures to reduce risk and

REPORT OF THE EXECUTIVE BOARD

continuously improve our security measures to keep up with data privacy regulations, and to increase protection against cyber threats.

Information security is increasingly included within clients' requirements and we continue to be able to meet their needs by selecting the optimal mix of solutions. Therefore, the ISMS also supports our objective to ensure competitive advantage by providing secure digital services to our users and customers.

RISK MANAGEMENT

Corporate risks

Every year, management identifies the most important corporate risks, which are documented in the Group Risk Log. Each of the most important risks have been allocated to our transformation programme and the programme leads are accountable for mitigating the risk(s). Follow-up is monitored and reported to management quarterly.

To reduce the cost of failure, which in our industry is to a large extend related to flaws in project management we have embarked on in depth project management training and have designed very robust project management tools. This, in combination with the Project Health Check, has reduced project losses. We see further opportunities in strengthening our project management and business development capabilities.

To initiate projects in countries with high business risks or other risks (like employees' safety), approval is needed from the Business Line Director, Executive Board member or Risk Assessment Board (depending on the nature and gravity of the risk assessed). In addition, best practices are shared with project managers to improve cultural awareness. The core principles of UN Global Compact in the areas of human rights, labour, environment and integrity are incorporated in our Global Business Principles, Global Code of Conduct and Integrity Management System. We continue to review what is happening in the world around us and discuss our response. In 2019, discussions included risks in relation to Brexit, which were perceived to be limited but requires monitoring. Countries going through political uncertainty are also assessed on a regular basis to evaluate what the related risks are and what our policy should be.

Disruptive technologies and other trends will have a significant impact on our knowledge-intensive business. Royal HaskoningDHV is monitoring these developments and is actively engaging with partners on innovation and digitalisation. As part of our strategy Strong22, Royal HaskoningDHV has embraced the digital way of working and digital services.

Operational risks

Projects

Project risk management procedures are integrated in our Management System to ensure consistency throughout the organisation. Control measures include the authorisation matrix and the risk and approval matrix defining who can approve commitments and transactions. Project proposals with the highest risk for the company are reviewed by the Risk Assessment Board (consisting of Executive Board, Director Project Excellence, Corporate Director Legal and Risk Manager). Each prequalification and proposal undergo a risk assessment. Those with higher risks are analysed by our Risk Managers, advised by Controlling, Legal, HR, Tax and Treasury. Depending on the outcome of this assessment, the authority to approve such risks is defined in our risk and approval matrix. The Project Manager documents the result in a Risk Mitigation Plan which is updated throughout the project. The Drive2Win approach, guiding the Proposal Manager during the proposal preparation, has now been implemented. This should lead to a more efficient and effective consideration of risk mitigation and reward.

The Project Health Check tool supports monthly project reviews with the goal of improving our project results. Based on the key variables of a project (including risk, which can change over time) projects are reviewed and discussed up to Executive Board level to support Project Managers taking the right actions. Finance and Project Excellence Managers are also involved in those reviews, each bringing their own expertise. In this way we ensure that client demands are met, adequate progress is made and risks are identified, sufficiently mitigated and reflected correctly in our accounting systems.

Liabilities

Our liabilities are defined within each contract. Most of these will fall within our standard conditions for what we consider acceptable risk. If conditions do not comply, additional approvals are required. Legal counsel reviews and provides recommendations to limit liability when possible. In addition, we are covered to a significant level by Professional Indemnity Insurances.

Liquidity

Two main controls help ensure sufficient funding is available for our operations: control over our working capital (mainly work in progress positions and debtors) and securing our bank facilities. Before submitting a proposal, we assess the client's ability to settle our invoices over the duration of the project and monitor our credit risk continuously during project execution. In addition, for each proposal, a cash flow forecast must be prepared and we aim to negotiate a positive cumulative cash position during the project. We have agreed facilities with our banks where loan covenants are applicable. Our Corporate Treasury monitors that these are met.

Currency

Fluctuations in commonly traded currencies like USD and GBP and in less traded currencies represent a risk on part of our turnover. Our treasury policy aims to cover the currency risk as much as possible during execution of projects. Corporate Treasury monitors and advises on foreign currency exposures and the use of hedge instruments.

Guarantees

A few clients require us to issue corporate guarantees for the execution of a project. It is our policy to limit the issue of these guarantees. For this reason, we manage our balance sheets to ensure solvency of our companies is enough to operate independently in the market. Royal HaskoningDHV has stringent procedures to review and approve bank guarantees and bonds (like advance payment guarantees and performance bonds) before they are issued.

REPORT OF THE EXECUTIVE BOARD

Pensions
In principle, Royal HaskoningDHV operates pension plans under defined contribution pension schemes. However, at HaskoningDHV UK Limited there is a closed defined benefit scheme. This scheme was closed to future accrual in 2005. The closed defined benefit members became deferred members. The Group does not and will not provide any guarantees to the United Kingdom defined benefit pension scheme. The defined benefit scheme deficit under Dutch GAAP as at 31 December 2019 is €24.8 million (2018: €20.8 million) with an associated deferred tax asset of €4.2 million.

OUTLOOK

We expect further growth in 2020. Having invested heavily in the transformation of our business over the past couple of years, it will be an important year for realising results, creating additional momentum for change across our organisation. We will continue to invest in the development of innovative technology and products as well as innovations and digital ways of working within our company and a continued search for strategic investments in companies that support our strategy and strengthen our portfolio.

The economic environments in our key countries are largely positive. Growth in the Dutch economy is expected to be slightly lower than in 2019, however we believe Royal HaskoningDHV can perform above these expectations. We are involved at various levels with most major infrastructure projects under way. Uncertainties connected with nitrogen as well as PFAS pollution discussions remain. We will monitor developments and act and assist our clients appropriately. In the United Kingdom significant infrastructure developments are planned. Following the elections and with questions over Brexit resolved, we also expect private as well as public investments to pick up. South Africa remains a challenging market but policy reforms are improving the environment for business, sparking domestic and foreign investment in the private sector. Having restructured to focus on servicing this sector, we aim for a better result there in 2020. Market growth across the Asia-Pacific region continues at 5-6%. In Indonesia, we expect to see more transparency, stability and investment in 2020. While local competition is increasing, there are good opportunities for our business in segments where we are strongly differentiated, like renewables, smart water and high-end consultancy.

As mentioned we operate in different economic environments. Although our expectations about the development of these economic environments in general are positive we will continiously monitor the market conditions and if required adjust our staff capacity accordingly.

Across markets globally, there are areas of high growth which we expect to service. For example, renewables are growing fast in industrial markets and the investment in off-shore wind is an area where we expect to further strengthen our position. We are consolidating our position in Fast moving consumer goods (FMCG) and food & beverage . We see considerable further potential across the water industry, with our Nereda® technology and smart solutions. We are introducing smart solutions across markets including infrastructure, industry, airports and ports. This is opening up significant growth opportunities which, while they may be limited in absolute numbers in 2020, are positioning our business for significant expansion in future years. We will reap the benefits of investments in software products including Aquasuite®, Flowtack and others which have proven their commercial viability and will be scaled further in 2020.

Transformation within our business will continue in the year ahead with a focus on becoming more data driven in our ways of working to increase productivity and generate opportunities for new services. We are building a culture of continuous learning to support a high-performance organisation through our leadership, recruitment and skills development.

Our mission continues to be our guiding principle. The 4 questions (see page 22) asked to stakeholders in our projects make sure we keep translating our mission through our daily activities to create sustainable solutions for customers and stakeholders around the services we deliver. Our mission is part of the reason our people and clients choose to work with us and why parties collaborate with us. It is a critical element in our company DNA and we will continue to take pride in and share our success in enhancing society together.

Amersfoort, Netherlands
March 6, 2020

EXECUTIVE BOARD

E. Oostwegel (CEO)
J. de Wit (CFO)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2019

Before profit appropriation *€ thousands*

Assets

	Note	2019	2018
Fixed assets			
Intangible fixed assets	4	26,895	20,142
Tangible fixed assets	5	9,064	9,267
Financial fixed assets	6	16,031	15,067
		51,990	**44,476**
Current assets			
Work in progress	7	-	-
Receivables	8	147,910	144,597
Cash and cash equivalents	9	127,765	123,817
		275,675	**268,414**
		327,665	**312,890**

Shareholders' equity & liabilities

	Note	2019	2018
Group equity			
Shareholders' equity	10	158,138	149,587
Minority interest	11	(257)	117
		157,881	**149,704**
Provisions	12	34,605	32,101
Non-current liabilities	13	4,645	178
Current liabilities	14	130,534	130,907
		327,665	**312,890**

CONSOLIDATED INCOME STATEMENT 2019

€ thousands

	Note	2019	2018
Net turnover	17	**649,703**	**598,486**
Change in work in progress		(12,503)	16,340
Total operating income		**637,200**	**614,826**
Costs of work subcontracted and other external expenses		134,462	137,136
Salaries and wages	18	277,043	265,406
Social security & pension charges	18	67,204	62,501
Depreciation and amortisation on tangible and intangible fixed assets	4, 5	10,071	8,914
Impairment of intangible fixed assets	4	3,487	1,503
Other operating expenses	20	127,616	121,356
Total operating expenses		**619,883**	**596,816**
Operating result		**17,317**	**18,010**
Interest income		795	429
Interest expenses		(1,177)	(769)
Net interest expenses		**(382)**	**(340)**
Result from ordinary activities before tax		**16,935**	**17,670**
Corporate income tax	21	(8,921)	(5,579)
Share of result of participating interests		804	572
Result after tax		**8,818**	**12,663**
Minority interest		367	74
Net result		**9,185**	**12,737**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2019

€ thousands

	Note	2019	2018
Consolidated net result after tax attributable to the legal entity		8,818	12,663
Minority interest		367	74
Result for the period of the legal entity		**9,185**	**12,737**
Translation differences on foreign participating interests	10	1,605	(1,609)
Remeasurement of defined benefit plan, net of income tax	10	(3,361)	2,545
Total of items recognised directly in shareholders' equity of the company as part of the group entity		**(1,756)**	**936**
Total result of the legal entity		**7,429**	**13,673**

CONSOLIDATED CASH FLOW STATEMENT 2019

€ thousands

	Note	2019	2018
Operating result		**17,317**	**18,010**
Adjusted for:			
Amortisation, depreciation and impairment	4, 5	13,558	10,417
Other value adjustments		-	(694)
Changes in provisions	6, 12	(1,812)	(760)
Changes in working capital		(6,553)	4,318
Cash flow from business operations:		**22,510**	**31,291**
Interest received		742	429
Dividends received	6	632	292
Interest paid		(1,098)	(796)
Income tax paid		(6,389)	(5,623)
Cash flow from operating activities		**16,397**	**25,593**
Investments in:			
Intangible fixed assets	4	(1,535)	(2,535)
Tangible fixed assets	5	(4,565)	(3,086)
Financial fixed assets	6	(631)	(710)
Acquisition of group companies	3	(7,745)	(2,083)
Disposals of assets:			
Intangible fixed assets	4	5	22
Tangible fixed assets	5	63	124
Financial fixed assets	6	2	119
Cash flow from investing activities		**(14,406)**	**(8,149)**
Purchase/sale of own shares	10	1,555	2,025
Repayment of borrowings	13	(508)	(227)
Proceeds from borrowings	13	-	298
Dividends paid to shareholders of the company	10	(433)	(352)
Dividends paid to holders of minority interests	11	-	(2)
Cash flow from financing activities		**614**	**1,742**
Net cash flow		**2,605**	**19,186**
Exchange gains/losses		1,343	(588)
Changes in cash and cash equivalents		**3,948**	**18,598**
Cash and cash equivalents at January 1		123,817	105,219
Movements during the year		3,948	18,598
Cash and cash equivalents at December 31		**127,765**	**123,817**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 OPERATIONS

Royal HaskoningDHV is an independent, international engineering and project management consultancy with more than 137 years of experience. Backed by the expertise and experience of 6,000 colleagues all over the world, our professionals combine global expertise with local knowledge to deliver a multidisciplinary range of consultancy services for the entire living environment in some 140 countries.
By showing leadership in sustainable development and innovation, together with our clients, we are working to become part of the solution to a more sustainable society now and into the future.

1.2 REGISTERED OFFICE & GROUP STRUCTURE

Koninklijke HaskoningDHV Groep B.V. having its legal address and corporate seat at Laan 1914 no. 35, 3818 EX Amersfoort, Netherlands, is a private limited liability company under Dutch law and is listed under number 55525474 in the Trade Register. Koninklijke HaskoningDHV Groep B.V. has two shareholders: Stichting HaskoningDHV and Stichting Administratiekantoor HaskoningDHV. For details regarding the shareholding structure we refer to page 80.

These financial statements cover the year 2019, which ended at the balance sheet date of December 31, 2019.

1.3 CONSOLIDATION

The consolidation includes the financial information of Koninklijke HaskoningDHV Groep B.V., its group companies and other entities in which it exercises control. Group companies are entities in which Koninklijke HaskoningDHV Groep B.V. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account.

