

## Press release

Date 12 February 2021

Page 1 of 17

### Heijmans: strong financial results in 2020

#### Highlights:

- Revenue and underlying EBITDA increase by 9%;
- Net result 2020 higher at € 40 million;
- Order book at € 1.9 billion;
- Balance sheet shows continued improvement: higher solvency ratio (28.8%), robust cash position;
- Dividend proposal € 0.73 per share (pay-out ratio 40%);
- Outlook 2021: slightly lower revenue, profit at least at same level.

(x € 1 million)	H2 2020	H2 2019	2020	2019
Revenues	907	870	1.746	1.600
Underlying EBITDA *	44	42	85	78
Result after tax	25	15	40	30
Earnings per share (in €)	1,14	0,69	1,85	1,40
Order book	1.946	2.124	1.946	2.124
Net debt (cash)	-37	30	-37	30
Solvency	29%	25%	29%	25%
Number of FTE	4.707	4.595	4.707	4.595

\* Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write down on property assets, restructuring costs, book result on sale of subsidiaries and contribution of assets in new entities, and costs of soil remediation of sold business parks.

#### Ton Hillen, CEO Heijmans:

“The year 2020 was overshadowed by the pandemic, but our people showed resilience. Thanks to adapted health and safety regulations, we were able to continue work on projects. This enabled us to improve our results despite Covid-19 and the persistent nitrogen problem. Heijmans did not make use of any government support measures in 2020, such as the NOW scheme or the possibility of deferring tax payments. I am proud of an excellent performance by our employees in a dynamic and challenging year.

All sectors contributed to our revenue growth. I am particularly pleased with the performance of Infra, where we saw the course we set in recent years result in a sharp improvement in results and a more balanced order book. Based on the current order book, Heijmans is also in a good position for 2021. We see challenges in the market and the economy, but thanks to our proven resilience and agility we are optimistic.

Date 12 February 2021  
Page 2 of 17

My colleague Hans Janssen, CFO and member of the Executive Board, recently announced that he will be leaving Heijmans by the end of April. Both the Supervisory Board and I regret his departure but respect his choice. We are grateful to Hans for the pleasant working relationship and his contribution to the development and strengthening of Heijmans over the past three and a half years. We have already started the process of appointing a new CFO.

Our strategic agenda is determined by themes such as sustainability and circularity, energy, nature-inclusive building, climate-adaptive solutions and Smart Cities. For instance, we are working to make our equipment fleet more sustainable, and our targets are ambitious. Standardisation and digitalisation will also lead to greater efficiency, more scope for learning and even higher safety levels. We are increasingly involved in the planning phase of projects, providing advice on area development with an eye for nature, people and health. This gives an opportunity to have even more impact with our mission, as creators of a healthy living environment.”

### **Safety**

We focus on safety every single day. Despite our focus, there were more accidents in 2020 than in the previous year, while our target was a clear reduction. The IF rate rose to 3.7 from 3.3. Our ambition remains 0 accidents and safety remains our first priority. Our employees know our agreement: 'We work safely or we don't work', and the Safety Ladder is now embedded in the entire organisation. The Safety Ladder is an externally recognised validation and one of the methods clients use to assess a company's progress on the safety front. This national assessment method aims to reduce the number of accidents. The Safety Ladder focuses on attitude and behaviour and makes awareness of safe working measurable, transparent and comparable. All business units are at level 3 and a large part of Infra is already at level 4.

This means that safety is embedded throughout every layer of the organisation. We make improvements systematically and evaluate these improvements. We do not view safety as a cost item, focusing instead on what contribution we can make to safe working practices. One example of this is the implementation of a Virtual Reality training course in which we raise people's safety awareness using a virtual construction site. This innovation by Heijmans is the latest tool we are using to achieve our primary goal (0 accidents). Our GO! Compass ('No Accidents') helps to clarify safety parameters and the part they can play in our discussions with employees.

### **Developments per segment**

#### **Property Development**

The property development and residential building activities benefitted from the continued strong demand for homes. The number of homes sold increased by 6%. Revenue was up on the back of continuing price rises driven by persistent shortages.

