P R E S S R E L E A S E

ANNUAL RESULTS 2019

VolkerWessels reports EBITDA of € 269 million, in line with latest outlook

- EBITDA FY 2019 increased to € 269 million (+7.2%) from € 251 million
- Net result attributable to shareholders € 145 million (+5.8%), net result per share € 1.81 (FY 2018: € 1.71)
- Order book remains high at € 8,916 million
- Revenue increased to € 6,642 million (+12.1%)
- Solvency 33.4% (+90bps)
- Due to the formal launch of the offer by the majority shareholder Reggeborgh, the company will not propose to pay a final dividend over 2019
- Continued delay in the tendering of large integrated infra project due to nitrogen
- Outlook: 2020 financial performance expected to be in line with 2019

The above numbers exclude the impact of IFRS 16

Amersfoort, 13 February 2020 – VolkerWessels reports an increased EBITDA of € 269 million, in line with the Q3 2019 outlook, an order book of € 8.9 billion and expects its financial performance for 2020 to be in line with 2019.

Jan de Ruiter, Chairman of the Management Board

‘We reported FY 2019 EBITDA of € 269 million, which is in line with the Q3 2019 outlook. All our divisions contributed positively to this result. Especially in Construction & Real Estate Development, Energy & Telecoms Infrastructure, Germany and in the UK, our operations reported solid results. As already indicated in our nine month update, weather-related issues caused our North American operations to end below the result of last year. Dutch Infrastructure reported a substantial increase in EBITDA relative to last year. However, excluding the impact of OpenIJ, the results of Infrastructure were lower than in 2018.

2019 was a year of mixed developments, especially in the Dutch Infrastructure segment. We made progress on the OpenIJ project and our new Infrastructure leadership team has started. On the other hand, we are disappointed by the general underperformance of the Dutch Infrastructure segment, which is in part due to the unresolved issues with respect to nitrogen deposition. Apart from the Dutch Infrastructure segment and the weather-related underperformance in North America, we are pleased with our results for the year. Our net cash position at year end improved to € 563 million which is an increase

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of € 197 million compared to the end of 2018. In 2019 we have realised a further reduction in our strategic working capital of € 40 million bringing the total reduction over the last three years to € 180 million.

Our EBITDA margin (before applying IFRS 16) at 4.1% is 10 bps below last year, which is below our medium term objective. Rising labour costs and underperformance in the Dutch Infrastructure segment negatively impacted our margin development. Our order book at the end of the year remains high at € 8.9 billion which is in line with 2018 (however with a different composition).

We very much regret the fatal accident of a colleague in our Canadian operations. Creating and safeguarding a culture in which working safely is embedded is an ongoing process. Safety is one of our core values which is reflected in the way our employees act and feel. We work safely or we do not work at all. Every injury is one too many, our Incident Frequency rate for the group decreased to 4.1 from 4.4 in 2018.

Especially during the 2nd half of the year we experienced increased margin pressure as a result of the PFAS and nitrogen deposition issues in the Netherlands. The issues surrounding nitrogen have not been resolved as yet. It is clear that after the summer the call for action has become very loud and the Dutch government promised that an interim solution would be announced before 1 December 2019. In December a new, higher, standard was communicated in relation to PFAS and PFOS and this will bring some relief but is not a total solution. On nitrogen deposition, the measures that have been announced, so far, will have limited impact especially on new large integrated infra projects. More decisive action is clearly needed in order to unlock a large number of projects, especially in infra. Reduced demand is depressing margins whilst certain buyers are adding to this effect by delaying projects in order to obtain lower prices going forward. We expect that the infra market will continue to see the impact of this re-balancing between demand and supply during 2020.

Last week we announced the launch of our in-house developed NoNOx filter which enables us to lower our nitrogen deposition up to 99% during the construction phase of projects. With this innovative solution, we are taking our part in making our sector more sustainable. However, the nitrogen deposition during the user phase needs a political solution and is outside our control.

The percentage completion of OpenIJ at the end of the year is approximately 80%. During the 4th quarter VolkerWessels' share of the loss provision for OpenIJ was reduced by € 4 million, lowering the total addition for 2019 to € 4 million (year end total provision € 111 million). The managerial target for the final project result is estimated between - € 110 million and - € 77.5 million (VolkerWessels' share).

Looking forward, we expect our 2020 financial performance to be in line with 2019.

On October 8, 2019 we received a letter of interest from the majority shareholder Reggeborgh for all shares of VolkerWessels. The independent members of the Supervisory Board and the members of the Management Board, following a careful review of alternatives and of the different stakeholders' interests unanimously concluded that the offer is in the best interest of VolkerWessels and its stakeholders. Accordingly we decided to support the offer. The offer memorandum was formally published on December 23, 2019 and the offer period will expire on February 28, 2020, subject to certain conditions. Post the announcement of the offer on November 12, 2019 Reggeborgh started to purchase shares in the open market and now holds 75.1% of our shares at the close of business on February 12, 2020."

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Underlying operational performance (excluding the OpenIJ provision and IFRS 16)

Net result attributable to shareholders	EBITDA	EBITDA margin	ROCE	Solvency	Net cash position	Order Book	Revenue
2019 €149 m	2019 € 273 m	2019 4.1%	31/12//19 25.3%	31/12/19 33.4%	31/12/19 € 563m	31/12/19 € 8,916m	2019 € 6,642m
10.2 %	5.9 %	80 bps	130 bps	90 bps	€197 m		12.1 %
2018 € 166 m	2018 € 290 m	2018 4.9%	31/12/18 24.0%	31/12/18 32.5%	31/12/18 € 366m	31/12/18 € 8,924m	2018 € 5,924m

Financial performance (including the OpenIJ provision and excluding IFRS 16)