Group companies and other entities in which Koninklijke HaskoningDHV Groep B.V. exercises control are consolidated in full. Minority interests in group equity and group results are disclosed separately.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint ventures are valued according to the equity method on the basis of net asset value. Joint ventures with a negative net asset value are valued at nil. If the Group fully or partially guarantees the debt of the joint venture, or has a constructive obligation to enable the joint venture to pay its debts (for its share therein), a provision is recognised accordingly.

In the consolidated financial statements, intragroup shareholdings, debts, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the Group and no impairment loss is applicable. For a transaction whereby the company has a less than a 100% interest in the selling group company, the elimination from the Group result is allocated pro rata to the minority interest based on the interest of the minority in the selling group company. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

The main consolidated companies are listed below, stating the percentage of ownership. For a more extensive list of consolidated companies and participating interests we refer to page 77.

- HaskoningDHV Nederland B.V., Amersfoort, Netherlands *(100%)*
- HaskoningDHV UK Holdings Ltd, Peterborough, United Kingdom *(100%)*
- Haskoning International B.V., Nijmegen, Netherlands *(100%)*
- Stewart Scott International Holdings Pty Ltd., Johannesburg, South Africa *(76.95%)*

Furthermore, we have included DHV Education Foundation, Johannesburg, South Africa as a consolidated company, given the fact that we have control. In the company statements, DHV Education Foundation is not included.

1.4 RELATED PARTY TRANSACTIONS

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors, other key management of Koninklijke HaskoningDHV Groep B.V. (or the ultimate parent company) and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide the true and fair view.

1.5 ACQUISITIONS AND DISPOSALS OF GROUP COMPANIES

Identifiable assets acquired and liabilities assumed in a business combination are recognised in the consolidated financial statements from the acquisition date, being the moment that control can be exercised in the acquired company.

The acquisition price consists of the cash consideration, or equivalent, agreed for acquiring the company plus any directly attributable expenses. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible fixed assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (i.e. negative goodwill) is recognised as deferred income under accruals or will be recognised in the income statement directly. The capitalised goodwill is amortised on a straight-line basis over the estimated useful life to the maximum of 20 years. An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. Such an adjustment will also result in an adjustment to (positive or negative) goodwill with retrospective effect.

Entities continue to be consolidated until they are sold; they are deconsolidated from the date that control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.6 RECOGNISE ASSETS AND LIABILITIES

Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Group. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities. An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results.

When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment. An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction. If assets are recognised of which the Group does not have the legal ownership, this fact is being disclosed.

1.7 NOTES TO THE CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

The consideration of acquired group companies is presented under the cash flows from investment activities, for the considerations paid in cash and cash equivalents. The cash and cash equivalents obtained through the acquired group companies at the acquisition date, are deducted from the consideration paid.

Transactions that do not include an exchange of cash and cash equivalents, such as finance leases, are not included in the cash flow statement. The payment of finance lease terms is allocated for the part related to the repayment of the lease obligation to the cash flows from financing activities and is allocated for the part related to the interest component to the cash flows from operational activities.

Cash flows from derivative financial instruments that are accounted for as fair value hedges or cash flow hedges, are classified in the same category as the cash flows from the hedged balance sheet items. Cash flows from derivative financial instruments whereby hedge accounting is no longer applied, are classified in accordance with the nature of the instrument, from the date at which hedge accounting is ended.

1.8 ESTIMATES

The preparation of the financial statements requires the management to form judgements and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions.

Revenue recognition

The Group uses the percentage of completion method (POC) in accounting for its fixed price contracts to deliver design services. Use of the POC method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Project valuation

Valuation of project related work in progress and receivables require management estimates with respect to its recoverability.

Goodwill

Measurement of goodwill of an acquired company (including earn-out) involves the use of estimates for determining the fair value at acquisition date. This mainly relates to the expected profits of the acquired company at the moment of acquisition. The fair value is based on discounted cash flows expected to be received. Goodwill and other intangibles are tested for impairment when an indicator exists that the carrying amounts may not be recoverable. In calculating the value in use management must estimate the expected enterprise value based on the expected cash flows of the cash generating unit.

Provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the liability at the balance sheet date. Estimates by management and external advisors lead to an indication of the potential financial risk and whether the risk is covered by insurance policies. Please refer also to 2.14.

1.9 EVENTS AFTER BALANCE SHEET DATE

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements. For details on subsequent events we refer to note 25.

Events that provide no further information on the actual situation at the balance sheet date are not recognised in the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

2 ACCOUNTING POLICIES FOR THE BALANCE SHEET AND INCOME STATEMENT

2.1 GENERAL INFORMATION

The consolidated financial statements have been prepared in accordance with the statutory provision of Part 9, Book 2 of the Dutch Civil Code and the financial reporting requirements as set forth in the Guidelines for Annual Reporting in Netherlands.

These financial statements have been prepared on the basis of the going concern assumption.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

The 2018 numbers of the Group have been changed for comparison purposes in notes 7 - work in progress, 17 - net turnover and 22 - number of employees. Notes 17 and 22 have been changed to reflect the addition of a new Business Line. In the 2018 figures of note 7 an error in the disclosure was found which has been corrected.

Assets and liabilities are recognised in the balance sheet when it is probable that the expected future economic benefits will flow to the Company and the cost or value can be measured with sufficient reliability. Income is recognised in the income statement when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets and liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognised using the percentage of completion method.

2.2 CHANGE IN ACCOUNTING PRINCIPLES

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.3 FOREIGN CURRENCIES

Functional currency

The consolidated financial statements are presented in euros, which is the functional and presentation currency of Koninklijke HaskoningDHV Groep B.V.

All amounts shown in the financial statements are in thousands of euros unless stated otherwise.

Transactions, receivables and debts

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

Translation differences on intragroup long-term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in shareholders' equity as a component of the foreign currency translation reserve. If a foreign operation is fully or partially sold, the respective amount is transferred from this reserve to the income statement.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- All resulting exchange differences are recognised in shareholders' equity as a component of the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity as a component of the foreign currency translation reserve for the effective part of the hedge. The non-effective part is recognised as expenditure in the income statement.

2.4 FINANCIAL INSTRUMENTS

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: financial instruments held for trading (financial assets and liabilities), loans and receivables (both purchased and issued), equity instruments, other financial liabilities and derivatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party. Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract.

Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

Receivables, loans granted and other receivables

Trade receivables are recognised at fair value and subsequently measured at amortised costs, net of any provision for doubtful debts. When a receivable is uncollectable, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the income statement.

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

Derivatives

Derivatives are carried after their initial recognition at the lower of cost or market value, except if the cost model for hedge accounting is applied.

If the cost model for hedge accounting is applied for FX-derivatives, two components are taken into account:

- The profit or loss that is associated with the interest component in the value of the derivative (which is amortised on a linear basis during the tenor of the derivative) is recognised in the profit and loss account.
- The revaluation of the derivative instrument resulting from changes in the spot-rates takes place, as long as the derivative hedges the specific risk of a future transaction that is expected to take place. As soon as the expected future transaction leads to recognition in the profit and loss account, then the profit or loss that is associated with the derivative is recognised in the profit and loss account. If the hedged position of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset or a non-financial liability, then the cost of the asset is adjusted by the hedge results that have not yet been recognised in the profit and loss account.

If forward exchange contracts are concluded to hedge monetary assets and liabilities in foreign currencies, cost hedge accounting is applied. This is done to ensure that the gains or losses arising from the translation of the monetary items recognised in the profit and loss account are offset by the changes in the value of forward exchange contracts arising from the difference between their forward and spot rates as at reporting date. The difference between the spot rate agreed at the inception of the forward exchange contract and the forward rate is amortised via the profit and loss account over the term of the contract.

When a derivative expires or is sold, the accumulated profit or loss (resulting from a development in the spot-rate) that has not yet been recognised in the profit and loss account prior to that time must then be included as a deferral in the balance sheet until the hedged transactions take place. If the transactions are no longer expected to take place, then the accumulated profit or loss is transferred to the profit and loss account. If a derivative no longer meets the conditions for hedge accounting, but the financial instrument is not sold, then the hedge accounting is also terminated. Subsequent measurement of the derivative instrument is then at the lower of cost or market value.

The company documents its hedging relationships in specific hedging documentation and regularly checks the effectiveness of the hedging relationships by establishing whether the hedge is effective or that there is no over-hedging.

At each balance sheet date, the company assesses the degree of ineffectiveness of the combination of the hedge instrument and the hedged position (the hedging relationship). The degree of ineffectiveness of the hedging relationship is determined by comparing the critical features of the hedging instrument against the hedged position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As part of the measurement of derivatives in hedging relationships, the Company regularly assesses the effectiveness of hedging relationships by comparing the cumulative fair value change of the hedged position against the cumulative value changes of the derivatives. Any ineffectiveness is recognised directly in the profit and loss account.

Impairment of fixed assets

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified.

An asset or cash generating unit is subject to impairment if the asset's carrying amount exceeds the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate; the present value is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the income statement. In case of an impairment loss of a cash generating unit, the loss is first allocated to goodwill that has been allocated to the cash generating unit.

Any remaining loss is allocated to the other assets of the unit in proportion to their carrying values.

In addition an assessment is made on each balance sheet date whether there is any indication that an impairment loss that was recorded in previous years has decreased. If there is such indication, then the recoverable value of the related asset (or cash generating unit) is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash generating unit).

An impairment loss of goodwill is not reversed in a subsequent period.

Contrary to what is stated before, at each balance sheet date the recoverable amount is assessed for the following assets (irrespective of whether there is any indicator of an impairment):

- intangible assets that have not been put into use yet;
- intangible assets that are amortised over a useful life of more than 20 years (counting from the moment of initial operation/use).

Financial assets are impaired if there is objective evidence of impairment as a result of events that occurred after the initial recognition, with negative impact on the estimated future cash flows, which can be estimated reliable. Objective evidence that financial assets are impaired includes delinquency by a debtor, indications that a debtor or issuer will enter or approaching bankruptcy, adverse changes in the payment status of borrowers or issuers, or disappearance of an active market for a security.

Impairment losses are recognised in the income statement. In assessing impairment, the Company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested historical trends. When, in a subsequent period, the amount of an impairment loss on financial assets decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in the impairment loss is reversed through income statement (up to the amount of the original cost).

At each balance sheet date the Group tests whether there are any indicators of financial assets being subject to impairment. If any such indicators exists, the Group carries out impairment tests on capitalised financial assets, based on the estimated cash flows of the related CGU. The CGU represents the lowest level within the Group at which the financial asset is monitored for internal management purposes. The recoverable amount of the relevant CGU is determined on the basis of their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, forecast current year, budget next year and further financial projections for four years after the available budget. Cash flows after five years are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, post-tax discount rates have been applied.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

2.5 INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at historical cost less amortisation. Allowance is made for any impairment losses expected; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash generating unit to which it belongs) exceeds its recoverable amount. For details on how to determine whether an intangible fixed asset is impaired, please refer to note 2.4.

Goodwill

Goodwill represents the excess of the cost of the acquisition of the participating interest (including earn-out and transaction costs directly related to the acquisition) over the Group's interest in the net realisable value of the assets acquired and the liabilities assumed of the acquired entity, less cumulative amortisation and impairment losses.

Goodwill at acquisition of subsidiaries and non-consolidated participations as calculated in accordance with note 1.8 is capitalised and amortised on a straight-line basis over its estimated useful life of no more than 20 years. The Group's policy to amortise the goodwill in more than 5 year is based

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

on the assumption that the acquisitions are expected to be a permanent and integral part of the Group. Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rates at the date of acquisition. Internally generated goodwill is not capitalised.

Goodwill paid upon the acquisition of companies with a high risk profile will be amortised in 5 years.

Software

Software licences acquired are capitalised at acquisition cost and amortised over their estimated useful lives (3 to 8 years) on a straight-line basis. Expenditures that are attributable to the production of identifiable and unique software products controlled by the Group are capitalised. Costs associated with maintaining computer software and research and development costs of internally developed software expenditure are recognised in the income statement.

Licenses and patents

Costs of intangible assets other than those internally generated, including licenses and patents, are valued at acquisition cost and amortised on a straight-line basis over their estimated future useful lives, with a maximum of 20 years.

2.6 TANGIBLE FIXED ASSETS

Land and buildings are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated useful lives.

Allowance is made for any impairment losses expected on the balance sheet date. For details on how to determine whether property, plant or equipment is impaired, please refer to note 2.4.

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses.

Tangible fixed assets, for which the company and its group companies possess the economic ownership under a financial lease, are capitalised. The obligation arising from the financial lease contract is recognised as a liability. The interest included in the future lease instalments is charged to the profit and loss account during the term of the finance lease contract.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. The Group determines the depreciable amount without taking into account a residual value.

The estimated average useful life by category is as follows:

Land	not depreciated
Buildings	3 to 10 years
Furniture and fixtures	3 to 10 years
Computer hardware	3 to 5 years
Other fixed assets	3 to 5 years

The cost of major repairs to buildings is capitalised and depreciated over 5 to 10 years if such repairs extend the life of a building.

2.7 FINANCIAL FIXED ASSETS

Participating interests

Investments in group companies and other minority interests in which the company can exert significant influence are valued according to the net asset value method as derived from the latest available financial data from these investments and interests. Significant influence is in any case defined as a shareholder's interest of more than 20%. Net asset value is calculated using the accounting policies applied in these financial statements. Associates whose financial information cannot be aligned to these policies are valued based on their own accounting policies.