<i>(x € 1 million)</i>	H2 2020	H2 2019	2020	2019
Revenues	258	254	482	459
Underlying EBITDA	16	15	30	26
<i>Underlying EBITDA margin</i>	6,2%	5,9%	6,2%	5,7%
Order book	540	454	540	454

The national ambition to realise 75,000 new homes per year was once again not achieved in 2020 and the housing shortage continued to increase. There is also concern about the affordability of housing for first-time buyers. Due to the lack of sufficient new development locations, the complexity of building within cities and the increased regulatory pressure, we are faced with a continued imbalance between supply and demand for the time being. Finding a structural solution to increasing housing shortages will require greater national guidance. We welcome the government's plans to reinstate a Minister of Housing, Spatial Planning and Environment.

At Property Development, revenue increased to € 482 million in 2020 from €459 million the previous year. The number of homes sold rose to 2,265 (2019: 2,128). Of the total number of homes sold, 1,023 were the result of transactions with corporations and investors (2019: 895). At 1,242, sales to private individuals were at approximately the same level as last year (2019: 1,233). Driven by higher volume, the underlying EBITDA margin rose to 6.2% from 5.7%.

The new order intake (projects where the start of construction has been approved) and the rest of our pipeline offer us a positive perspective for the coming years. Large-scale developments on our own land holdings in Zutphen, Uden and Amersfoort, among others, in combination with large development rights in Rotterdam-Zuid, Feyenoord City, Nieuw Kralingen in Rotterdam, The Hague Zuidwest, Leidsche Rijn and Almere, show that our outlook for the coming years remains good. Although the Covid-19 crisis has had a major macro-economic impact, the overall outlook for the housing market remains positive with persistently low interest rates and the housing shortage, which we expect to continue to grow in the coming years. It is important in this context that consumer confidence and mortgage lending remain at the required levels and that home sales continue to rise as a result.

In December 2020, the Purmerend municipality selected Heijmans as its partner in the role of area developer for the development of the station area in the city centre. The aim is to make the area an extension of the city centre over the next 10 years. The Hague-based housing corporation Staedion has chosen Heijmans as its partner to transform and renew the Dreven, Gaarden and Zichten neighbourhoods, together with the municipality of The Hague. A substantial increase in the supply of housing - from 2,000 to approximately 5,500 homes - is set to go hand in hand with the strengthening of the quality of life, the local economy, social cohesion, health and the design of the mobility and energy transition. The total area development involves an investment of approximately €1.5 billion.

The Heijmans Maanwijk development in Leusden received the NL Area Label A from NL Greenlabel in 2020. NL Greenlabel are specialists in making the sustainability of the living environment measurable. Label A is the highest level that can be awarded and provides insight into the

sustainability score of products and materials, plants or areas. The Maanwijk project has enabled Heijmans to demonstrate that the combination of space, technology and nature can help create a neighbourhood that is more social, smarter and healthier. Maanwijk also helps to address current housing needs and social challenges.

We received awards and recognition for several projects last year. The Fenix warehouse in Rotterdam stand out in particular, given the quite exceptional shower of awards the project has won. Fenix I has now won 15 national and international awards, including BNA Best Building of the Year 2020, the National Steel Award, the 2021 German Design Award and the Residential ULI Europe Awards for Excellence 2020. We are proud of the role this building plays in the neighbourhood. The transformation of Katendrecht, to which Heijmans made a significant contribution, is a successful example of area development and the creation of a healthy living environment.

### Building & Technology

At Building & Technology, the picture was mixed. Volume and performance were good across the board, especially at Residential Building and Services. On the Non-residential front, we delivered several large projects, including the Zuidplein Theatre and Library (Kunstenpand) and the International Conference Centre (near Ahoy') as part of the area development and metamorphosis of Hart van Zuid Rotterdam. We also completed the renovation of Huize Westerlicht, a national monument in Alkmaar. Other (sub)deliveries included the Rijkskantoor government offices on Laan op Zuid (Rotterdam) and the Duineveld project in Noordwijk aan Zee.

<i>(x € 1 million)</i>	H2 2020	H2 2019	2020	2019
Revenues	450	427	920	817
Underlying EBITDA	11	15	25	30
<i>Underlying EBITDA margin</i>	2,4%	3,5%	2,7%	3,7%
Order book	1.101	1.268	1.101	1.268

However, the result of Non-residential projects was depressed by delays and additional costs in the New Amsterdam Court House (NACH) project in Amsterdam. This project was hampered by the Covid-19 outbreak, which manifested itself in the form of increased absenteeism and delayed deliveries due to temporary lockdowns in neighbouring countries. As a result, critical materials and resources were not always available on time, which had a major impact on the logistical processes and led to delays in execution. We will complete this project in the first quarter of this year. The lower result on this project was offset by a good performances on our other non-residential projects.