Net result attributable to shareholders	EBITDA	EBITDA margin	ROCE	Solvency	Net cash position	Order Book	Revenue
2019 € 146m	2019 € 269m	2019 4.1%	31/12/19 25.8%	31/12/19 33.4%	31/12/19 € 563m	31/12/19 € 8,916m	2019 € 6,642m
6.6%	7.2%	10 bps	570 bps	90 bps	€197 m		12.1 %
2018 € 137m	2018 € 251m	2018 4.2%	31/12/18 20.1%	31/12/18 32.5%	31/12/18 € 366m	31/12/18 € 8,924m	2018 € 5,924m

Reported financial performance (including the OpenIJ provision and IFRS 16)*

Net result attributable to shareholders	EBITDA	EBITDA margin	ROCE	Solvency	Net cash position	Order Book	Revenue
2019 € 145m	2019 € 342m	2019 5.2%	31/12/19 19.0%	31/12/19 31.4%	31/12/19 € 312m	31/12/19 €8,916m	2019 € 6,642m
5.8%	36.3 %	100 bps	110 bps	110 bps	€54m		12.1 %
2018 € 137m	2018 € 251m	2018 4.2%	31/12/18 20.1%	31/12/18 32.5%	31/12/18 € 366m	31/12/18 € 8,924m	2018 € 5,924m

All numbers exclude share incentive charge (2019: € 4 million; 2018: € 6 million).
* The comparative information for 2018 is not restated for IFRS 16.

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VolkerWessels

Overall performance of VolkerWessels

Summary overview of results

(€ million, unless otherwise stated)	FY 2019	FY 2018
Revenue	6.642	5,924
Operating expenses	*-6.486	*-5,790
Share in results of associates and JVs (after income tax and 3rd party result)	26	33
Operating result	**182**	**167**
Net financial result	-4	3
Earnings before tax (EBT)	**178**	**170**
Income tax	-29	-30
Net result from continuing operations	**149**	**140**
Net result from discontinued operations (after tax)	-2	-2
Net result for the financial period	**147**	**138**
Minority interests	2	1
Net result attributable to shareholders	**145**	**137**
Operating result	182	167
Interest accrued on lease liabilities (IFRS 16)	-2	0
Operating result before IFRS 16	**180**	**167**
D&I of property, plant and equipment	76	75
A&I of intangible assets	13	9
EBITDA	**269**	**251**
IFRS 16 impact	73	0
EBITDA incl. impact IFRS 16	**342**	**251**
EBITDA margin excl. IFRS 16 (%)	4.1%	4.2%
EBT margin (%)	2.7%	2.9%
Order book (at year end)	8,916	8,924
Interim dividend	22.4	22.4
Final dividend	NA	61.6
Total dividend	**22.4**	**84.0**
Total dividend as % of net results attributable to shareholders (adjusted for share incentive plan)		61%
Per share data attributable to shareholders		
Number of shares (in millions)	80	80
Earnings per share (€)	1.81	1.71
Earnings per share from continuing operations (€)	1.84	1.74
Earnings per share from discontinued operations (€)	-0.03	-0.03
Interim dividend	0.28	0.28
Final dividend	NA	0.77
Total dividend	**0.28**	**1.05**

* Under IFRS any benefit due to the Managing Directors or any of the relevant key managers will need to be reflected in the annual accounts of VolkerWessels as personnel expenses, irrespective whether the costs are borne by VolkerWessels or not. The cash flow related to these share incentives including tax, are borne in full by Reggeborgh Holding and consequently, the cash flow impact for VolkerWessels is nil, for FY 2019: € 4 million and FY 2018: € 6 million, this is adjusted in comparison to the financial statements.

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Summary overview of results by operating segment

(€ million, unless stated otherwise)	Revenue			EBITDA*			Order Book (period end)		
	2019	**2018**	**Δ**	**2019**	**2018**	**Δ**	**2019**	**2018**	**Δ**
NL – C&RED	2,358	2,105	12.0%	110	100	10.0%	3,477	3,493	-0.5%
NL – Infrastructure	1,513	1,414	7.0%	46	61	-24.6%	1,676	1,660	1.0%
NL – E&T Infrastructure	865	751	15.2%	44	39	12.8%	798	932	-14.4%
United Kingdom	1,344	1,116	20.4%	46	39	17.9%	1,353	1,528	-11.5%
Local currency (GBPm)	*1,180*	*984*	*19.9%*	*40*	*34*	*17.6%*	*1,151*	*1,367*	*-15.8%*
North America	338	350	-3.4%	41	47	-12.8%	1,145	764	49.9%
Local currency (CADm)	*507*	*538*	*-5.8%*	*62*	*72*	*-13.9%*	*1,672*	*1,193*	*40.2%*
Germany	301	268	12.3%	18	16	12.5%	497	595	-16.5%
Other/eliminations	-77	-80		-32	-12		-30	-48	
Subtotal	**6,642**	**5,924**	**12.1%**	**273**	**290**	**-5.9%**	**8,916**	**8,924**	**-0.1%**
OpenIJ provision				-4	-39				
Subtotal	**6,642**	**5,924**	**12.1%**	**269**	**251**	**7.2%**	**8,916**	**8,924**	**-0.1%**
IFRS 16 impact				73	0				
Total	**6,642**	**5,924**	**12.1%**	**342**	**251**	**36.3%**	**8,916**	**8,924**	**-0.1%**

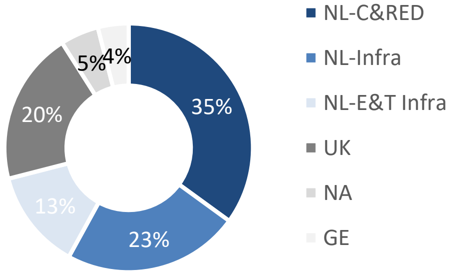
* All EBITDA numbers are excluding share incentive charge.