Associates with an equity deficit are carried at nil. A provision is formed if and when Koninklijke HaskoningDHV Groep B.V. or one of its group companies is fully or partially liable for the debts of the associate, or has the firm intention to allow the associate to pay its debts.

Associates acquired are initially measured at the fair value of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation.

Associates in which no significant influence can be exercised are recognised at cost. If an asset qualifies as impaired, it is measured at its impaired value; any write-offs are disclosed in the income statement.

If transactions take place with a non-consolidated participating interest, that does not classify as a group company and that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised.

Loans to participating interests

Amounts owed by associates disclosed under financial fixed assets are recognised initially at fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary. These receivables are subsequently stated at amortised cost.

Deferred tax

A provision for deferred tax liabilities is recognised for taxable temporary differences.

For deductible temporary differences, unused loss carry-forwards and unused tax credits, a deferred tax asset is recognised, but only insofar as it is probable that taxable profits will be available in the future for offset or compensation.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For taxable temporary differences related to group companies, foreign branches, associates and interests in joint ventures, a deferred tax asset is recognised unless the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For deductible temporary differences regarding group companies, foreign branches, associates and interests in joint ventures, a deferred tax asset is only recognised insofar as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference.

Deferred tax assets and liabilities are stated at nominal value and are only offset when they relate to the same entity and taxation authority.

Other

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

2.8 WORK IN PROGRESS

Work in progress is carried at contract revenue generated, which is comprised of contract costs incurred and attributable profits, based on percentage of completion less progress billings and recognised losses. Contract costs are costs which directly relate to the specific project (for example, personnel costs for employees whose activities relate directly to the project, costs of materials used) and the costs which are attributable to contract activity in general and can be allocated to the project (including insurance, costs of design and technical assistance, construction overhead) as well as other costs chargeable to the customer under the terms of the project. The percentage of completion, used for calculation of work in progress is determined based on the services performed to date as a percentage of the total services to be performed.

When the outcome of a construction contract cannot be reliably estimated, revenues are recognised in the profit and loss account to the extent of the contract costs incurred which are likely to be recovered. Contract costs are recognised in the profit and loss account in the period in which they are incurred.

Contract revenues are revenues agreed in the contract, including any proceeds on the basis of more or less work, claims and fees, if and to the extent that it is probable that the benefits will be realised and can be measured reliably. Contract revenues are measured at the fair value of the services that are or will be received in return.

Where appropriate, expected losses are recognised as exposure in the income statement. Losses are determined regardless whether the project has already been started, the stage of realisation of the project or the amount of profit which is expected on other, non-related projects. In addition, progress invoices and payments received in advance are also credited against work in progress.

Work in progress is separately presented in the balance sheet under current assets. If it shows a credit balance, this will be presented under current liabilities.

2.9 RECEIVABLES AND SECURITIES

The accounting policies applied for the valuation of trade and other receivables and securities are described under note 2.4 Financial instruments.

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are disclosed as current liabilities on the balance sheet. Cash and cash equivalents are stated at nominal value.

If cash and cash equivalents are not readily available, this fact is taken into account in the measurement. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

2.11 SHAREHOLDERS' EQUITY

The consideration paid for the repurchase of shares is deducted from other reserves, until such time that these shares are cancelled or sold. If shares are sold, any proceeds are added to the other reserves.

Costs directly related to the purchase, sale and/or issue of new shares are recognised directly in shareholders' equity in the component other reserves net of any relevant tax effects. Other direct movements in shareholders' equity are also recognised net of any relevant tax effects. The purchase of own shares is deducted from other reserves.

2.12 MINORITY INTEREST

Minority interests are valued at the proportionate share of third parties in the net value of the assets and liabilities, determined in accordance with the company's measurement principles. Where the group company in question has an equity deficit, the negative value and any other losses are not allocated to the minority interest, unless the minority interest holders have a constructive obligation, and are able, to clear the losses. As soon as the group company manages to post an equity surplus, profits are allocated to the minority interest.

2.13 DIVIDENDS

Dividend distribution to shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.14 PROVISIONS

General information

Provisions are measured at the best estimate of the amount that is necessary to settle the liability at the balance sheet date.

A provision is recognised if the following applies:

- the company has a legal or constructive obligation, arising from a past event;
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Except for pension benefits and long-term employee benefits, provisions are stated at nominal value and charged against project result as much as possible. Unless otherwise stated, provisions are of a long-term nature.

Pension benefits

The Group prepares its financial statements for pensions and 'post retirement benefits' on EU-IFRS standards instead of RJ 271.3, by using RJ 271.101.

The Group operates several pension schemes. The fact whether a scheme is classified as defined contribution or defined benefit is assessed based upon the pension agreement with the staff and the administration agreement with the pension fund or insurance agreement with the insurance company.

All schemes except one are defined contribution pension schemes, whereby, based upon the agreements with the staff, the pension fund or the insurance company, no additional commitments for the Group exist beyond the payment of the pension premium due in respect of the financial year.

In the United Kingdom the Group operates a defined benefit pension scheme, whereby the actuarial risk and the investment risk lies with HaskoningDHV UK Ltd. This scheme has been closed for new entries and future accruals in 2005. The assets of the scheme are held separately from those of HaskoningDHV UK Ltd. in an independently administered fund.

As allowed in RJ 271.101 the Group uses IAS19R 'Employee Benefits' for the accounting treatment of this scheme:

- The difference between the present value of the accrued pension liabilities and the market value of the assets of the scheme (the net pension deficit) is recorded as a provision on the balance sheet. The liabilities are calculated as the present value of the estimated future cash flows using the accumulated benefit obligation method based upon actuarial assumptions which are annually set by The Board of Management of HaskoningDHV UK Ltd. The liabilities are calculated by an independent actuary.

- A net interest expense is calculated as the difference between the expected increase of the accrued pension liabilities at the beginning of the reporting period and the expected return on the scheme's assets at the beginning of the period, and is charged to the income statement under 'interest costs'.

- The difference between the actual and expected increase of the liabilities and the actual and expected return on assets is directly credited or charged to equity.

- Any gains or losses arising from experience or assumption changes are directly credited or charged to equity.

Restructuring

A restructuring provision is recognised when at the balance sheet date the entity has a detailed formal plan, and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised in those that will be impacted by the reorganisation. A valid expectation exists when the implementation of the reorganisation has been started, or when the main elements of the plan have been announced to those for whom the reorganisation will have consequences. The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the company.

The employees in question will be supported in finding new employment outside the Company and are entitled to a redundancy arrangement that is dependent on their salary and years of service with the Company.

Long-term employee benefits

The provision is recognised for the present value of the future long-service awards, which is calculated based on the commitments made, the likelihood of the staff concerned remaining with the company, and their age.

Several group companies are by law obliged to pay compensation for severance and disability upon termination of employment. Liabilities arising from this are calculated based on actuarial assumptions.

Other provisions

A provision for claims, disputes and lawsuits is established when it is expected that the company will be sentenced in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

Provisions for long-term sickness are measured at the fair value of excepted amounts payable, which is based on commitments made, known cases and likelihood of recovery. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognised. The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

For deferred income tax we refer to 2.7 on page 41.

2.15 NON-CURRENT LIABILITIES

The valuation of non-current liabilities is explained under note 2.4 Financial instruments.

2.16 CURRENT LIABILITIES

The valuation of current liabilities is explained under note 2.4 Financial instruments.

2.17 LEASES

The company may enter into financial and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial lease
If the Group acts as lessee in a financial lease, the leased property (and the related liability) is recognised in the balance sheet at the start of the lease period at its fair value or, if lower, at the present value of the minimum lease payments. Both amounts are determined at the start of the lease. The interest rate applied for the calculation of present value is the implicit interest rate. If it is not practically possible to determine this interest rate, then the marginal interest rate is used. The initial direct costs are included in the initial measurement of the leased property.

The accounting principles for the subsequent valuation of the leased property are described in 2.6. If there is no reasonable certainty that the company will become the owner of a leased property at the end of the lease period, the property is depreciated over the shorter of the lease period or the economic life of the property.

The minimum lease payments are split into interest expenses and redemption of the lease liability. The interest expenses are allocated during the lease term to each period in such a way that this results in a constant periodic interest rate over the remaining net liability with regard to the financial lease. Conditional lease payments are recorded as an expense in the period in which the conditions for payment are being met.

Operational leases
If the Group acts as lessee in an operating lease, then the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments regarding operating leases are charged to the profit and loss account on a straight-line basis over the lease period.

2.18 RESULT DETERMINATION
The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Profit or loss is determined taking into account the recognition of unrealised changes in fair value of:

- investment property;
- securities included in current assets;
- derivative financial instruments not designated as hedging instruments.

2.19 REVENUE RECOGNITION

General information
Revenue from services rendered is accounted for in net turnover at the fair value of the consideration received or receivable, net of allowances and discounts. Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably. If the result from a specific service contract cannot be determined reliably, then revenues are recognised up to the amount of the service costs that are covered by the revenues.

All revenue in the financial year recognised in the profit and loss account is derived from projects.

Profit on orders is recognised in accordance with the percentage of completion (POC) method. The percentage of completion is determined on the basis of the services performed up to that moment as a percentage of total services to be performed. It includes profit on orders executed entirely for the Group's own account and risk as well as a share of the profit on orders executed together with partners.

Revenue from time and material contracts, typically from delivering design services, is recognised at the contractual rates, as labour hours are delivered and direct expenses incurred.

Revenue from fixed price and percentage fee based contracts for delivering design services is recognised under the POC method. Under the POC method, revenue is generally recognised based on assessments of the services performed to date as a percentage of the total services to be performed. As soon as the outcome of a contract can be estimated reliably, project revenue and project costs associated with the project are recognised as revenue and expenses respectively in proportion to the amount of work performed as at balance sheet date. Revenue from projects includes the contractually agreed revenue plus any revenue from variations in project work, claims and reimbursements, insofar as and to the extent that it is probable that these revenues will be realised and can be reliably determined.

Expected losses and known risks are provided for in the period in which they become known and are credited against work in progress.

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

Licence fees and royalties are received for the use of the assets of the Group, such as trademarks and patents. Revenue is recognised when the amount of the consideration receivable can be determined reliably and recovery is probable. Royalty revenue is recognised at the moment that the rights of the licences are transferred to the buyer.

2.20 NET TURNOVER
Turnover comprises the fair value of the consideration for the sale of goods and services to third parties, net of discounts and exclusive of value added tax attributable to activities performed during the reporting period.

2.21 MOVEMENT WORK IN PROGRESS
At the balance sheet date, the invoicing of projects does not equal project costs or project results. The difference between these two amounts at January 1 and December 31 is shown separately as a part of total operating income.

2.22 OTHER OPERATING INCOME
Other operating income includes results that arise from events or transactions that are clearly distinct from the ordinary activities of the Company. Examples of Other operating income are: gains or losses on the sale of participating interests or incidental proceedings of legal court cases or incidental sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.23 COSTS OF WORK SUBCONTRACTED AND OTHER EXTERNAL EXPENSES

Costs of work subcontracted and other external expenses are costs that are directly attributable to net turnover, i.e. subcontractors, travel costs and other costs.

2.24 AMORTISATION AND DEPRECIATION

Intangible fixed assets, including goodwill, are amortised and property, plant and equipment depreciated over their estimated useful lives as from the inception of their use. Land is not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

2.25 OPERATING EXPENSES

Operating expenses are allocated to the reporting period to which they relate.

2.26 GOVERNMENT GRANTS

Operating grants are recognised as an income item in the income statement in the year in which the subsidised costs are incurred, income is lost or a subsidised operating deficit has occurred. Grants are recognised as soon as it is likely that they will be received and the Group will comply with all attached conditions.

2.27 EMPLOYEE BENEFITS

Benefits payable on a regular basis

Wages, salaries and social security contributions payable pursuant to employment conditions or local legislation are incorporated in the income statement to the extent that these are payable to employees or external parties.

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, taken up as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a refund or a reduction in future payments by the Group.

For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.

Pensions

For the Dutch and comparable foreign defined contribution pension schemes the pension charge to be recognised for the reporting period equals the pension premium due to the pension fund or insurance company in respect of the reporting period. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are taken up as liabilities.

Changes in provisions for additional liabilities are also charged to the result in the period in which they arise.

In Netherlands, in line with new fiscal laws regarding pensions applicable from 2015, a new collective defined contribution pension scheme has been introduced. This scheme is based upon average pay during the employment period with conditional indexation based upon the applicable Pension Law and the financial position of the pension fund. The two former pension funds have merged with effect from January 1, 2015 and the new fund, Stichting Pensioenfonds HaskoningDHV (the Pension Fund), will administer the new scheme as well as the existing liabilities of the 2 former funds. The Group has entered into an administration agreement with the new fund whereby the premium is fixed for 5 years and its liabilities are limited to the payment of the actual premiums due without any liability for additional payments to or deficits arising in the fund.

The new pension fund has two compartments, which are legally separated. In compartment DHV the former members of the DHV fund, together with new entries since 2015, are administered. This compartment is fully self-managed.
In compartment Haskoning the former members of the Haskoning fund are administered. This compartment is closed for new entries in 2015. The pension liabilities until the end of 2014 are fully insured with Nationale-Nederlanden (NN) whereby the major risks are transferred to this company. Pension accruals with effect from 2015 are self-managed.