The order book at Building & Technology was down at the end-December 2020 compared with year-end 2019. We were definitively awarded several new large contracts in early January 2021, such as the large projects for TU/Eindhoven (€60 million, 735 student houses) and Leiden University (€71 million, building on the Science Campus). In a shrinking non-residential market (offices and shops), it is important for us to exercise a certain restraint when it comes to new tenders and to make the right choices when acquiring new projects.

We continued to develop and expand our portfolio of data-driven services over the past year. Under the umbrella name Beyond Eyes, we and our partner CSU are offering a set of linked data-driven services, creating more synergy and added value for employees, facility management, senior executives and building owners. In addition to BE Equipped, this portfolio includes BE Safe, BE Vital, BE Clean and BE Energized. These services enable building managers to make strategic, data-driven accommodation choices. The ability to reserve work stations and access to occupancy data proved to be particularly valuable in 2020, particularly in view of the Covid-19 outbreak. BE Safe helps to increase efficiency, but also improves health and safety. For instance, to facilitate a safe return to offices for the municipality of Venlo, we equipped the municipal offices with 510 sensors in the space of 10 days, and shortly after expanded this to two additional buildings with more than 800 workplaces.

### Infra

Infra had a particularly strong year due to solid volume combined with excellent project results. Revenue rose to € 662 million from € 619 million in 2019. The change of course on the project management and a more differentiated project portfolio paid off last year. Problematic projects from the past, such as the Gaasperdammertunnel on the A9 motorway and the Wilhelmina lock reached essential milestones in a controlled manner and the contract for the Zuidasdok was terminated in consultation with the Ministry of Public Works and Waterways (Rijkswaterstaat).

<i>(x € 1 million)</i>	H2 2020	H2 2019	2020	2019
Revenues	351	322	662	619
Underlying EBITDA	20	17	37	30
<i>Underlying EBITDA margin</i>	5,7%	5,3%	5,6%	4,8%
Order book	731	791	731	791

As of 31 December 2020, the BAM and Heijmans asphalt plants have been merged into the new company AsphaltNu. We are pooling our knowledge, expertise and investments in the field of asphalt production, with the aim of making the asphalt chain more sustainable and more efficient. AsphaltNu will not only work for Heijmans and BAM, but will also serve third parties in the market.

Due to the recent ruling by the Dutch Council of State regarding nitrogen emissions, we are aware that we could see delays in tenders in the infra sector. Heijmans last year called on the government to take measures to prevent a further decline in the market in the long term. The absence of tenders for larger projects, due to the uncertainty surrounding strict nitrogen emissions and PFAS regulations, remains a worrying development for the future in terms of retaining knowledge and skills in the sector. We have also noted that the granting of permits by local and regional authorities for the start of projects is taking more time. The dialogue between the market, interest groups and the government must therefore be maintained. Despite these challenges, our order book remained at an excellent level (the 2019 figures include the now discontinued €134-million Zuidasdok project).

With respect to the Wintrack II project, we expect the outcome of the arbitration to be known in the course of 2021. The problematic projects of the past have now given way to a well-distributed order book, with project results showing substantial improvements in terms of predictability. We achieved the highest volume on the A1 Azelo project, which is on schedule and which Heijmans expects to complete in the first half of 2021. In recent years, we have exercised greater caution in recognising opportunities and risks in projects and increased our focus on core competencies. The underlying EBITDA margin continued to increase to 5.6% in 2020 from 4.8% in 2019, bringing it into line with our long-term ambition level sooner than expected.

### **Covid-19**

The year 2020 was overshadowed by the pandemic. Heijmans also felt the impact of this crisis. In Brabant, Covid-19 had a major impact in the first few months of the outbreak. We had colleagues who fell ill and colleagues who lost loved ones, and one colleague who died. This made a deep impression on the entire organisation. But our people showed resilience. Thanks to the adjusted health and safety regulations, we were able to continue our work on projects.