Quarterly revenue and EBITDA (including OpenIJ provision)

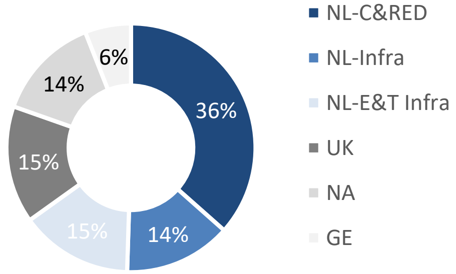
(€ million)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenue	1,882	1,705	1,681	1,374	1,758	1,397	1,539	1,230	1,747	1,299	1,473	1,195
EBITDA*	142	82	99	19	121	69	53	8	110	65	77	13
of which IFRS 16 impact	21	19	17	16								

* 2017, 2018 and 2019 EBITDA includes OpenIJ provisioning: 2017: € 67.5 million; 2018: € 39 million; 2019: € 4 million.

2019 Revenue per segment*



2019 EBITDA per segment*



* Breakdown excludes Other/Eliminations and the IFRS 16 impact, NL-E&T Infrastructure includes the activities in Belgium.
** NL-Infra EBITDA and total EBITDA include the OpenIJ provisioning.

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OpenIJ update
The loss provision for OpenIJ at the end of the year is € 111 million which is a reduction of € 4 million since the end of the 3rd quarter. The percentage completion stands at 80% at year end 2019 and 92% of the provision has been funded.

In our third quarter results we communicated our current expectation with respect to project OpenIJ. The managerial target for the final project result is estimated between - € 110 million and - € 77.5 million (VolkerWessels' share). At the end of the fourth quarter this expectation remains unchanged. As a consequence of the release of our management expectation and taking into account the fact that OpenIJ is behaving more and more like any other large integrated infrastructure project, we will refrain from further financial disclosure on this project going forward.

IFRS 16 transition
VolkerWessels adopted IFRS 16 with effect from January 1, 2019. We have applied the simplified transition approach and have not restated comparative amounts for FY 2018. As a result of this new accounting standard EBITDA in 2019 increased approximately € 73 million The impact on our net result for 2019 was limited. On adoption of IFRS 16, we have recognised, in addition to the already existing finance lease agreements, right-of-use assets of € 235 million and corresponding lease liabilities of € 235 million. Operating cash flows increased and financing cash flows decreased by € 73 million as repayment of the principal portion of the lease liabilities are classified as cash flows from financing activities instead of cash flows from operating activities.

As a consequence of IFRS16, we have decided to replace EBITDA and EBITDA margin in our medium term objectives with EBT and EBT margin as from 2020.

Order Book
VolkerWessels' order book at 31 December 2019 remains stable at € 8,916 million as compared to € 8,924 million at 31 December 2018. The order book in North America increased due to the renewal / winning of several long-term maintenance contracts. The decrease in the secured order book in the UK since the prior year, reflects a change in the mix of contract type in the order book with fewer high value projects and a higher level of "zero" value framework contracts, for which specific values will only be released over the duration of the framework as individual projects are allocated. The decrease in the E&T segment is due to the volumes delivered on long-term framework contracts. In Germany our order book decreased compared with 2018 but is still very strong and amounts to 1.7 times the revenue delivered in 2019.

We take a prudent approach to order book recognition; we only include signed contracts, and for framework contracts, work packages agreed with our clients.

Consolidated income statement

Revenue
Revenue in 2019 increased by 12.1%, or € 718 million, to € 6,642 million as compared to € 5,924 million in 2018. Revenues increased in all segments, except in North America, where revenue was stable.

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EBITDA and EBITDA margin

Excluding the impact of IFRS 16, EBITDA increased from € 251 million to € 269 million in 2019. However, excluding the impact of OpenIJ, EBITDA decreased from € 290 million to € 273 million in 2019. Excluding IFRS 16 and the additional loss provision for OpenIJ, our EBITDA margin was 4.1% (80 bps lower than in the same period last year).

Reported EBITDA increased by 36.3% to € 342 million (including the effect of IFRS 16 of € 73 million) and the EBITDA margin was 5.2%.

The C&RED (+€ 10 million), E&T (+€ 5 million), UK (+€ 7 million) and Germany (+€ 2 million) segments delivered increased EBITDA results due to a strong operational performance and positive momentum in these businesses. The Infrastructure segment improved by € 20 million delivering a result of € 42 million in 2019, which is driven by a lower loss provision for OpenIJ in 2019. In North America, our results are behind last year which is primarily weather-related as well as the effect from lower results from participating interests and lower land sales in the US.

Other

Increased expenses for digitisation and innovation projects and lower book profits on non-core asset sales are included in “Other”.

Personnel

VolkerWessels’ average number of employees increased by 414 to 17,044 in 2019.

Net financial result

The net financial result decreased in 2019 to € 4 million negative (2018: € 3 million positive). Due to our strong operational performance and continued strong focus on working capital, our net debt position significantly improved. This resulted in an over-hedged position, with a cost of € 2 million which has been accounted for as a loss. Furthermore, the net financial result was impacted by an amount of € 3 million negative by the transition to IFRS 16 as lease interest expenses are shown separately under IFRS 16.

Income tax

Income tax decreased from € 30 million in 2018 to € 29 million in 2019. The effective tax rate decreased slightly from 18.3% in 2018 to 16.7% in 2019. The lower effective tax rate is especially driven by results in participating interests.

Net result

The 2019 net result attributable to shareholders amounted to € 145 million (2018: € 137 million).

Capital expenditure

In 2019, the gross capital expenditure relating to property, plant and equipment amounted to € 116 million, 1.8% of revenue (FY 2018: € 87 million, 1.5% of revenue). In 2019, the net capital expenditure relating to property, plant and equipment amounted to € 95 million, 1.4% of revenue (FY 2018: € 60 million, 1.0% of revenue). The increased capital expenditure is predominantly the result of contract renewals and our growing highway maintenance business in Canada.