As at July 1, 2018 the assets and liabilities, except for the liabilities insured with NN, of compartment Haskoning have been transferred to compartment DHV, after which compartment Haskoning has been put into voluntary liquidation. The liabilities insured with NN have been transferred to NN and the relating insurance contract (which has been closed for new entries since 2015) has been transferred to HaskoningDHV Nederland B.V. As the new policyholder this company may, under the terms of the applicable Pension Law, be obliged to additional payments to fund the value transfer of former employees insured under this contract to their new pension provider. However, this company has entered into an agreement with the Pension Fund, whereby the latter is obliged to fully refund this company for these additional payments, if and when arising. No other obligations or charges in respect of the transfer of the insurance contract will arise.

Because of the above The Pension Fund has become a fully self-managed regular company pension fund. At the end of 2019 the provisional actual coverage rate is 104.5% and the provisional policy coverage rate is 102.2%.

In the United Kingdom and South Africa the current pension arrangements are to be considered as individual defined contribution schemes which are administered by insurance companies.

In addition the Group operates a defined benefit pension scheme in the United Kingdom which has been closed for new entries and future accrual in 2005. Further reference is made to 2.14 and note 12.

For foreign pension schemes that are not comparable in design and functioning to the Dutch pension system a best estimate is made of the obligation at the balance sheet date using generally accepted actuarial valuation principles. Changes of the obligation are charged to the result in the period in which they arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.28 FINANCE INCOME AND EXPENSES

Interest
Interest income and expenses are recognised in the income statement as it accrues using the effective interest method.

Dividends
Dividend income is recognised when the actual payment is received.

2.29 CORPORATE INCOME TAX
Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs.

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

2.30 SHARE OF RESULT OF PARTICIPATING INTERESTS
The share of the result of participating interests consists of the share of the Group in the results of these participating interests, determined on the basis of the accounting principles of the Group.

The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Results on transactions, where the transfer of assets and liabilities between the Group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised.

3 MERGERS AND ACQUISITIONS
The Group acquired 100% of the shares and voting rights in Lanner Group Ltd. As a result, control has been obtained over Lanner Group Ltd., which is active in predictive digital twin & simulation software. The acquisition of Lanner Group Ltd. has been recorded applying the 'purchase accounting' method. The purchase price for this acquisition is €6.1 million, including future earn-out payments.

Per January 1, 2019, Lanner Group Ltd. has been included in the consolidated financial statements of the Company.

The Group acquired 100% of the shares and voting rights in Ambiental Technical Solutions Ltd. and Ambiental Environmental Solutions Ltd. (Ambiental). As a result, control has been obtained over Ambiental, which is active in advanced tools, data, digital maps and expert advice on flood risk assessment and management. The acquisition of Ambiental has been recorded applying the 'purchase accounting' method. The purchase price for this acquisition is €6.3 million, including future earn-out payments.

Per April 1, 2019, Ambiental Technical Solutions Ltd. and Ambiental Environmental Solutions Ltd. have been included in the consolidated financial statements of the Company.

The Group acquired 12.5% of the shares and voting rights in Hydroinformatics Institute PTE. Ltd. (H2i). Significant influence has been obtained over Hydroinformatics Institute PTE. Ltd. (H2i), which is active in advanced computing of big water data, by representation in the Board and thus being able to influence company policy. Thus, the participation in Hydroinformatics Institute PTE. Ltd. (H2i) has been recorded applying the 'equity method'. The purchase price for this acquisition is €0.5 million.

Per April 1, 2019, Hydroinformatics Institute PTE. Ltd. (H2i) has been included as a participating interest in the consolidated financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets can be broken down as follows:

	Goodwill	Computer Software	Licenses and patents	Total
At January 1, 2019				
Cost	74,311	9,863	-	84,174
Accumulated amortisation and impairment	(56,097)	(7,935)	-	(64,032)
Carrying amount	**18,214**	**1,928**	**-**	**20,142**
Movements				
Investments	12,679	1,296	239	14,214
Divestments	-	(5)	-	(5)
Newly consolidated	-	406	-	406
Reclassification	-	26	-	26
Exchange differences	771	26	-	797
Impairment	(3,020)	(467)	-	(3,487)
Amortisation	(4,271)	(908)	(19)	(5,198)
Subtotal	**6,159**	**374**	**220**	**6,753**
At December 31, 2019				
Cost	88,556	11,510	239	100,305
Accumulated amortisation and impairment	(64,183)	(9,208)	(19)	(73,410)
Carrying amount	**24,373**	**2,302**	**220**	**26,895**
Amortisation rate in %	5-20	12-33	5-10	

At each balance sheet date the Group tests whether there are any indicators of intangible assets being subject to impairment. If any such indicators exists, the Group carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related CGU. The CGU, defined as Business Unit or entity, represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The recoverable amount of the relevant CGU is determined on the basis of their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, forecast 2019, budget 2020 and further financial projections for 2021-2024. Cash flows after five years are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, post-tax discount rates have been applied.

Above mentioned tests have led to impairment of the CGU South Africa of €3.0 million based on the historical performance and future expectations.

The impairment of computer software relates to the write off of the HAL24K Data Science platform which is not frequently used and consequently will not generate significant future cash flows.

Goodwill investments relate to Lanner, Ambiental and H2i and the finalisation of the acquisition of Ynformed.

The carrying amount of Goodwill is geographically divided as follows:

	2019	2018
Netherlands	6,041	7,236
United Kingdom	12,776	2,136
Africa	-	3,340
Asia	1,578	1,332
Americas	3,978	4,170
	24,373	**18,214**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 TANGIBLE FIXED ASSETS

Movements in tangible fixed assets can be broken down as follows:

	Land and buildings	Furniture and fixtures	Hardware	Other fixed assets	Total
At January 1, 2019					
Cost	8,502	18,297	19,673	5,051	51,523
Accumulated depreciation and impairment	(6,894)	(16,042)	(15,015)	(4,305)	(42,256)
Carrying amount	**1,608**	**2,255**	**4,658**	**746**	**9,267**
Movements					
Investments	197	754	3,170	412	4,533
Divestments	(1)	(14)	(9)	(13)	(37)
Newly consolidated	1	71	36	-	108
Reclassification	31	(93)	15	21	(26)
Exchange differences	12	40	20	20	92
Depreciation	(632)	(645)	(3,245)	(351)	(4,873)
Subtotal	**(392)**	**113**	**(13)**	**89**	**(203)**
At December 31, 2019					
Cost	7,112	14,169	22,184	2,354	45,819
Accumulated depreciation and impairment	(5,896)	(11,801)	(17,539)	(1,519)	(36,755)
Carrying amount	**1,216**	**2,368**	**4,645**	**835**	**9,064**
Depreciation rate in %	0-33	10-33	20-33	20-33	

The carrying amount of assets under financial lease, which is held without legal title, is as follows:

	Land and buildings	Furniture and fixtures	Hardware	Other fixed assets	Total
Financial lease	-	-	178	-	**178**

At the end of 2018 the carrying amount for financial lease for Hardware was €0.4 million. The movement in 2019 is related to regular depreciation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 FINANCIAL FIXED ASSETS

Movements in financial fixed assets can be broken down as follows:

	Participating Interests	Loans to participating interests	Deferred income tax assets	Other financial fixed assets	Total
At January 1, 2019	**3,626**	**520**	**10,913**	**8**	**15,067**
Investments/additions	90	525	1,220	-	1,835
Reclassification	-	-	(102)	-	(102)
Impairment	(2)	-	(1,957)	-	(1,959)
Remeasurement of defined benefit plan	-	-	473	-	473
Share of result in participating interests	898	(94)	-	-	804
Accumulation by interest	-	17	-	-	17
Exchange differences	130	-	397	1	528
Dividends	(632)	-	-	-	(632)
At December 31, 2019	**4,110**	**968**	**10,944**	**9**	**16,031**

Participating interests

We refer to page 79 for the company's participating interests. The company is severally and jointly liable as partner in the participating interests.

Deferred income tax assets

Deferred income tax assets relate amongst others to unused tax losses. Recognised and unrecognised deductible temporary differences and tax losses can be broken down as follows:

	2019 Deferred income tax assets	2018 Deferred income tax assets
Deductible temporary differences related to United Kingdom pensions	4,212	3,531
Other deductible temporary differences	2,816	1,109
Total deductible temporary differences	**7,028**	**4,640**
Tax losses	3,916	6,273
	10,944	**10,913**

An amount of €1.5 million of the €10.9 million deferred tax asset is anticipated to be settled within one year.

Deferred tax assets and liabilities are only offset when they relate to the same entity and tax authority.

The tax losses not valued amount to €18.9 million (2018: €6.3 million).

The deferred tax asset for tax losses includes a deferred tax benefit of €3.2 million for the liquidation of the entities in Portugal and Russia.

Movement in deferred tax on the United Kingdom pensions is related to the change in net pension liability value of the defined benefit pension scheme in the United Kingdom. In 2019 €3.4 million is recognised directly in equity (2018: €2.5 million).

Other deductible temporary differences include timing differences from participating interests.

Based on historical performance and future expectations the deferred income tax asset for tax losses in South Africa was impaired with €2.0 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 WORK IN PROGRESS

Costs and estimated earnings on uncompleted contracts are as follows:

	2019	2018
Costs incurred and estimated earnings	1,684,786	1,504,315
Billings to date	(1,688,311)	(1,501,388)
	(3,525)	**2,927**

	2019	2018
Costs incurred and estimated earnings in excess of billings	72,703	87,378
Billings in excess of costs incurred and estimated earnings	(76,228)	(84,451)
	(3,525)	**2,927**
Less:		
Provision for expected losses	(8,836)	(9,606)
Payments in advance	(3,938)	(5,646)
	(16,299)	**(12,325)**

Change in work in progress in the income statement is not equal to the movement in the balance sheet because the income statement only includes the movement in costs incurred and provision for expected losses. Furthermore differences occur due to acquisitions, exchange differences and reclassification. The negative amount of work in progress is included in the current liabilities, see note 14.

8 RECEIVABLES

	2019	2018
Trade receivables	120,512	118,429
Amounts owed from participating interests	9,918	9,853
Corporate income tax	764	560
Other taxes and social security charges	652	1,157
Employee advances	185	420
Prepaid expenses	12,848	9,556
Other receivables	3,031	4,622
	147,910	**144,597**

Amounts owed from participating interests, like joint ventures, are treated similar to trade receivables; no interest is charged. All receivables fall due in less than one year. The fair value approximates the book value. The increase in Prepaid expenses and decrease in Other receivables need to be reviewed together. The combined increase of €1.7 million can be explained by software licenses in Netherlands.

	2019	2018
Trade receivables	139,852	136,402
Less: provision for bad debts	(19,340)	(17,973)
	120,512	**118,429**

During the year, an addition of €1.0 million to the provision for bad debts was charged to the profit and loss account. The other change in the provision for bad debts of €0.4 million is caused by revaluation of the opening balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 CASH AND CASH EQUIVALENTS

The cash and cash equivalents balance includes an amount of €0.2 million (2018: €0.2 million) that is not immediately accessible. This relates to funds that are in an escrow account with the Dutch Tax Authorities in line with the Dutch Sequential Liability Act.

10 SHAREHOLDERS' EQUITY

Movements in shareholders' equity can be broken down as follows:

	2019							2018
	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappropriated result	Total	Total
At January 1	**5,052**	**1,535**	**(11,716)**	**2,723**	**139,256**	**12,737**	**149,587**	**134,241**
Movements								
Legal and statutory reserves	-	-	-	1,162	(1,162)	-	-	-
Exchange differences	-	-	1,605	-	-	-	1,605	(1,609)
Unappropriated result	-	-	-	-	-	9,185	9,185	12,737
Transfer result last year to other reserves	-	-	-	-	12,737	(12,737)	-	-
Shares issued	47	1,508	-	-	-	-	1,555	1,587
Own shares (repurchased) /sold	-	-	-	-	-	-	-	438
Dividend	-	-	-	-	(433)	-	(433)	(352)
Other movements in reserves	-	-	-	-	(3,361)	-	(3,361)	2,545
Subtotal	**47**	**1,508**	**1,605**	**1,162**	**7,781**	**(3,552)**	**8,551**	**15,346**
At December 31	**5,099**	**3,043**	**(10,111)**	**3,885**	**147,037**	**9,185**	**158,138**	**149,587**

Group equity comprises of the equity of Koninklijke HaskoningDHV Groep B.V., which also includes the DHV Education Foundation. The equity of Koninklijke HaskoningDHV Groep B.V. as well as reconciliation with the consolidated equity is part of note 30 of the Company Financial Statements.

Included in the line other movements in other reserves is the Defined Benefit Pension Plan United Kingdom. The movement relates to the net balance of actuarial gains and losses, after deduction of deferred tax, in respect of the closed pension scheme in the United Kingdom, which has been directly charged to the reserves. Further reference is made to note 12.

Exchange gains and losses arising from the translation of foreign operations from functional to reporting currency are accounted for in the foreign currency translation reserve.