A few large non-residential projects were hampered by poorer availability of (mainly foreign) supplies and staff. We also saw higher absenteeism at certain times, which was particularly problematic for projects that were at a critical phase. On the other hand, there were also a number of positive factors. For example, in the case of an office renovation project, the building site was more manageable due to the fact that the client's employees were working from home in large numbers.

### **Strategy: healthy living environment**

Heijmans is working on the creation of a healthy living environment. Our ambition is to leave every location where we work better than how we found it. What this means is that all the activities in every project and department must ultimately contribute to this. Our three pillars of better, smarter and more sustainable provide internal direction for the achievement of our goals. The strength of our organisation lies in the professionalism of all our colleagues.

Our mission ties in with a broader movement that has been visible in society for some time. The Dutch government also wants health to be explicitly included in the development of spatial policy, and in 2020 it issued the National Health Policy Memorandum 2020-2024. Municipalities must put the end user first and encourage a healthy lifestyle. They have to make social interaction in public spaces easier (in a post-Covid-19 society) and continue to improve safety. Our Smart City agenda is a seamless fit with this ambition.

### **Heijmans Energy**

Heijmans set up Heijmans Energy to forge a link between external demand and internal supply in the field of energy. From design and implementation to maintenance and operation. The energy team connects all Heijmans' business flows and focuses primarily on heating, cooling and electricity in area developments and existing buildings. We have a roadmap that describes how we are working towards our target of offering energy-neutral solutions to our clients by 2023. Heijmans Energy is already working for a number of clients. In Zutphen, we have started two projects in the Noorderhaven area development. At Kade Zuid, collective soil energy and individual heat pumps

will provide sustainable heating and cooling for the apartment building. The Veld 21 project will start in 2021. In this project, 77 houses will be equipped with an individual soil energy system and a heat pump. We have also signed letters of intent for several projects that are set to start in 2021.

### **Heijmans Hive**

Heijmans has set up the 'Hive' in Rosmalen to pool knowledge and accelerate innovations. This a Heijmans building that serves as a physical hub, where we bring together experts from across the organisation. They share knowledge about digitalisation, data, sensor and manufacturing technology, and they work together on organisation-wide issues with the aim of accelerating innovations. They develop new ideas into concrete propositions and concepts and then apply these in practice. This enables us to create Smart City solutions that are needed to create healthy living environments. With these efforts on the internal organisation and processes front, we are investing in the future. The combination of technology and construction creates new opportunities for Heijmans. With the foundations in order, we will reap the benefits of this in the years ahead. We want to lead the way, with an eye for the future and value for society.

### **Financial results**

#### **Revenue and underlying EBITDA**

Heijmans recorded an overall revenue increase of over 9% to € 1,746 million in 2020 (2019: € 1,600 million). This increase was visible in all sectors. Particularly Infra had a solid performance. Underlying EBITDA also improved by 9% to € 85 million in 2020 (2019: € 78 million). At our Property Development and Residential Building operations, this was primarily due to increased volume. Infra also had an excellent year in terms of both volume and margin development. In recent years, we have increasingly managed to make sure we are in control of projects. The impact of Covid-19 on our costs was largely manageable.

<i>(x € 1 million)</i>	H2 2020	H2 2019	2020	2019
<b>Revenues</b>	<b>907</b>	<b>870</b>	<b>1.746</b>	<b>1.600</b>
Property development	16	15	30	26
Building & Technology	11	15	25	30
Infra	20	17	37	30
Corporate/other	-3	-5	-7	-8
<b>Underlying EBITDA</b>	<b>44</b>	<b>42</b>	<b>85</b>	<b>78</b>
Adjustment operating result joint ventures	5	-5	10	-8
Write down on property assets	-2	-5	-2	-5
Restructuring costs	-3	-2	-4	-3
Soil remediation	0	-1	0	-1
Book result divestments	1	1	1	1
<b>EBITDA</b>	<b>45</b>	<b>30</b>	<b>90</b>	<b>62</b>
Depreciation/amortisation	-17	-17	-34	-33
<b>Operating result</b>	<b>28</b>	<b>13</b>	<b>56</b>	<b>29</b>
Financial results	-2	-2	-5	-4
Share of profit of associates and joint ventures	-8	6	-11	10
<b>Result before tax</b>	<b>18</b>	<b>17</b>	<b>40</b>	<b>35</b>
Income tax	7	-2	0	-5
<b>Result after tax</b>	<b>25</b>	<b>15</b>	<b>40</b>	<b>30</b>