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Key balance sheet items

(€ million, unless stated otherwise)	31/12/2019*	31/12/2018
Balance sheet total	4,030	3,684
Total group equity	1,264	1,196
Net cash	312	366
Capital employed	952	830
Solvency ratio *(%)*	31.4%	32.5%

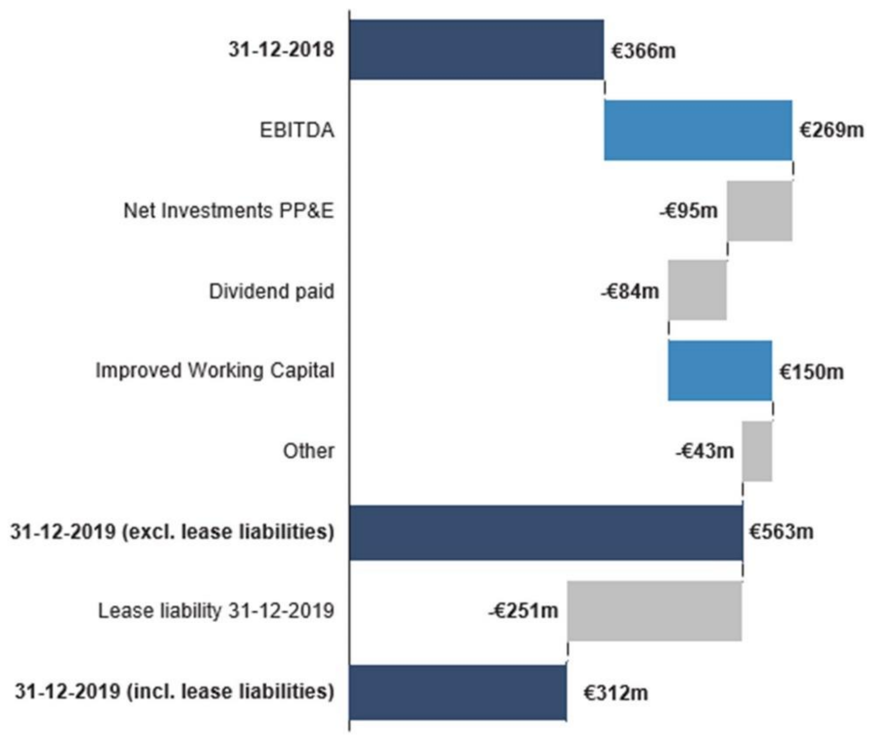
* After IFRS 16

Solvency and net cash position

VolkerWessels has a solid capital structure, with a solvency ratio of 31.4% at 31 December 2019 (32.5% at 31 December 2018). Total group equity increased by € 68 million to € 1.3 billion at 31 December 2019. This is the net impact after allocation of the profit over FY 2019 and reduction for dividends of € 84 million, including both the final dividend for 2018 and the interim dividend for 2019. As a result of the IFRS 16 transition the balance sheet total increased by € 251 million at 31 December 2019. Excluding the IFRS 16 effect solvency increased to 33.4%.

Our net cash position decreased by € 54 million, resulting in a net cash position of € 312 million at 31 December 2019. Excluding the IFRS 16 impact the net cash position increased with € 197 million compared to 31 December 2019.

Change in net cash position



At 31 December 2019 € 0 million was drawn under the RCF (€ 0 million at 31 December 2018).

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Working capital overview

(€ million)	**31/12/2019**	**31/12/2018**
Inventories (excl. property development)	75	76
Contract balances (including provision onerous contracts)	-94	-28
Trade and other receivables (excl. receivables from associates and JVs and current 3rd party loans)	811	839
Trade and other payables (excl. amounts owed to associates and JVs)	-1,522	-1,497
Net taxes	-5	-15
Traditional working capital	**-735**	**-625**
Land	174	184
Property development	36	81
Property held for sale	23	42
Investments in associates and JVs (less provisions)	148	132
Non-current receivables from associates and JVs	77	71
Net receivables on participations	113	101
Strategic working capital	**571**	**611**
Net working capital	**-164**	**-14**

Traditional working capital improved to - € 735 million at 31 December 2019 compared to - € 625 million at 31 December 2018. This is mainly the effect of an improvement in the contract balances position of € 66 million.

Strategic working capital improved by € 40 million to € 571 million at 31 December 2019. This mainly relates to a lower working capital requirement for property development following the sale of several properties. The directly owned land bank decreased by € 10 million to € 174 million at 31 December 2019. Compared with 31 December 2016 strategic working capital decreased by € 180 million.

Overall net working capital improved by € 150 million to a working capital position of - € 164 million at 31 December 2019 compared to - € 14 million at 31 December 2018.

Sustainability

To speed up our transition to a more sustainable organisation, we have identified six specific focus areas for the coming years. The focus areas are divided into two categories: putting our own house in order, by improving our own sustainable performance, and increasing our impact, by developing new concepts, approaches and solutions that measurably and significantly contribute to quality of life.

In 2019, we have developed roadmaps for each of these six focus areas for the Netherlands, including preliminary targets for 2025. In the coming year, we will further elaborate on our ambitions. A few examples of the ambitions we have formulated are:

- 25% reduction in the CO_2 emissions of our car fleet, compared to 2020
- 80% of our own construction, real estate and infrastructure projects have a material passport with a score on material use
- 70% of homes built as part of our own developments have a zero energy bill

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Last week we announced the launch of our in-house developed NoNOx filter which enables us to lower our nitrogen deposition up to 99% during the construction phase of our projects. With this innovative solution, we take our responsibility in making our sector more sustainable. However, the nitrogen deposition during the user phase needs a political solution and is beyond our control.

We have made good progress with developing our Navigator software tool. This tool is especially designed to make renovation projects as well as new developments more sustainable. This tool enables us to clarify for our clients which sustainability measures are best used for their projects and where they can improve versus the proposed concept & design plans.