The legal and statutory reserves consist of a statutory reserve for unappropriated income of participating interests of €2.9 million, a legal reserve for capitalised development costs of €0.6 million and a legal reserve of €0.3 million in Portugal, Belgium and China.

The earnings per share amount to €1.80 over the year 2019, more information can be found on page 72.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 MINORITY INTEREST

Movements in the minority interest can be broken down as follows:

	2019	2018
At January 1	**117**	**207**
Profit for the year	(367)	(74)
Dividends	-	(2)
Exchange differences	(7)	(14)
At December 31	**(257)**	**117**

12 PROVISIONS

Movements in provisions can be broken down as follows:

	Pensions	Restructuring	Long-term employee benefits	Deferred tax liability	Other provisions	Total
At January 1, 2019	**20,772**	**4,498**	**5,274**	**205**	**1,352**	**32,101**
Additions	-	1,798	1,299	100	343	3,540
Withdrawals	(1,052)	(2,937)	(1,281)	-	(399)	(5,669)
Newly consolidated	-	-	-	3	-	3
Remeasurement of defined benefit plan	3,835	-	-	-	-	3,835
Reclassification	-	-	-	(102)	-	(102)
Release to profit & loss account	-	(283)	(136)	(2)	-	(421)
Exchange differences	1,221	4	56	3	34	1,318
At December 31, 2019	**24,776**	**3,080**	**5,212**	**207**	**1,330**	**34,605**

Of the provisions €32.6 million (2018: €29.8 million) qualifies as long-term (in effect for more than one year).

Pensions

Provisions are recognised at the balance sheet date for unfunded obligations resulting from contractual arrangements with pension funds and from obligations to employees in the United Kingdom. These obligations are based on actuarial calculations.

United Kingdom closed defined benefit plan

This plan is a funded defined benefit arrangement. The plan is a separate trustee administered fund holding the pension plan assets to meet the long-term pension liabilities.

New entries and accruals for new benefits in the plan ceased on June 30, 2005 at which time all remaining active members became deferred members. No guarantee from the Group has been provided to the local entity in the United Kingdom for the closed defined benefit plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movement in net defined benefit liability

	2019			2018
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Total
At January 1	**68,728**	**47,956**	**20,772**	**23,678**
Included in income statement				
Interest	2,005	1,451	554	567
Included in equity				
Actuarial loss (gain) arising from				
- Scheme experience	1,252	-	1,252	368
- Financial and demographic assumptions	10,152	-	10,152	(1,614)
Return on plan assets (excluding interest income)	-	7,569	(7,569)	(385)
Subtotal	**11,404**	**7,569**	**3,835**	**(1,631)**
Exchange differences	4,040	2,819	1,221	(366)
	15,444	**10,388**	**5,056**	**(1,997)**
Other				
Contributions paid by employer	-	1,606	(1,606)	(1,476)
Benefits paid	(2,352)	(2,352)	-	-
	(2,352)	**(746)**	**(1,606)**	**(1,476)**
At December 31	**83,825**	**59,049**	**24,776**	**20,772**

The interest is taken up in the income statement in the line interest costs.

In addition to the assets and obligations noted above the scheme holds an amount of €1.7 million (2018: €2.0 million) in relation to matching annuities with an insurance company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Plan assets

Plan assets comprise of the following:

	2019		2018	
	Amount	%	Amount	%
Corporate bonds	-		-	
Index-linked bonds	12,172		7,814	
Pooled liability driven investment funds	11,322		11,852	
Total matching assets	**23,494**	**39.8**	**19,666**	**41.0**
United Kingdom equities	6,319		5,117	
Overseas equities	7,241		5,755	
Diversified growth funds	18,676		14,292	
Property	3,225		3,121	
Cash	94		5	
Total growth assets	**35,555**	**60.2**	**28,290**	**59.0**
Total invested assets	**59,049**	**100.0**	**47,956**	**100.0**

None of the fair values of the assets shown above include any of the United Kingdom Company's own financial instruments or any property occupied by, or other asset used by, the company. All of the scheme assets have a quoted market price in an active market with the exception of the Trustee's bank account balance.

The strategic asset allocation target is 38% matching assets and 62% growth assets.

Defined benefit obligations

Actuarial assumptions
The following were the principal financial and demographic assumptions at the reporting date (in % per annum):

	2019	2018
Discount rate	2.0	2.8
Inflation (Retail Price Index)	2.8	3.3
Inflation (Customer Price Index)	2.0	2.3
Allowance for commutation of pension for cash at retirement	15% of Post A day	60% of Post A Day

The discount rate is based on the Bank of Amercia Merrill Lynch AA-rated United Kingdom 18-year corporate bond index.

The mortality assumptions adopted at December 31, 2019 are 98% of the standard tables S2PxA, year of birth, no ageing for males and females, projected using CMI_2018 converging to 1.0% per annum. These imply the following life expectancies at age 65 years:

	2019	2018
Longevity at age 65 for current pensioners		
Males	21.7	21.8
Females	23.6	23.7
Longevity at age 65 for current members aged 45		
Males	22.8	22.8
Females	24.9	24.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Sensitivity analysis

Reasonably possible changes at reporting date to one of the relevant actuarial assumptions, holding other consumptions constant, would have affected the defined benefit obligation by the percentages shown below:

		2019	2018
Discount rate	Decrease of 0.1% per annum	2% increase	2% increase
Rate of inflation	Increase of 0.1% per annum	2% increase (of inflation-linked)	2% increase (of inflation-linked)
Rate of mortality	Increase of life expectancy of 1 year	2% increase	2% increase
Commutation	Members commute an extra 10% of Post A Day pension on retirement	1% decrease	1% decrease

The average duration of the defined benefit obligation at the period ending at December 31, 2019 is 18 years (2018: 17 years).

The plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges in future P&L accounts. This effect will, however, now be partially offset as a result of the investment in LDI assets.

Additionally, caps on inflationary increases are in place to protect the plan against extreme valuation.

Following the completion of the triennial valuation of the scheme as at October 31, 2018, it was agreed that a lump sum payment of £4.7 million be made in January 2020. Followed by annual contributions of £1.7 million between January 1, 2023 and February 28, 2030. These are increased by 3% per annum each subsequent January 1.

Restructuring

Restructuring costs include provisions for staff redundancy and costs due to onerous rental agreement buildings. The movements in 2019 are related to the restructuring of the organisation to be more effective, efficient and thus more successful in the market.

Approximately €0.7 million (2018: €1.5 million) of the restructuring provision is due within one year.

Long-term employee benefits

This item mainly relates to future long-service awards. The provision for long service relates to payments to employees on the basis of years of service. The provision reflects the estimated amount of the long-service awards in the future. The calculation is based on commitments made, retention rates and ages.

The following key actuarial assumptions have been used in determining the provision:

- Discount rates: based on iBoxx AA classified European corporate bonds;
- Life expectancy: forecast table AG2018 with a correction for longevity based on income class.

In addition provisions have been made for mandatory severance and disability schemes in a number of overseas countries of operation.

This provision has mainly a non-current nature; the Group expects to use approximately €5.0 million (2018: €4.8 million) after 2020.

Other provisions

Other provisions relate to the old age pension act (AOW) for employees that have been abroad for a longer period of time and the own risk regarding claims.

The expected utilisation period of these provisions is between one and five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 NON-CURRENT LIABILITIES

	2019			2018
	At December 31 2019	Repayment obligation in 2020	Remaining term > 1 year	Remaining term > 1 year
Financial lease liabilities	178	178	-	178
Other long-term liabilities	4,645	-	4,645	-
	4,823	**178**	**4,645**	**178**

The amount of contingent lease payments is recognised as an expense in 2019 for an amount of €0.2 million.

The other long-term liabilities relate to future earn-out payments to recently acquired investments. These earn-out fees are payable in 2021 or 2023 and will only be paid when agreed conditions have been met. The conditions are mainly related to operational results and revenue targets.

Per December 31, 2019 the facility with three banks in Netherlands consists of:

- multipurpose facility: €30 million
- guarantee facility: €50 million

As security there is a pledge on the receivables of the borrowers.

The facility has a 1-month Euribor denominated interest rate. The markup on this facility is 95 bps above 1M Euribor. The credit margin on the facility is based on the leverage ratio (net debt/EBITDA); a lower leverage ratio results in a lower credit margin. The debt covenant for the multipurpose facility states that the leverage ratio must not exceed 2.0 at December 31, 2019 and the interest coverage ratio shall not be lower than 4.0. Per December 31, 2019 the leverage ratio (net debt/EBITDA) is -3.7 and the interest coverage ratio is 87.5.

Parallel to the multipurpose/guarantee facilities the group has loan or guarantee facilities with banks in South Africa (€2.9 million Prime Rate denominated overdraft facility; €2.0 million guarantee facility; €1.0 million asset finance), United Kingdom (€2.9 million guarantee facility), India (€3.8 million multi-purpose facility) and Vietnam (€2.1 million multi-purpose facility). There are no securities given for the facility in South Africa. The United Kingdom facility is secured with a debenture; a written agreement between lender and borrower, filed at Companies House. The debenture holder has the rights to any and all assets should the company become insolvent. In other countries the group has guarantee facilities with other banks of €1.8 million.

In total the company has €97.4 million banking facilities. Within these facilities €5.8 million can be used for loans, €55.5 million can be used for guarantees and €36.1 million can be used for both loans and guarantees. At December 31, 2019 the Group had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €39.4 million. Counter guarantees in favour of the Group have been received for a value of €1.8 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 CURRENT LIABILITIES

	2019	2018
Amounts owed to credit institutions	-	314
Short-term part of non-current liabilities	178	194
Trade payables	39,058	41,878
Corporate income tax	4,340	3,160
Other taxes & social security charges	29,164	28,375
Holiday allowance	7,697	7,235
Amounts owed to participating interests	117	612
Pension premiums	3,719	3,530
Leave entitlements	10,546	10,847
Accrued expenses	10,050	7,952
Work in progress	16,299	12,325
Other short-term liabilities	9,366	14,485
Total	**130,534**	**130,907**

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the carrying amount due to their short-term character. Other taxes & social security charges include payroll taxes of €10.6 million (2018: €9.9 million) and VAT of €17.9 million (2018: €18.5 million).

Included in accrued expenses are accruals for accommodation, ICT costs and project related costs of €2.9 million (2018: €3.0 million), staff related accruals of €2.3 million (2018: €2.2 million) and other of €4.8 million (2018: €2.8 million). The increase in other is mainly related to a performance incentive provision in Netherlands and a tax provision in Myanmar.

Other short-term liabilities includes other staff related accruals of €6.5 million (2018: €10.4 million). The decrease in other staff related accruals is related to a lower profit sharing payable.

15 FINANCIAL INSTRUMENTS

General information

During the normal course of business, the company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the company.

The company applies derivatives, including forward exchange contracts and purchased interest rate options to control its risks.

The company does not trade in financial derivatives.

Credit risk

Credit risk arises principally from the company receivables presented under trade and other receivables and cash. The maximum amount of credit risk that the company incurs is €295 million (2018: €286 million), consisting of trade receivables (€140 million excluding the provision for bad debts (2018: €136 million)), other receivables (€27 million (2018: €26 million)) and cash (€128 million (2018: €124 million)). The credit risk is concentrated at a large number of counterparties, the highest receivable amounts to €4.0 million (2018: €9.2 million). Management is in contact with this client and payment is expected.

The company exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Geographically, on the other hand, the credit risk is approximately 50% (2018: 51%) concentrated in Netherlands.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before, preferably, the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available and purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the management. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

A large part of the Group's customers have been transacting with the Group for over four years. Impairment losses have been recognised against these customers. At balance sheet date the provision for bad debts amounted to €19.3 million (2018: €18.0 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Currency risk

The Group is exposed to currency risk on sales denominated in a currency other than the respective functional currencies of Group entities, primarily the Euro, but also Pound Sterling (GBP). The currencies in which these transactions primarily are denominated are USD, KWD and SAR. The Group aims to mitigate as much as possible of its foreign currency exposure in respect of contracted sales.

The currency risk of net investments in foreign subsidiaries is not hedged. The current view on this translation exposure is that our investments are long-term and as such are not hedged through short-term instruments as Foreign Exchange derivatives.

The net currency position (EUR) of hedged contracts as at December 31 is specified below:

	2019		2018	
	Estimated fair value	Contract value/ projected principal amounts	Estimated fair value	Contract value/ projected principal amounts
EUR / USD	(196)	15,709	(1,082)	20,372
EUR / KWD	64	5,461	(302)	9,752
EUR / ILS	(8)	1,039	27	7,039
EUR / MXN	2	277	(181)	6,323
EUR / VND	-	-	152	5,884
EUR / INR	(23)	2,142	(173)	3,645
EUR / SAR	(17)	3,690	(60)	3,255
EUR / TWD	(30)	2,204	(34)	1,680
EUR / OMR	5	534	(68)	1,448
GBP / INR	55	2,720	(204)	3,219
GBP / USD	97	3,295	(33)	2,447
VND / EUR	78	4,589	-	-
Other	9	2,582	(79)	3,935
	36	**44,242**	**(2,037)**	**68,999**

The contracts expire in the coming year.

Liquidity risk

Management ensures that sufficient balances are available for a minimum period of 17 days (a minimum of €30 million) to cover the expected operational costs, including meeting the financial obligations. The potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters are not taken into account. For further details regarding our bank facility we refer to note 13.