### Non-operational items

The operating result was influenced to a limited extent by restructuring costs (€4 million), adjustments in the valuation of property investments and land holdings (on balance minus €2 million) and a one-off sales result (on balance €1 million) that was related to the sale of the company's equity interest in Heijmans Capital and the transfer of the asphalt activities to AsfaltNu, the joint venture with BAM. Heijmans Capital was a holding company that held shareholdings in four PPP projects. The sale price of this interest was more than €7 million and the sale proceeds were limited. The result from participations was minus €11 million. This was due to a number of loss-making joint ventures, including NACH.

### Financial income and expenses

The balance of financial income and expenses was minus € 5 million in 2020 (2019: minus € 4 million). Both interest expenses and interest income were at a similar level to last year and Heijmans made no use of the syndicated loan at all in 2020. As a result of the increased cash and

the negative Euribor applicable to it, the total balance of net interest expenses increased. Interest expenses consist of project financing, capitalised fees and costs for keeping credit available, negative interest rates on cash and the interest expense for lease obligations resulting from the application of IFRS 16 'Leases'. Interest income relates to loans granted and the capitalised interest on land holdings.

### **Taxes**

The tax rate for 2020 was virtually zero. As a result of higher profitability, Heijmans recognised a gain of €13 million in 2020 for the valuation of losses that had not been valued at the end of the previous financial year. The valuation of the available tax losses carry forward was calculated according to the rules applicable in 2020, as the new rules had not yet been formally ratified as at 31 December 2020.

### **Net profit, cash flow and dividend**

Net profit was significantly higher last year, due to the increase in EBITDA and the low effective tax rate. Cash flow also showed a strong positive development. In addition to Heijmans' solid profit performance, operational cash flow was driven by a strong working capital development, in which the rapid collection of receivables and the continued strong work in progress positions (pre-financing of projects) were particularly noteworthy. Net debt improved by € 67 million to a net cash position of € 37 million. Due to the strong operating cash flow, Heijmans made no use of the syndicated loan during the year under review.

Heijmans' solvency has increased in recent years, despite the introduction of IFRS 15, IFRS 16 and the buy-in of the pension fund, and stood at 28.8% at year-end 2020. Without these effects, solvency would have been around 36%. Heijmans also extended funding facilities. In the light of these improved balance sheet ratios, an explicit goal in the implementation of the restructuring in 2016/2017, Heijmans has decided to propose a dividend of € 0.73 per share for 2020. This corresponds to 40% of realised net profit and is therefore in line with the intended pay-out ratio of the dividend policy. Shareholders will be offered the choice between payment in the form of stock dividend or cash dividend.

### **Capital position, net debt and financing**

Equity increased by € 48 million in the year under review (2019: € 29 million). On top of the addition of the realised net profit of € 40 million to reserves, shareholders' equity increased as a result of adjustments to hedge valuations and due to actuarial results that are booked directly through shareholders' equity. In April, Heijmans also issued over €3 million in ordinary shares and placed these with the holders of the class B cumulative preference shares in line with the agreement to pay out the dividend coupon on these preference shares in the form of ordinary shares and then to use the resultant savings in cash for the redemption of the class B cumulative preference shares.

The net cash position of € 37 million as at year-end 2020 was largely driven by cash in hand. With the exception of the cumulative preference shares B and a few project financings, Heijmans had made no use of borrowings at year-end 2020. Leases, which have to be capitalised in accordance with IFRS 16 with effect from 1 January 2019, contributed € 81 million to the net debt.

Date 12 February 2021  
Page 10 of 17

The so-called recourse net cash position (see section 6.21 of the financial statements for notes), on which the agreements with financiers are also based, amounted to € 165 million at year-end 2020 (2019: € 127 million).

The syndicated loan of € 121 million was originally due to expire on 30 June 2022. In consultation with the syndicate of banks, this agreement has been extended by one year to 30 June 2023 on the same terms. This means Heijmans has further consolidated its financing relationships and will be less sensitive to possible fluctuations in the capital markets in light of the current economic conditions. This provides Heijmans with a greater time horizon for arranging more structural refinancing.