To further facilitate the use of material passports, we developed our own app which enables the creation of a Madaster Material Passport at the push of a button. In 2019, we also signed a letter of intent with Madaster, expressing our ambition to generate a Material Passport for all buildings developed or built by VolkerWessels in the Netherlands.

We are actively working towards the launch of our new circular housing concept PuurWonen. We developed solutions for a circular, healthy and commercially viable living concept through a thorough and iterative design process. We set high standards for the construction, materials and building methods. The construction is a combination of wood and steel. All connection are 'screw' based and can be disassembled easily. All paint and glue used has been carefully selected to be non-toxic. The first pilot homes will be built in 2020.

Dividend

VolkerWessels paid an interim dividend of € 22.4 million, or € 0.28 per share, in cash (subject to 15% withholding tax) in November 2019. Due the formal launch of the offer by our majority shareholder Reggeborgh, the company will not propose to pay a final dividend over 2019. Under the terms of the offer, any dividend announced or paid after signing of the merger protocol (the merger protocol was signed on 11 November 2019) will be deducted from the offer price of € 22.20 per share (subsequently lowered after payment of the interim dividend of € 0.28 in November 2019 to € 21.92 per share).

Extraordinary Meeting of Shareholders

VolkerWessels will hold its Extraordinary General Meeting in relation to the recommended offer by Reggeborgh on 17 February 2020.

Annual General Meeting of Shareholders

VolkerWessels will hold its Annual General Meeting of Shareholders on 16 April 2020. The notice, agenda, explanatory notes and other necessary documents will be published on the website of VolkerWessels on 2 March 2020. The annual report will be published on 21 February 2020.

Results per segment
Netherlands – Construction & Real Estate Development

(€ million, unless stated otherwise)	2019	2018
Revenue	2,358	2,105
EBITDA	110	100
EBITDA margin *(%)*	4.7%	4.8%
Average number of employees (#)	3,879	3,768
Order book *(at period end)*	3,477	3,493

Construction & Real Estate Development segment's (C&RED) revenue increased by 12.0% or € 253 million, to € 2,358 million in 2019, mainly as a result of continuous strong market conditions in the residential construction market. The number of new homes sold increased to 2,728 in 2019 from 2,140 in 2018. EBITDA increased by € 10 million to € 110 million, the EBITDA margin decreased 10 bps. EBITDA margin is stable at 4.7% compared with 4.8% over 2018. C&RED's order book for 2020 and beyond remains very strong at almost 1.5 times the 2019 revenue.

Market developments in 2019
Demand in the residential market remained strong while residential price increases were levelling off. Mortgage interest rates are still low and continue to drive demand. New regulations and best practices (circular design principles) are having an upward effect on the cost price of new houses, whilst the "running costs" may actually be lower. The ruling from the State Council on nitrogen emissions at the end of May 2019, may delay the start of certain residential and non-residential projects. The impact of nitrogen emissions on C&RED projects in 2020 (and beyond) very much depends on the willingness or possibility of the Dutch Government to come swiftly with new legislation regarding nitrogen emissions. With the launch of the NoNOx filter we are able to limit the nitrogen emissions during the construction phase of C&RED projects.

2019 highlights
We finished Brainport Industry Campus (BIC) in Eindhoven in 2019. BIC was officially opened by His Majesty King Willem Alexander on October 3, 2019. In Amsterdam, we completed construction of the new ING head office. The development of the NDSM wharf is ongoing and we finalised the construction of a logistics centre in Breda. Other projects under construction include: the Inntel hotel in Scheveningen, the Holendrecht Community Campus and the Valley in Amsterdam, the NATO complex, the Onderwijs and Cultuur Complex (Amare) in the Hague, E-Shelter at Schiphol Rijk, Wilhelminawerf and Uptoren in Utrecht and the Westcord Market Hotel in Groningen. VolkerWessels has also been heavily involved in development projects including urban redevelopment projects such as the Strijp-S cultural and creative centre in Eindhoven, Paleiskwartier in Den Bosch and the Foodcenter in Amsterdam.

Additions to our order book include the construction of De Open Veste in Purmerend, the Westfield logistics centre in Eindhoven, residential units in Eindhoven, the Schiphol Trade Parc and the renovation of 226 homes in Leiden. We produced and sold ca. 450 MorgenWonen prefab single-family homes in 2019.

Netherlands – Infrastructure

(€ million, unless stated otherwise)	**2019**	**2018**
Revenue	1,513	1,414
EBITDA	46	61
OpenIJ provision	-4	-39
EBITDA including OpenIJ provision	42	22
EBITDA margin (%)	2.8%	1.6%
Average number of employees *(#)*	4,791	4,903
Order book *(at period end)*	1,676	1,660

Netherlands – Infrastructure segment's revenue increased by 7.0% or € 99 million to € 1,513 million in 2019. Including the provision for OpenIJ in 2018 and 2019, EBITDA increased by € 20 million to € 42 million. Excluding the provision for OpenIJ EBITDA performance was € 15 million lower. The order book was stable at € 1.7 billion at 31 December 2019.

Market developments 2019

The market for multidisciplinary infrastructure projects was severely disrupted by the nitrogen, PFAS and PFOS issues from the summer of 2019 onwards. As a consequence, government entities are delaying Infrastructure projects which translates in lower capacity utilization and margin pressure going forward. We experience delays in the tendering of large new infra projects. The long term maintenance activities in Infrastructure performed well in 2019 while our project companies showed mixed results. The repair and replace market as well as projects related to water management, will increase and accelerate in the coming period. Furthermore, our Infrastructure result was impacted by restructuring costs and an impairment of € 2 million on our gravel pit in Norway. Overall, we expect lower revenue in our Infrastructure segment in 2020, even in a situation when the Dutch government decides to raise the current very low deposition standard for nitrogen. Due to the nature of these businesses, a (relatively) small increase of the standard will benefit C&RED more than our Infrastructure business where nitrogen deposition -especially in the user phase- is normally higher (thus requiring a more substantial increase). We continue to focus on margin over volume, on constructive cooperation with our partners and clients, and on the quality of our order book. In addition, we continue to invest in measures to reduce nitrogen emissions during project delivery.