Price risk

The Group does not hold any investments in listed and non-listed equities and therefore does not run a price risk.

Interest rate risk

The Group mitigates the interest rate risk as much as possible. Currently there are no outstanding loans and the bank balance is positive. Therefore the interest rate risk is limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE BALANCE SHEET

Operational leases

	2019				2018
	Less than 1 year	Between 1 and 5 years	More than 5 years	Total	Total
Equipment/utilities	29	25	-	54	40
Buildings rental/lease	14,103	40,916	24,732	79,751	62,267
Car lease	4,136	6,590	-	10,726	7,753
ICT lease	15,055	20,937	-	35,992	11,479
	33,323	**68,468**	**24,732**	**126,523**	**81,539**

In 2019, the commitments ensuing from this recognised in the profit and loss account amounted to €24.6 million (2018: €23.6 million).

Contingent liabilities

The Company in Netherlands is liable for any obligations arising under the Dutch Sequential Liability Act. The Company executes certain projects in partnership with other parties.

Based on contractual agreements, the Company bears joint and several liabilities for the contractual obligations of the partnership resulting from these projects.

Tax group liabilities

The Company forms a fiscal unity for VAT and income tax in Netherlands with a number of group companies (see page 75). Under the standard conditions, the Company and its fellow members of the tax group are jointly and severally liable for any taxes owed by the group.

By virtue of its operations in various countries, the Company incurs operational and/or tax claims. Where their effect is more likely than not and can be reasonably estimated, such claims are provided for as soon as they arise. The existing provisions are considered sufficient to cover the potential consequences of pending claims.

Contingencies

The Company is involved in certain legal proceedings relating to its projects. Provisions have been created for these insofar as these are necessary based on the management's best estimate.

Share Plan

For details about the Company's share plan we refer to page 80.

Pensions

The Company in Netherlands has taken over a closed pension insurance contract with a life insurance company from its pension fund. Under the terms of this contract and the applicable Pension Law the Company may be obliged to additional payments to fund the value transfer of former employees insured under this contract to their new pension provider. The Company has entered into an agreement with its pension fund whereby the latter has committed itself to fully refund the Company for these obligations, if and when arising.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 NET TURNOVER

The net turnover by geographical area can be broken down as follows:

	2019	2018
Netherlands	327,575	306,033
Africa, Middle East and India (excl. SA)	73,717	70,586
United Kingdom	56,891	45,893
Asia Pacific (excl. ID)	53,042	49,859
Americas	48,636	36,296
Continental Europe (excl. NL)	40,695	30,984
South Africa	37,716	47,145
Indonesia	11,431	11,690
	649,703	**598,486**

The net turnover by business line can be broken down as follows:

	2019	2018
Industry & Buildings	212,121	191,198
Transport & Planning	151,303	131,211
Maritime & Aviation	136,309	134,964
Water	104,785	88,915
Southern Africa	45,185	52,198
	649,703	**598,486**

See key figures on pages 4 and 5 for % segmentation of turnover by region, client group and market group.

18 SHORT-TERM EMPLOYEE BENEFITS

	2019	2018
Salaries and wages	277,043	265,406
Social security charges	33,862	30,437
Pension costs	33,342	32,064
	344,247	**327,907**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 REMUNERATION REPORT UNDER RESPONSIBILITY OF THE SUPERVISORY BOARD

Remuneration of the Executive Board

For the explanation of the remuneration of the Executive Board we refer to the Supervisory Board report on page 18.

Current and former managing directors	Base salary	Social premiums/ other allowances	Variable	Pensions	2019	2018
E. Oostwegel (CEO)	492	92	100	17	701	748
J. de Wit (CFO since September 1, 2019)	110	21	23	6	160	-
N.G. Dalstra (CFO until September 1, 2019)	241	44	49	11	345	521
Total					**1,206**	**1,269**

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board was agreed in 2012 and is comprised of a fixed remuneration that is independent from the Company's results, whereby a distinction is made between the remuneration of the Chairman and that of the other members of the Supervisory Board. Members of the Supervisory Board receive a further remuneration for their respective memberships of committees of the Supervisory Board.

Up to 2018 the members of the Supervisory Board also received a fixed contribution towards their expenses, which was not included in the remuneration table as presented below. The fixed contribution has been terminated per 2019 and is now part of the overall remuneration of the Supervisory Board members. This explains the increase in the remuneration between 2018 and 2019. No loans, advances or guarantees have been granted to the members of the Supervisory Board. The members of the Supervisory Board do not possess depositary receipts in Royal HaskoningDHV.

Current Supervisory board members	2019	2018
J.A.P. van Oosten (Chairman)	47	45
P.M.M. Blauwhoff	37	35
J. Bout (resigned on March 26, 2019)	9	35
A.M. Paulussen-Hoogakker	37	35
D.A. Sperling (appointed on March 26, 2019)	28	-
J.S.T. Tiemstra	37	35
	195	**185**

20 OTHER OPERATING EXPENSES

	2019	2018
Temporary staff	27,744	24,969
Office expenses	28,464	26,272
Travel and accommodation	23,746	21,742
Occupancy expenses	19,615	18,562
Work by third parties	9,145	8,119
Additional personnel expenses	7,598	7,749
Other operating expenses	9,019	10,625
Restructuring costs and other one-off items	2,285	3,318
	127,616	**121,356**

Restructuring costs include provisions for staff redundancy.

Included in other operating expenses is a loss on exchange differences of €0.5 million (2018: loss €2.4 million).

Auditor's fees

The following fees were charged by PricewaterhouseCoopers Accountants N.V. to the Group as referred to in Article 2:382a(1) and (2) of the Dutch Civil Code:

	2019			2018
	Pricewaterhouse Coopers Accountants N.V.	Other PwC network	Total PwC	Total KPMG
Audit of the financial statements	266	169	435	377
Other audit related services	-	8	8	4
Tax-related advisory services	4	7	11	-
Other non-audit services	3	-	3	10
	273	**184**	**457**	**391**

The fees mentioned in the table for the audit of the financial statements 2019 (2018) relate to the total fees for the audit of the financial statements 2019 (2018), irrespective of whether the activities have been performed during the financial year 2019 (2018).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 CORPORATE INCOME TAX

The major components of the tax expense are as follows:

	2019	2018
Tax liability for current financial year	8,300	6,228
Movement in temporary differences	(1,706)	405
Adjustment in valuation of deductible losses	3,350	187
Adjustment for prior periods	(345)	(928)
Other adjustments	(678)	(313)
Tax expense	**8,921**	**5,579**

The applicable weighted average tax rate is 21.1% (2018: 23.8%), whereby the weighted average has been calculated based on the results before taxes in the various tax jurisdictions. The tax expense recognised in the income statement for 2019 amounts to €8.9 million, or 50.3% of the result before tax and share in result of participating interests (2018: 30.6%).
The numerical reconciliation between the applicable and the effective tax rate is as follows:

	2019		2018	
Result before tax	17,739		18,242	
Statutory tax rate NL	4,435	25%	4,561	25%
Changes related to:				
Utilisation of previously reserved loss carry-forwards	(418)	(2.4%)	(213)	(1.2%)
New loss carry-forwards not expected to be realised	1,753	9.9%	400	2.2%
Addition (releases) of tax assets not expected to be realised	2,015	11.4%	-	0.0%
Non tax deductible goodwill amortisation	1,743	9.8%	1,176	6.4%
Non taxable income	(322)	(1.8%)	(41)	(0.2%)
Non tax deductible expenses	948	5.3%	417	2.3%
Withholding and foreign taxes	479	2.7%	741	4.1%
Tax rate differences	(689)	(3.9%)	(220)	(1.2%)
Prior year tax results	(345)	(1.9%)	(248)	(1.4%)
Tax expenses due to other liabilities	(228)	(1.3%)	327	1.8%
Tax incentives and other	(450)	(2.5%)	(1,321)	(7.2%)
Effective tax rate	**8,921**	**50.3%**	**5,579**	**30.6%**

Other adjustments relate to amongst others unrecoverable taxes, withholding taxes and changes in the tax provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 NUMBER OF EMPLOYEES

During the year 2019 on average 5,142 (2018: 5,077) employees were employed by the Group.

The head count (excluding flexible workforce and minority interests) per end of year by geographical area can be broken down as follows:

	2019	2018
Netherlands	3,025	2,912
United Kingdom	568	498
South Africa	436	520
Africa, Middle East and India (excl. SA)	373	416
Asia Pacific (excl. ID)	336	361
Indonesia	198	214
Continental Europe (excl. NL)	134	140
Americas	80	72
	5,150	**5,133**

The head count (excluding flexible workforce and minority interests) per end of year is split by the following business lines:

	2019	2018
Industry & Buildings	1,418	1,377
Transport & Planning	1,102	1,077
Water	858	830
Maritime & Aviation	787	765
Corporate Groups	547	581
Southern Africa	438	503
	5,150	**5,133**

23 CHANGES IN CONSOLIDATED INVESTMENTS

The following investments and divestments were made in 2019:

	Country	Holding at 31/12/2018	Acquired/ divested	Holding at 31/12/2019
Investments:				
Lanner Group Ltd.	United Kingdom	0%	100%	100%
Lanner Group SARL	France	0%	100%	100%
Lanner Inc.	United States of America	0%	100%	100%
Ambiental Technical Solutions Ltd.	United Kingdom	0%	100%	100%
Ambiental Environmental Assessment Ltd.	United Kingdom	0%	100%	100%

24 RELATED PARTY TRANSACTIONS

The Group's related parties comprise joint ventures, the Executive Board, the Supervisory Board, Stichting HaskoningDHV and Stichting Administratiekantoor HaskoningDHV. An extensive list of subsidiaries and joint ventures is disclosed on page 77 to 79.

All transactions with related parties are at arm's length basis. The remuneration of the Executive board is included in the Supervisory board report on page 18. The remuneration of the Supervisory board is included in note 19.

25 SUBSEQUENT EVENTS

There are no subsequent events with material effects.


YOUNG ROYAL HASKONINGDHV EVENT: INTERNATIONAL CROSS SELLING DAY
NETHERLANDS
https://www.royalhaskoningdhv.com/careers

COMPANY FINANCIAL STATEMENTS

COMPANY BALANCE SHEET AT DECEMBER 31, 2019

Before profit appropriation *€ thousands*

Assets

	Note	2019	2018
Fixed assets			
Intangible fixed assets	27	2,321	6,270
Financial fixed assets	28	112,549	103,971
		114,870	**110,241**
Current assets			
Receivables	29	11,527	9,261
Cash and cash equivalents		43,519	44,823
		55,046	**54,084**
		169,916	**164,325**

Shareholders' equity & liabilities

	Note	2019	2018
Shareholders' equity			
Issued share capital		5,099	5,052
Share premium		3,043	1,535
Foreign currency translation reserve		(10,211)	(11,960)
Legal and statutory reserves		3,885	2,723
Other reserves		149,112	140,895
Unappropriated result		10,840	13,174
Subtotal	30	**161,768**	**151,419**
Provisions	31	18	11
Non-current liabilities	32	-	-
Current liabilities	33	8,130	12,895
		169,916	**164,325**

COMPANY INCOME STATEMENT 2019

€ thousands

	Note	2019	2018
Share of result of participating interests after tax		15,407	14,670
Company result after tax		(4,567)	(1,496)
Net result		**10,840**	**13,174**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

26 GENERAL INFORMATION

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the financial reporting requirements as set forth in the Guidelines for Annual Reporting in Netherlands.

Since the income statement for 2019 of Koninklijke HaskoningDHV Groep B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Dutch Civil Code.

The accounting policies for the company financial statements and the consolidated financial statements are the same. Participating interests in group companies are accounted for in the Company financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements (2.7).

As per year end, the financial instruments that have the legal form of equity, are presented in the equity of the company financial statements.

The share of result of participating interests concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.

For accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement on pages 36 to 46.

The number of employees per end of year was 2 (2018: 2). Both employees are located in Netherlands.

27 INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets can be broken down as follows:

	Goodwill
At January 1, 2019	
Cost	27,643
Accumulated amortisation and impairment	(21,373)
Carrying amount	**6,270**
Movements	
Impairment	(3,020)
Amortisation	(929)
Subtotal	**(3,949)**
At December 31, 2019	
Cost	27,644
Accumulated amortisation and impairment	(25,323)
Carrying amount	**2,321**
Amortisation rate in %	5-20

At each balance sheet date the Group tests whether there are any indicators of intangible assets being subject to impairment. If any such indicators exists, the Group carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related CGU. The CGU, defined as Business Unit or entity, represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The recoverable amount of the relevant CGU is determined on the basis of their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, forecast 2019, budget 2020 and further financial projections for 2021-2024.

Cash flows after five years are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, post-tax discount rates have been applied.