### **Order book**

The order book for the whole of Heijmans stood at € 1,946 million at year-end 2020 (year-end 2019: € 2,124 million). The order book remained stable in the fourth quarter. The order book did decline slightly in the course of the year, due to high production and the contract termination of the Zuidasdok project, which accounted for €134 million in the order book as per year end 2019. By focusing less on large, integrated projects, the structure of the order book has become somewhat more short-cyclical in recent years. As a result, the perspective in the order book for the years after 2021 has slightly diminished. In January 2021, we added several substantial new Building & Technology projects to the order book, including the construction of 735 student homes in Eindhoven, a large project on the campus of Leiden University (€ 71 million), approximately 500 standardised rental homes in Eindhoven (€ 60 million) and a complex with 95 apartments in Zutphen (€ 28 million).

### **Outlook**

Heijmans is in good shape for 2021. Although the ongoing nitrogen emissions problem and the Covid-19 crisis have created a little more uncertainty about clients' spending patterns, the outlook in our sectors remains good. While the demand for retail and office space is expected to decline in the coming years, the demand for housing and more sustainable solutions is only increasing. The outlook for the maintenance market is also good, specifically in infra, where at a national level we are facing major replacement work on tunnels and bridges, as well as work related to the energy transition or the water protection programme.

Based on entrepreneurship, innovation and agility, in combination with adherence to our selective recruitment policy, we are looking to the future with confidence. Heijmans believes its revenue for 2021 may be slightly lower - due to temporarily lower revenue from non-residential projects - while profitability is expected to remain at least at the same level (underlying EBITDA).

Date 12 February 2021  
Page 11 of 17

### **About Heijmans**

Everyone wants clean air, to live in a nice neighbourhood, to work in a good workplace and to be able to travel safely from A to B. By making things better, more sustainable and smarter, Heijmans is creating that healthy living environment. Jan Heijmans started as a road builder in 1923. Today, Heijmans is a stock exchange-listed company that combines activities in property development, building & technology and infrastructure. In addition to this, we work safely and we add value to the places where we are active. This is how we build the spatial contours of tomorrow together with our clients: [www.heijmans.nl/en/](http://www.heijmans.nl/en/)

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The Heijmans Executive Board will explain the published results for 2020 during a press conference and analyst meeting today 12 February 2021. The agenda and the registration for the Annual General Meeting of Shareholders to be held on 14 April of this year will be available on the Heijmans website from 3 March.

Heijmans expects to publish its 2020 annual report and financial statements (in Dutch) no later than 19 February 2021. This press release has also been published in Dutch. In the event of any discrepancies between the original Dutch press release and this English translation, the Dutch version will prevail. The financial statements in this press release have not been audited.

Date 12 February 2021  
Page 12 of 17

**Addenda to the Heijmans N.V. 2020 full year press release**

1. Consolidated statement of profit or loss
2. Consolidated statement of financial position
3. Consolidated statement of cash flows
4. Order book
5. Covenants

*The financial statements in this press release have not been audited.*

Date 12 February 2021  
Page 13 of 17

## 1. Consolidated statement of profit or loss

in € mln.

	2020	2019
Revenues	1.746	1.600
Cost of sales	-1.547	-1.425
<b>Gross profit</b>	<b>199</b>	<b>175</b>
Other operating income	3	4
Selling expenses	-40	-39
Administrative expenses	-105	-110
Other operating expenses	-1	-1
<b>Operating result</b>	<b>56</b>	<b>29</b>
Financial income	1	1
Financial expenses	-6	-5
Share of profit of joint ventures and associates	-11	10
<b>Result before tax</b>	<b>40</b>	<b>35</b>
Income tax	0	-5
<b>Result after tax</b>	<b>40</b>	<b>30</b>