OpenIJ update

The loss provision for OpenIJ at the end of the year is € 111 million which is a reduction of € 4 million versus the end of the 3rd quarter. The percentage completion stands at 80% at year end 2019 and 92% of the loss provision has been funded.

In our third quarter results we communicated our current expectation with respect to project OpenIJ. At the end of the fourth quarter this expectation remains unchanged. As a consequence of the release of our management expectation and taking into account the fact that OpenIJ is behaving more and more like any other large integrated infrastructure project, we will refrain from further financial disclosure on this project going forward.

2019 highlights

VolkerWessels continues to work on the reconstruction of the Amstelveenlijn, Noorderspoort railway project, the renovation of the Waalbrug near Nijmegen, the ‘Room for the River’ flood protection project in the IJsseldelta, Markermeerdijken, Rotterdamse baan and a number of long term maintenance contracts for Prorail. The Amstelveenlijn and Noorderspoort tracks were closed for respectively six weeks and 17 days during summer to enable VolkerWessels to work non-stop on these projects with the aim to make the tracks in time available for the commuters. Both blockades were effectively and successfully managed leading to a minimum of inconvenience for the people living near the project.

The first two pilot projects for the PlasticRoad were successfully constructed in the Province of Overijssel in 2018. There is international interest in the Plastic Road concept and VolkerWessels, together with partner WAVIN, is currently working on bringing it to the market on a large commercial scale.

Netherlands – Energy & Telecoms Infrastructure*

(€ million, unless stated otherwise)	**2019**	**2018**
Revenue	865	751
EBITDA	44	39
EBITDA margin (%)	5.1%	5.2%
Average number of employees (#)	3,178	2,950
Order book *(at period end)*	798	932

* NL-E&T Infra includes the activities in Belgium

The revenue of our Netherlands – Energy & Telecoms Infrastructure segment increased by 15.2%, or € 114 million, to € 865 million. The increased revenue relates to higher volumes both in our Energy and Telecoms activities and due to the acquisition of VES in September 2018. EBITDA increased by € 5 million to € 44 million in 2019. The improvement in our result was delivered by both the Energy and Telecoms companies, including our Belgian E&T activities. The order book decreased due to the volume delivered on long-term framework contracts. Underlying, the order book increased significantly.

Market developments in 2019

The transition to sustainable energy sources, such as wind, solar and H_2 continues to be an important driver for the demand in the energy infrastructure market in the Netherlands. VolkerWessels' energy business is focused on the associated transmission and distribution infrastructure for these energy sources.

Digital transformation is an important ongoing trend in the telecoms market, requiring a continuing need for fast data transmission (such as optical fibre, VDSL, IoT, Smart City, Big data, Blockchain and robotisation). Connectivity is seen as a basic need and is therefore becoming a growing commodity. The roll-out of 5G, optical fibre and IoT will have a positive impact on VolkerWessels Telecoms.

2019 highlights

Because of the announcement of limitations to Dutch gas production (to minimise possible earth quake risks in the Groningen region) we have seen increased activity in the construction of Gas-Nitrogen mixing stations to allow for the transformation of high caloric gas into low caloric gas. We have built one station for Gasunie in Wieringermeer and we have been awarded the Gasunie Zuidbroek station in 2019. In addition we are working on high voltage cables for Tennet in Friesland and Van Oord and on pipes and cables for the Noorderspoort railway project in the north of the Netherlands.

VolkerWessels Telecom installed 24,000 DOCSIS cards (enabling high speed internet for more than 700,000 households) for Giganet. Giganet is a cooperation between Vodafone and Ziggo to provide ultrafast broadband and improve the use of IoT in the Netherlands.

VolkerWessels United Kingdom

(€ million, unless stated otherwise)	2019	2018
Revenue	1,344	1,116
Revenue in GBP m	*1,180*	*984*
EBITDA	46	39
EBITDA in GBP m	*40*	*34*
EBITDA margin *(%)*	3.4%	3.5%
Average number of employees *(#)*	3,087	2,890
Order book *(at period end)*	1,353	1,528
Order book (at period end) GBP m	*1,151*	*1,367*

In local currency, revenue in 2019 increased by 20% to £ 1,180 million following positive developments across all market sectors in which we operate. EBITDA improved in line with revenue by £ 6 million. The secured order book of £ 1.2 billion is £ 0.2 billion lower than the record high order book at the prior year end. The decrease in secured order book since the prior year, reflects a change in the mix of contract type in the order book with fewer high value projects and a higher level of 'zero' value framework contracts, for which specific values will only be released over the duration of the framework as individual projects are allocated. A number of key awards originally expected to have been made by end of 2019 had also been delayed into 2020 as decisions surrounding key rail projects were being reviewed by the UK Government, in particular High Speed 2 and East West Rail. A recent Government announcement has, however, now confirmed the go-ahead for the full HS2 project.

Market developments in 2019

We have seen a general slowdown in 2019 across the wider construction sector in the UK, against a challenging and distracting economic backdrop. Political and policy uncertainty has been a theme, as a result of protracted debate and timetable relating to Brexit, and a change of government leadership. This uncertain environment, along with the weakness of sterling and slowing growth in the construction market, has seen a number of companies in the sector fall into difficulty. The general election held in December 2019 delivered a strong Government, which has confirmed its commitment to increasing investment in infrastructure. We believe this will bring greater economic clarity in the medium and long term. Despite the challenges and uncertainty, VolkerWessels UK has maintained its strong position in the infrastructure sector, with a quality order book and sound financial footing, a track record of delivery and effective risk management processes. The new majority government is expected to increase spending on large infrastructure projects which we expect to benefit our UK operations. A recent Government announcement has, however, now confirmed the go-ahead for the full HS2 project. VolkerWessels UK has not yet recognised this project in its order book.