Above mentioned tests have led to impairment of the CGU South Africa of €3.0 million based on the historical performance and future expectations.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

28 FINANCIAL FIXED ASSETS

Movements in financial fixed assets can be broken down as follows:

	Participating interests in group companies	Loans to participating interests	Deferred income tax assets	Total
At January 1, 2019	**82,462**	**18,150**	**3,359**	**103,971**
Investments/additions	-	6,386	-	6,386
Repayments/utilisation	-	(1,819)	(146)	(1,965)
Reclassification	12,317	(11,495)	-	822
Share of result in participating interests	15,407	-	-	15,407
Accumulation by interest	-	16	-	16
Exchange differences	1,119	629	-	1,748
Dividend	(10,474)	-	-	(10,474)
Other movements	(3,362)	-	-	(3,362)
At December 31, 2019	**97,469**	**11,867**	**3,213**	**112,549**

Participating interests

Koninklijke HaskoningDHV Groep B.V. can not be held fully or partially liable for the debts of associates.

The reclassification of €11.5 million relates to a direct investment in Royal HaskoningDHV (Pty) Ltd.'s share premium. The reclassification of €0.8 million relates to intercompany debtors written off in Poland and Portugal.

Dividend has been paid by HaskoningDHV Nederland B.V. (€10.0 million) , DHV China B.V. (€0.3 million) and DHV Hydroprojekt Sp. z o.o. (€0.2 million).

In the other movements the remeasurement of the United Kingdom pension fund is included (€3.4 million).

The participating interests are 100% related to group companies. For an extensive list of participating interests we refer to page 77 to 79.

Loans to participating interests

Receivables from participating interests includes loans to RoyalHaskoningDHV (Pty) Ltd. of €0.0 million (2018: €5.8 million), InterVISTAS Holding Inc. of €1.1 million (2018: €1.2 million), HaskoningDHV Consulting Pvt. Ltd. of €2.3 million (2018: €2.3 million), HaskoningDHV UK Holdings Ltd. of €3.5 million (2018: €3.3 million), Haskoning International B.V. of €2.3 million (2018: €3.9 million) and Hydroinformatics Institute PTE Ltd. of €0.5 million (2018: €0.0 million). The loans are provided for funding and cash management purposes. The majority of the loans have a permanent nature.

Nothing has been agreed in respect of securities. All loans are at arm's length.

The interest income on loans to associates amounted to €1.1 million (2018: €0.9 million).

Deferred income tax assets

The deferred income tax asset includes a deferred tax benefit of €3.2 million for the liquidation of the entities in Portugal and Russia.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

29 RECEIVABLES

	2019	2018
Amounts owed from group companies/subsidiaries	11,451	9,015
Other receivables, prepayments and accrued income	76	246
	11,527	**9,261**

Amounts owed from participating interests, like joint ventures, are treated similar to trade receivables; no interest is charged. All receivables fall due in less than one year. The fair value approximates the book value.

30 SHAREHOLDERS' EQUITY

The authorised and issued share capital amounts to €5,098,736, divided into ordinary shares of €1.00 each, split by A and B class shares (with equal voting rights). For further information regarding the shareholder structure we refer to page 80.

Depositary receipts (DRs) of the B class shares are sold to employees during an annual trade round. In the event that more DRs are offered than requested by employees in any future year, there is an intention to buy back DRs by Stichting Administratiekantoor HaskoningDHV (the "Trust Office") to a maximum of 2.5% of the total number of A and B-shares in Koninklijke HaskoningDHV Groep B.V. This is subject to approval of the Supervisory Board.

During the annual trade round in May 2019 the Trust Office sold a balance of 47,227 DRs to employees (72,432 DRs sold and 25,205 DRs purchased). In connection therewith the company issued 47,227 B class shares to the Trust Office (total value €1.6 million – issue price €32.94). The amount of the issue price that exceeds the par value has been presented as Share Premium (€1.5 million).

	2019		2018	
	A-shares	B-shares	A-shares	B-shares
Stichting HaskoningDHV	4,717,359	-	4,717,359	-
Stichting Adminstratiekantoor HaskoningDHV	-	381,377	-	334,150
	4,717,359	**381,377**	**4,717,359**	**334,150**

Subject to adoption of the financial statements 2019 by the Annual General Meeting, the price will rise by 6.2% to €34.98. Including the proposed dividend of €0.90 (see Proposed profit appropriation, page 74) the total return for the DR holders is 8.9%.

The movement in DRs is as follows:

	2019	2018
Balance at January 1	334,150	268,408
Trade round (bought)	72,432	83,593
Sold	(25,205)	(17,851)
Balance at December 31	**381,377**	**334,150**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Statement of changes in shareholders' equity
Movements in shareholders' equity can be broken down as follows:

	2019							2018
	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappro-priated result	Total	Total
At January 1	**5,052**	**1,535**	**(11,960)**	**2,723**	**140,895**	**13,174**	**151,419**	**135,858**
Movements								
Legal and statutory reserves	-	-	-	1,162	(1,162)	-	-	-
Exchange differences	-	-	1,748	-	-	-	1,748	(1,833)
Unappropriated result	-	-	-	-	-	10,840	10,840	13,174
Transfer result last year to other reserves	-	-	-	-	13,174	(13,174)	-	-
Shares issued	47	1,508	-	-	-	-	1,555	1,587
Own shares sold /(repurchased)	-	-	-	-	-	-	-	438
Dividend	-	-	-	-	(433)	-	(433)	(351)
Other movements in reserves	-	-	-	-	(3,361)	-	(3,361)	2,546
Subtotal	**47**	**1,508**	**1,748**	**1,162**	**8,218**	**(2,234)**	**10,349**	**15,561**
At December 31	**5,099**	**3,043**	**(10,212)**	**3,885**	**149,113**	**10,840**	**161,768**	**151,419**

The reconciliation of the statutory and consolidated equity of Koninklijke HaskoningDHV Groep B.V. is as follows:

	2019	2018
Equity Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	161,768	151,419
Equity DHV Education Foundation	(3,630)	(1,832)
Equity Koninklijke HaskoningDHV Groep B.V. (following the consolidated financial statements)	**158,138**	**149,587**

The reconciliation of the statutory and consolidated result of Koninklijke HaskoningDHV Groep B.V. is as follows:

	2019	2018
Result Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	10,840	13,174
Result DHV Education Foundation	(1,655)	(437)
Result Koninklijke HaskoningDHV Groep B.V. (following the consolidated financial statements)	**9,185**	**12,737**

We have included DHV Education Foundation as a consolidated company, given the fact that we have control. In the company statements, DHV Education Foundation is not included. In above tables you can see the effect of this exclusion.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Foreign currency translation reserve

Exchange gains and losses arising from the translation of foreign operations from functional to reporting currency are accounted for in this statutory reserve. The foreign translation reserve of €10.2 million includes a.o. investments in South Africa, Turkey and Canada.

Legal and Statutory reserves

The legal reserve for participating interests which amounts €3.0 million (2018: €2.4 million) pertains to participating interests that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both calculated on the basis of the Company's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that the Company has been entitled to since the first measurement at net asset value, and less distributions that the Company may effect without restrictions. As to the latter share, this takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

A legal reserve has been formed for capitalised development costs of €0.6 million. The reserves required under the articles of association (€0.3 million) are related to Portugal, Belgium and China.

Other reserves

Included in the line other movements in other reserves is the Defined Benefit Pension Plan United Kingdom. The movement relates to the net balance of actuarial gains and losses, after deduction of deferred tax, in respect of the closed pension scheme in the United Kingdom, which has been directly charged to the reserves. Further reference is made to note 12.

Proposed profit appropriation

Given the profit over 2019, the Executive Board proposes that a dividend of €0.90 per B-share will be distributed to holders of B-shares, representing a value of €343,000. Due to the depositary receipts Rules and Regulations this dividend will be distributed to the depositary receipt holders on a one-to-one basis.

The Executive Board proposes that no dividend will be distributed to the A-shares (see also Dividend per share at page 72). The remaining profit of €8,842,000 will be added to the other reserves.

31 PROVISIONS

The provision is related to long-term employee benefits.

32 NON-CURRENT LIABILITIES

For terms and conditions of the loan and guarantee facility, refer to note 13 of the consolidated notes on page 56.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

33 CURRENT LIABILITIES

	2019	2018
Amounts owed to credit institutions	-	-
Amounts owed to group companies/subsidiaries	5,906	12,048
Corporate income tax	1,878	337
Other taxes & social security contributions	38	40
Other debts, accruals and deferred income	308	470
	8,130	**12,895**

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the carrying amount due to their short-term character.

The amount owed to group companies/subsidiaries decreased with €6.1 million, because of a payment to HaskoningDHV UK Ltd.

34 COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE BALANCE SHEET

At December 31, 2019 the company had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €14.0 million.

Koninklijke HaskoningDHV Groep B.V. has issued a corporate guarantee to Castor (Amersfoort) B.V., in which it guarantees the fulfilment of the rental obligations related to the head office in Amersfoort. The guarantee amounts to a rental period of maximum five years and the term of the guarantee is equal to that of the lease.

35 TAX GROUP LIABILITIES

Together with its Dutch subsidiaries, the Company forms a fiscal unity for corporate income tax purposes and value-added tax; the standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

Recharges between the Company and its subsidiaries are settled through current account positions. The following method is applied with regard to recharges/allocation of corporate income taxes within the fiscal unity:

Because the Company recharges corporate income taxes within the fiscal unity under the assumption that all group companies are independent tax entities, all deferred tax positions, both deferred tax assets and deferred tax liabilities, are in principle deferred receivables and deferred liabilities of these group companies to the Company.

The company forms a fiscal unity with:

- HaskoningDHV Nederland B.V.
- HaskoningDHV Asset Management B.V.
- HaskoningDHV Participations I B.V.
- Haskoning International B.V.
- Haskoning B.V.
- DHV Global Engineering Center B.V.
- DHV NPC B.V.
- Ynformed B.V.

36 JOINT AND SEVERAL LIABILITIES AND GUARANTEES

The company has issued no declarations of joint and several liabilities for debts arising from legal acts of Dutch consolidated participating interests.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Amersfoort, Netherlands
March 6, 2020

EXECUTIVE BOARD

E. Oostwegel (CEO)

J. de Wit (CFO)

SUPERVISORY BOARD

J.A.P. van Oosten (Chairman)

P.M.M. Blauwhoff

A.M. Paulussen-Hoogakker

D.A. Sperling

J.S.T. Tiemstra

APPENDIX

GROUP COMPANIES

The following is a list of the main consolidated participating interests of Koninklijke HaskoningDHV Groep B.V., Amersfoort, Netherlands (unless stated otherwise, all interests are 100%):

HaskoningDHV Nederland B.V.,	Amersfoort, Netherlands
Haskoning B.V.,	Nijmegen, Netherlands
HaskoningDHV Asset Management B.V.,	Amersfoort, Netherlands
DHV Global Engineering Center B.V.,	Amersfoort, Netherlands
Ynformed B.V.,	Utrecht, Netherlands
Stewart Scott International Holdings Pty Ltd.,	Johannesburg, South Africa *(76.95%)*
Royal HaskoningDHV (Pty) Ltd.,	Johannesburg, South Africa
Steward Scott Investments (Pty) Ltd.,	Johannesburg, South Africa
HaskoningDHV Botswana (Pty) Ltd.,	Gaborone, Botswana
ManCon Projects (Pty) Ltd.,	Johannesburg, South Africa
HaskoningDHV UK Holdings Ltd.,	Peterborough, United Kingdom
HaskoningDHV UK Ltd.,	Peterborough, United Kingdom
Lanner Group Ltd.,	Henley-in-Arden, United Kingdom
Lanner Group SARL,	Courbevoie, France
Lanner Inc.,	Houston, United States of America
Ambiental Technical Solutions Ltd.,	Brighton, United Kingdom
Ambiental Environmental Assessment Ltd.,	Brighton, United Kingdom
Haskoning International B.V.,	Nijmegen, Netherlands
PT Haskoning Indonesia,	Jakarta, Indonesia
Haskoning Caribbean Ltd.,	Port of Spain, Rep. of Trinidad and Tobago
Haskoning Libya JSC,	Tripoli, Libya *(80%)*
HaskoningDHV (Malaysia) Sdn Bhd.,	Kuala Lumpur, Malaysia
Royal Haskoning Consulting (Shanghai) Co. Ltd.,	Shanghai, China
Haskoning Sénégal S.A.R.L.,	Dakar, Senegal
Haskoning Singapore Pte. Ltd.,	Vista, Singapore
Haskoning Australia Pty Ltd.,	Sydney, Australia
Haskoning Brasil Participaões Ltda.,	Rio de Janeiro, Brasil *(99%)*
Haskoning Consultaria E. Projectos Ltda.,	Rio de Janeiro, Brasil *(99%)*
HaskoningDHV Nigeria Ltd.,	Abuja, Nigeria *(86.36%)*
Haskoning Cambodia Ltd.,	Phnom-Penh, Cambodia
HaskoningDHV Vietnam Co. Ltd.,	Ho Chi Minh City, Vietnam
Royal Haskoning Qatar LLC,	Doha, Qatar
HaskoningDHV TR Mühendislik A.S.,	Istanbul, Turkey
Haskoning Philippines Inc.,	Manila, Philippines
NACO Mexican Airport Consultants S. De R.L. De C.V.,	Mexico City, Mexico
HaskoningDHV Myanmar Co. Ltd.,	Yangon, Myanmar
HaskoningDHV Ireland Ltd.,	Dublin, Ireland

APPENDIX

GROUP COMPANIES (CONTINUED)

HaskoningDHV Participations I B.V.,	Amersfoort, Netherlands
HaskoningDHV Belgium N.V.,	De Pinte, Belgium
HaskoningDHV Consulting Private Ltd.,	New Delhi, India
HaskoningDHV CR, spol s.r.o.,	Prague, Czech Republic
DHV Polska Sp. z.o.o.,	Warsaw, Poland
DHV Hydroprojekt Sp. z.o.o.,	Warsaw, Poland
HaskoningDHV Moçambique, Lda.,	Maputo, Mozambique
Turgis Technology Pty Ltd.,	Johannesburg, South Africa
Turgis Consulting (Pty) Ltd.,	Johannesburg, South Africa
InterVISTAS Holding Inc.,	Vancouver, Canada
InterVISTAS Consulting Inc.,	Vancouver, Canada
InterVISTAS Holding USA Inc.,	Wilmington, Delaware, United States of America
InterVISTAS Consulting Inc.,	Washington D.C., United States of America

Besides the companies in the countries as listed above, the group has branch offices in the following countries:

Bangladesh
Colombia
Croatia
Denmark
Germany
Israel
Jordan
Lesotho
Oman
Pakistan
Peru
Sri Lanka
Taiwan
United Arab Emirates

The companies operate under the trade names of HaskoningDHV.