2019 highlights

This year has remained solid for VolkerWessels UK, with several significant contract awards across the business. These include places on two key frameworks for VolkerStevin working with the Environment Agency on its flood and coastal erosion risk management programme - the Marine and Coastal Framework, and the Collaborative Delivery Framework, and contracts for VolkerFitzpatrick to construct a maintenance, repair and overhaul facility for Gulfstream Aerospace in Farnborough and to deliver runway resurfacing at RAF Lossiemouth. VolkerRail has secured a number of key signalling contracts for Network Rail, and VolkerHighways was awarded a Capital Works Framework contract with Bedford Borough Council.

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VolkerWessels North America

(€ million, unless stated otherwise)	**2019**	**2018**
Revenue	338	350
Revenue in CAD m	*507*	*538*
EBITDA	41	47
EBITDA in CAD m	*62*	*72*
EBITDA margin *(%)*	12.1%	13.4%
Average number of employees (#)	1,364	1,400
Order book *(at period end)*	1,145	764
Order book (at period end) CAD m	*1,672*	*1,193*

Revenue from our North America segment was relatively stable at € 338 million while EBITDA decreased by € 6 million to € 41 million. Our results are behind last year which is partly weather-related, and partly caused by lower results from participating interests and lower land sales in the US.

Market developments in 2019

Our companies in Canada are based in Alberta and British Columbia. The economy of these two provinces is primarily resource based. In the Seattle area VolkerWessels is well-positioned to benefit from increased investment in infrastructure, particularly through its exposure to roadworks (including new construction, rehabilitation and intersections), civils work (bridges, retaining walls, etc.) as well as underground utilities and development construction.

2019 highlights

In February 2019 we announced that we successfully tendered for three seven-year maintenance contracts in the province of Alberta in excess of C$ 300 million which have now been increased to C$ 450 million and extended to ten-year contracts. In June 2019 we announced that we had won a ten-year contract for highway maintenance in North-western British Columbia Canada (“Service Area 28”), with a five-year extension option.

In addition to our Highways Maintenance Contract Awards, Volker Stevin Contracting has been awarded a portion of the West Calgary Ring Road Design Build 1 – Trans Canada Highway to Old Banff Coach Road Segment.

In 2019, the activity in most of our businesses in North America has been impacted by weather and tender delays in our already short construction season. Our long-term road maintenance contracts in Alberta and British Columbia continue to provide a solid basis for our order book in North America.

VolkerWessels Germany

(€ million, unless stated otherwise)	**2019**	**2018**
Revenue	301	268
EBITDA	18	16
EBITDA margin (%)	6.0%	6.0%
Average number of employees (#)	336	353
Order book *(at period end)*	497	595

The Germany segment's revenue increased by 12.3%, or € 33 million, to € 301 million. EBITDA increased by € 2 million to € 18 million. The order book declined to € 497 million, which is still exceptionally strong and amounts to 1.7 times the revenue in 2019. This decrease mainly relates to the high volume delivered in 2019 and delays in the commencement of a few new development projects which will be added to our order book in 2020. In 2019, we constructed and delivered a total of 1,387 houses (2018: 746). The number of houses sold from VolkerWessels' own development in Germany in 2019 was 626 (2018: 537).

Market developments in 2019

VolkerWessels expects to see ongoing favourable market conditions over the coming years, with strong demand in Germany for owner-occupied and rented apartments, as well as for office, commercial and logistics space for all three regions where VolkerWessels is active. If interest rates remain at the current low levels, investor demand is expected to remain high.

VolkerWessels is closely monitoring political developments in general and in the Berlin housing market in particular. One of these developments is a bill by the state government of Berlin, to set a new upper rental limit for apartments built before 2014. This law passed in January 2020 and will likely be effective from the second quarter 2020. It intends to limit rental price increases for existing properties over a period of five years, starting from the year 2020. The medium term impact of this legislation remains uncertain.

2019 highlights

Despite the continued growth in the market, profit margins are more important than volume and VolkerWessels remains selective when taking on new projects. RIX Berlin is the name of a new, modern residential quarter that Volker Wessels is developing in the heart of the hip city centre district of Neukölln – right outside Rixdorf. VolkerWessels is building a family-friendly residential quarter in the French "Cité Foch" quarter in northern Berlin on a site of approx. 17,500 m². VolkerWessels has started the construction of the O-Quartier in Solingen.

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For more information:

Ingrid Prins, Investor Relations /Media Relations
T +31 6 515 92 484 **E** iprins@volkerwessels.com / IR@volkerwessels.com
For more information: www.volkerwessels.com

Analyst meeting

VolkerWessels will comment on the announcements during an analyst meeting with moderated call on 14 February 2020 at 10.30 CET. You can download the presentation on: www.volkerwessels.com => Investor Relations => Financial Information. You can follow the meeting by dialling: 0031-20-531 5849 (international numbers available via this link). *Please dial in five minutes prior to commencement.*

Due to the implementation of IFRS 16, VolkerWessels will focus on EBT rather than EBITDA as a proxy for its financial performance going forward.

As from 2020 VolkerWessels will stop providing updates for Q1 and 9M results.

Financial calendar

Event	Date
Extraordinary General Meeting	17 February 2020
Annual report 2019 available	21 February 2020
Annual General Meeting of shareholders	16 April 2020

Annual report 2019

The financial summary in the appendix is drawn from the unaudited financial statements of Royal VolkerWessels for 2019 (the 'financial statements'). An unqualified auditor's opinion will be issued on these financial statements on 20 February 2020. The financial statements must be read in conjunction with the financial statements from which they are derived, and also in conjunction with the unqualified auditor's opinion. The financial statements will be available on the company's website (www.volkerwessels.com) in digital format by 21 February 2020.