APPENDIX

NON-GROUP COMPANIES

Joint Ventures

VOF Tunnel Engineering Consultants	Nijmegen, Netherlands *(50%)*
VOF Railinfra Solutions	Utrecht, Netherlands *(50%)*
VOF Royal Haskoning – Arup MC Renovatie Bruggen	Amsterdam, Netherlands *(50%)*
VOF Mecanoo Haskoning New Premises Eurojust	Rotterdam, Netherlands *(47.4%)*
VOF Ontwikkeling Laurentius Ziekenhuis	Maastricht, Netherlands *(50%)*
VOF EGM - Deerns - Corsmit	Rotterdam, Netherlands *(33.3%)*
VOF Deerns Haskoning CSNS	Rijswijk, Netherlands *(50%)*
VOF Ontwikkeling Atrium Santé HaskoningDHV/Huygen I.A.	Nijmegen, Netherlands *(50%)*
Maatschap Benthem Crouwel NACO	The Hague, Netherlands *(50%)*
Tshele Hills JV	Gaborone, Botswana *(50%)*
TASANA Ingenieria Aeroportuaria JV	Mexico City, Mexico
Consortio Dique	Bogota, Colombia *(51%)*
VIIA VOF	Groningen, Netherlands *(50%)*

Other non-group companies

Chuchawal – Royal Haskoning Ltd.	Bangkok, Thailand *(48.925%)*
Design 103 International Ltd.	Bangkok, Thailand *(48.97%)*
SADECO	Jeddah, Saudi Arabia *(49%)*
Team van Oord Ltd.	Newbury, United Kingdom *(15%)*
Shaded Dome Technologies B.V.	Amsterdam, Netherlands *(33.3%)*
HAL24K B.V.	Amsterdam, Netherlands *(12.5%)*
Hydroinformatics Institute PTE. Ltd. (H2i)	Singapore, Singapore *(12.5%)*

APPENDIX

SHAREHOLDING STRUCTURE

Koninklijke HaskoningDHV Groep B.V. has two shareholders: the Stichting (foundation) HaskoningDHV and the Stichting Administratiekantoor HaskoningDHV ("the Trust Office"), which was incorporated by demerger from the Stichting HaskoningDHV. Stichting HaskoningDHV holds all A-shares (being min. 75.5% of the entire issued share capital) and the Trust Office that holds the B-shares (max. 24.5% of the entire issued share capital) equal to the issued certificates.
The B-shares allow for the issue of certificates (the depository receipts) to eligible HaskoningDHV staff. The Board of the foundation exists of five members. One member has been appointed by (not out of) the Supervisory Board, the Executive Board and the combined Works Councils respectively. One member has been appointed by and out of the depositary receipts holders (candidate must meet certain qualifications). The fifth member is the Board's chair and is an independent external individual appointed by the four other members.

Trust Office

The scope of the Trust Office will be to manage the B-shares and to issue and administer the depositary receipts for shares issued to HaskoningDHV staff. Its Board currently consists of three members. The next Board of the Trust Office will be appointed out of and by the depositary receipt holders.

Stichting HaskoningDHV (Foundation HaskoningDHV)

Objective: to manage the A-shares.

This foundation currently holds 4,717,359 A-shares.

Composition of the Board:
P.G. Boumeester (Madam Chair)
J. Bout
M. Doornekamp
J.P. Kool
R.O.T. Zijlstra

Stichting Administratiekantoor HaskoningDHV

Objective: to manage the B-shares in Koninklijke HaskoningDHV Groep B.V., and to issue and administer the depositary receipts for shares to eligible HaskoningDHV staff members.

This foundation currently holds 381,377 B-shares.

Composition of the Board:
E.Th. Holleman (Chairman)
J.D. van Eeden
J.A.M. Leeuwis - Tolboom

OTHER INFORMATION

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: the general meeting and the supervisory board of Koninklijke HaskoningDHV Groep B.V.

Report on the financial statements 2019

Our opinion

In our opinion, the financial statements of Koninklijke HaskoningDHV Groep B.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the company together with its subsidiaries) as at 31 December 2019, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2019 of Koninklijke HaskoningDHV Groep B.V., Amersfoort. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2019;
- the consolidated and company income statement for the year then ended; and
- the notes, comprising the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

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

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

Independence

We are independent of Koninklijke HaskoningDHV Groep B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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:

- introduction by CEO Royal HaskoningDHV;
- key figures;
- our company;
- our leadership;
- appendix;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code
- glossary and definitions
- company brands

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is 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 in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our 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 such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the executive boards' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of The Executive Board and the supervisory board for the financial statements

The Executive Board 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; and for
- such internal control as The Executive Board 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, The Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, The Executive Board should prepare the financial statements using the going-concern basis of accounting unless The Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

OTHER INFORMATION

The Executive Board 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.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Utrecht, 6 March 2020
PricewaterhouseCoopers Accountants N.V.

Originally signed by,
F.S. van der Ploeg RA

Appendix to our auditor's report on the financial statements 2019 of Koninklijke HaskoningDHV Groep B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- 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 intentional 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 The Executive Board.
- Concluding on the appropriateness of The Executive Board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the 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.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

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

OTHER INFORMATION

PROFIT APPROPRIATION

Summary of the articles of association provisions governing profit appropriation.

Summary of the articles of association provisions governing profit appropriation Articles 23 and 24 of the articles of association contain (in summary) the following relevant provisions of profit appropriation and dividend:

- The A-shares and the B-shares shall have equal rights to the profit. Insofar as the general meeting does not reserve the profit otherwise, and insofar as no replenishment, takes place out of the profit in any one financial year, this profit shall be added to the retained A surplus and the retained B surplus, and this in the same ratio as that in which the nominal amounts of all the issued A-shares and B-shares, respectively, stand to the issued capital.

- Shares and depositary receipts issued therefore held by the company or a subsidiary thereof, from which no rights to distributions can be derived, shall not be included in the determination of the ratio referred to in the preceding sentence.

- Any addition and replenishment shall take place after the adoption of the annual accounts from which it appears that there is profit available for such addition or replenishment. The company may make distributions to the holders of B-shares and any other persons entitled to the distributable retained B surplus only insofar as the shareholders' equity exceeds the amount which must be maintained under the law. No distributions may be made out of the retained A surplus or out of any reserves other than the retained B surplus.

Subject to provisions of article 23.3, distributions out of a retained B surplus as referred to in paragraph 1, may be made at all times pursuant to a resolution of the general meeting. The general meeting cannot resolve to discontinue a retained surplus.

A resolution of the general meeting to proceed to a distribution out of the retained B surplus shall be subject to the approval of the Executive Board. The Executive Board may withhold its approval only if it knows or reasonably ought to have foreseen that the company, after such distribution, will be unable to continue to pay its due debts.

- No losses may be offset against a retained surplus, unless it concerns losses which cannot be defrayed out of a reserve – not being a retained surplus – or offset in any other way and the general meeting resolves, with the approval of all the holders of the shares corresponding with the retained surplus in question, to charge losses against the balance of the retained surplus in question. If and insofar as such is possible, losses shall be charged against the retained surpluses pro rata to the number of issued A-shares and B-shares at the time of the adoption of the aforementioned resolution.

- If a loss has been charged against one or both retained surpluses, as referred to in the preceding sentence, the profits made in the subsequent years shall be applied first of all in replenishing the amount that was charged against the retained surplus or surpluses.

- The general meeting may resolve that dividends will be paid in whole or in part in a form other than cash, but then only in the form of B-shares of the company itself.

- The general meeting can, on a proposal thereto from the Executive Board, decide, an interim addition shall be made to the retained surpluses, either chargeable against the profit or chargeable against a reserve other than a retained surplus.

COLLEAGUES CELEBRATE COMPLETING SCRUM TRAINING
SOUTH AFRICA

GLOSSARY & DEFINITIONS

GLOSSARY AND DEFINITIONS

TERM / ABBREVIATION	DEFINITION
Added value	Operating income less cost of work subcontracted and other external expenses
BIM	Building Information Modelling
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility; the responsibility of a company towards society, the environment and the economy
Earnings per share	Net result / Number of ordinary shares issued
EBITA recurring	EBITA excluding non-operational items
EBITA margin	EBITA recurring / Operating income
Executive Board	Highest executive body for the daily management of the company
Free cash flow	Cash flow from operating and investing activities
GCO	Group Compliance Officer
GRI	The Global Reporting Initiative, an organisation that publishes international guidelines for CSR reporting
HRM	Human Resources Management
Integrated Report (IR)	Annual report format that integrates general, financial, environmental, and social performance
Net Turnover	Amounts invoiced to clients (excluding VAT), excluding invoiced in advance
Net working capital	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Operating income	Net turnover adjusted for change in work in progress, excluding other operating income
QHSE	Quality, Health, Safety and Environment
Return on average shareholders' equity	Net result / Average shareholders' equity

COMPANY BRANDS

Ambiental Environmental Assessment
Ambiental Risk Analytics

Ambiental provides advanced tools, data, digital maps and expert advice on flood risk assessment and management. Their technologies help to predict the location and severity of flooding, prevent damage, and protect lives, property and assets. The company consists of Ambiental Risk Analytics, global specialists in flood modelling and flood risk and Ambiental Environmental Assessment who specialise in flood risk assessment, environmental reports and civil engineering focused on the UK market.

First Marine International

First Marine International (FMI) is a leading specialist consultancy to the marine industry. Established in 1991, FMI delivers expert assistance and information to shipbuilders, ship repairers and other marine related organisations worldwide. Its clients include private and public companies as well as governments, multinational authorities and funding agencies.

InterVISTAS

InterVISTAS Consulting Group is a leading management consultancy with extensive expertise in aviation, transport and tourism.

Lanner

Lanner, a predictive digital twin & simulation software company, provides technology and professional services that empower people to make smarter business decisions and improve processes through the power of predictive analysis and process optimisation.

NACO

Netherlands Airport Consultants (NACO) is one of the world's leading independent airport consultancy and engineering firms and a global provider of integrated airport planning, airport design and airport engineering services.

Ocean Shipping Consultants

Ocean Shipping Consultants (OSC) is a leading economic consultancy specialising in shipping economics and port development, with an unequalled database for trade, port and shipping data.

Chuchawal Royal Haskoning

Chuchawal Royal Haskoning, formerly known as Chuchawal–de Weger, is a Thai/Dutch joint venture that was established and incorporated in Thailand in 1974 to provide professional services as designers, engineers, consultants and project managers.

Hydroprojekt

Hydroprojekt is one of the leading engineering companies in Poland, with over 60 years' experience delivering independent projects in the area of water management, flood control, environmental protection, hydraulic engineering, wastewater, hydropower and wind power, highways, roads and bridges, transport and mining.

Ynformed

Ynformed is one of Netherlands' first data science companies with the mission to help organisations in the (semi) public domain to innovate and perform better by using data. Their team consists of data scientists, data consultants and data engineers who are excellent in processing data, programming and analyses to deliver actionable insights.

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Royal HaskoningDHV is an independent, international engineering and project management consultancy with over 138 years of experience. Our professionals deliver services in the fields of aviation, buildings, energy, industry, infrastructure, maritime, mining, transport, urban and rural development and water.

Backed by expertise and experience of 6,000 colleagues across the world, we work for public and private clients in over 140 countries. We understand the local context and deliver appropriate local solutions.

We focus on delivering added value for our clients while at the same time addressing the challenges that societies are facing. These include the growing world population and the consequences for towns and cities; the demand for clean drinking water, water security and water safety; pressures on traffic and transport; resource availability and demand for energy and waste issues facing industry.

We aim to minimise our impact on the environment by leading by example in our projects, our own business operations and by the role we see in "giving back" to society. By showing leadership in sustainable development and innovation, together with our clients, we are working to become part of the solution to a more sustainable society now and into the future.

Our head office is in Netherlands, other principal offices are in the United Kingdom, South Africa and Indonesia. We also have established offices in Thailand, India and the Americas; and we have a long standing presence in Africa and the Middle East.

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Royal HaskoningDHV
Enhancing Society Together