Accounting principles and scope of results

Unless otherwise indicated, financial information contained in this press release has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and related interpretations of the International Accounting Standards Board.

Certain figures in this press release, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The financial information in this press release has not been audited

Important information:

This document is intended to provide financial and general information about Royal VolkerWessels and its group companies in respect of its most recent financial results and, as such, is solely informative. This document must be read in connection with the relevant financial documents it refers to and such financial documents take primacy in case of any inconsistency with the information as provided herein. This document contains forward-looking statements which are based on the current expectations, estimates and projections of Royal VolkerWessels' management and information available at the date of publication of this document. These forward-looking-statements are subject to uncertainties and cannot be relied upon. VolkerWessels does not assume any obligation to update or revise forward-looking-statements after the date of publication of this document.

This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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APPENDIX

Consolidated income statement

(€ million)	2019	2019	2018	2018
Continuing operations				
Revenue		**6,642**		**5,924**
Operating expenses *		**-6,490**		**-5,796**
Result from sale of participating interests (after income tax)		**26**		**33**
Operating result		**178**		**161**
Financial income	20		22	
Financial expenses	-24		-19	
Net financial result		**-4**		**3**
Result before tax		**174**		**164**
Income tax		-29		-30
Result from continuing operations		**145**		**134**
Result from discontinued operations (after income tax)		-2		-2
Net result for the financial year		**143**		**132**
Attributable to:				
Shareholders of the Company		141		131
Minority interests		2		1
Net result for the financial year		**143**		**132**

The comparative information is not restated for IFRS 16.

* Including share incentive charge of € 4 million (FY 2018: € 6 million).

The financial information in this press release has not been audited

Consolidated statement of financial position

(€ million)	31/12/2019		31/12/2018	
Property, plant and equipment		**515**		**482**
Right-of-use assets		**257**		**-**
Intangible assets		**481**		**484**
Investments in associates and joint ventures	173		153	
Non-current receivables	115		107	
Other non-current assets	6		6	
Deferred tax assets	24		31	
Other non-current assets		**318**		**297**
Total non-current assets		**1,571**		**1,263**
Land	174		184	
Property held for sale	23		42	
Inventories	111		157	
Contract assets	551		579	
Trade and other receivables	970		986	
Income tax receivable	6		6	
Cash and cash equivalents	624		467	
Total current assets		**2,459**		**2,421**
Total assets		**4,030**		**3,684**

The comparative information is not restated for IFRS 16.

The financial information in this press release has not been audited

Consolidated statement of financial position

(€ million)	31/12/2019		31/12/2018	
Equity				
Equity attributable to shareholders of the Company	1,252		1,182	
Minority interests	12		14	
Total group equity		**1,264**		**1,196**
Loans and other financing obligations	16		43	
Lease liabilities	177		-	
Derivatives	4		2	
Employee benefits	43		40	
Provisions for associates and joint ventures	23		16	
Other provisions	116		138	
Deferred tax liabilities	30		31	
Total non-current liabilities		**409**		**270**
Loans and other financing obligations	42		56	
Lease liabilities	74		-	
Contract liabilities	532		489	
Trade and other payables	1,559		1,532	
Employee benefits	12		19	
Provisions for associates and joint ventures	2		3	
Other provisions	125		98	
Income tax payable	11		21	
Total current liabilities		**2,357**		**2,218**
Total equity and liabilities		**4,030**		**3,684**

The comparative information is not restated for IFRS 16.

The financial information in this press release has not been audited

Consolidated cash flow statement

(€ million)	2019	2018
Liquidity position at beginning of the period	445	484
Net cash flow continuing operating activities	489	242
Net cash flow from discontinued operating activities	-4	-5
Net cash flow from operating activities (total)	485	237
Net cash flow from continuing investment activities	-149	-117
Net cash flow from discontinued investment activities	2	-
Net cash flow from investing activities (total)	-147	-117
Net cash flow from continuing financing activities	-189	-159
Net cash flow from discontinued financing activities	-	-
Net cash flow from financing activities (total)	-189	-159
Decrease in liquidity position	149	-39
Effects of exchange rate differences on cash, cash equivalents and bank overdrafts	8	-
Liquidity position at the end of the period	602	445

Consolidated statement of changes in equity

(€ million)	Equity shareholders	Minority interests	Total equity
Balance as at 31 December 2018	**1,182**	**14**	**1,196**
Impact of change in accounting policy (IFRS 16)	-	-	-
Balance as at 1 January 2019 (after adjustment)	**1,182**	**14**	**1,196**
Result for the financial year	141	2	143
Other comprehensive income for the financial year	15	-	15
Total comprehensive income for the financial year	**156**	**2**	**158**
Dividends	-84	-3	-87
Share based payments by the majority shareholder *	-	-	-
Other movements	-2	-1	-3
Balance as at 31 December 2019	**1,252**	**12**	**1,264**

** Share based payments by the majority shareholder include the share incentive charge for 2019 (€ 4m) and the settlement of wage taxes (- € 4m).*
The comparative information is not restated for IFRS 16.

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VolkerWessels undertakes approximately 25,000 projects for more than 7,000 clients per year across its operating segments. The pictures above provide an overview of the diversity of the projects.

About VolkerWessels

VolkerWessels is a leading integrated and diversified listed construction group with a “think global, act local” mind-set. VolkerWessels’ operating model combines a local sales and client focus with a control and support structure at divisional level that optimises scale and expertise across its operating companies.

VolkerWessels operates primarily in the Netherlands, the United Kingdom, North America and Germany. Operationally, its business is organised in six segments. In the countries in which VolkerWessels operates it has over 120 local operating companies, which have national and regional offices and management.

VolkerWessels-corporate office
Podium 9 3826 PA Amersfoort The Netherlands
www.volkerwessels.com
+31 88 186 6186

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