Date 12 February 2021  
Page 14 of 17

## 2. Consolidated statement of financial position

in € mln.	31 December 2020	31 December 2019
<b>Non-current assets</b>		
Property, plant and equipment	45	42
Rights of use leased assets	82	85
Intangible assets	75	76
Share in joint ventures and associates	73	64
Loans to joint ventures	23	31
Deferred tax assets	35	32
	<b>333</b>	<b>330</b>
<b>Current assets</b>		
Strategic land portfolio	126	110
Other inventory	89	95
Construction work in progress	66	69
Trade and other receivables	142	185
Cash and cash equivalents	175	109
	<b>598</b>	<b>568</b>
<b>Total assets</b>	<b>931</b>	<b>898</b>
<b>Equity</b>	<b>226</b>	<b>178</b>
<b>Non-current liabilities</b>		
Cumulative financing preference shares	39	42
Interest-bearing loans	15	8
Non current lease liabilities	61	65
Provisions and non-interest bearing debts	42	40
	<b>157</b>	<b>155</b>
<b>Current liabilities</b>		
Cumulative financing preference shares	3	3
Current lease liabilities	20	21
Trade and other payables	327	359
Construction work in progress	170	154
Provisions	28	28
	<b>548</b>	<b>565</b>
<b>Total liabilities</b>	<b>931</b>	<b>898</b>
<b>Solvency rate based on guarantee capital<sup>1</sup></b>	<b>29%</b>	<b>25%</b>

1. Guarantee capital is defined as equity plus cumulative preference shares.

Date 12 February 2021  
Page 15 of 17

### 3. Consolidated statement of cash flows

indirect method  
in € mln.

	2020	2019
<b>Operating result</b>	<b>56</b>	<b>29</b>
Gain on sale of non-current assets and property investments	-1	-2
Depreciation and impairment of property, plant and equipment	9	9
Depreciation of leased assets	24	22
Amortisation of intangible assets	1	1
Adjustment of valuation of property and land bank excluding joint ventures	2	5
Changes in working capital and non-current provisions	40	-15
<i>Operating result after adjustments</i>	<u>131</u>	<u>49</u>
Interest paid	-4	-8
Interest received	1	1
Income tax paid	0	0
<b>Cash flow from operating activities</b>	<b>128</b>	<b>42</b>
Investment in property, plant and equipment	-16	-11
Proceeds from sale of property, plant and equipment	1	8
Net proceeds from investment in or sale of joint ventures and associates	-13	0
Capital contributions/repayments and dividend receipts from joint ventures and associates	-14	16
Loans granted to and repaid by joint ventures and associates	9	-9
<b>Cash flow from investment activities</b>	<b>-33</b>	<b>4</b>
Lease payments	-26	-21
Interest-bearing loans drawn down	0	1
Interest-bearing loans repaid	-3	-6
<b>Cash flow from financing activities</b>	<b>-29</b>	<b>-26</b>
<b>Net cash flow in the period</b>	<b>66</b>	<b>20</b>
Cash and cash equivalents at 1 January	109	89
<b>Cash and cash equivalents at 31 December</b>	<b>175</b>	<b>109</b>

Date 12 February 2021  
Page 16 of 17

#### 4. Order book

in € mln.	31 December 2020	30 June 2020	31 December 2019
Property development	540	492	454
Building & Technology	1.101	1.172	1.268
Infra	731	704	791
Eliminations	-426	-396	-389
<b>Total</b>	<b>1.946</b>	<b>1.972</b>	<b>2.124</b>

Date 12 February 2021  
Page 17 of 17

## 5. Financial Covenants

Amounts in € millions	2020 FY	2019 FY
<b>Reported Net debt</b>	<b>-37,2</b>	<b>30,4</b>
<i>Adjustments:</i>		
Corrections IFRS 16	-81,1	-86,6
Net debt Joint Ventures	33,6	51,3
Net debt non recourse project financings	-40,3	-79,6
Cumulative preference shares B	-41,8	-45,1
Other	1,9	2,7
<b>Net debt covenants (A)</b>	<b>-164,9</b>	<b>-126,9</b>
Reported EBITDA	89,8	62,0
Extraordinary items	5,3	8,4
EBITDA JV's	-9,8	7,9
<b>Underlying EBITDA</b>	<b>85,2</b>	<b>78,3</b>
<i>Adjustments:</i>		
Adjustments IFRS 15	-1,1	-0,6
Adjustments IFRS 16	-25,4	-23,9
Capitalised interest	1,6	1,7
EBITDA non recourse projects	-1,4	-1,4
Other	0,1	-1,6
<b>EBITDA covenants (B) - Interest Cover</b>	<b>59,1</b>	<b>52,5</b>
EBITDA from disposed subsidiaries	0,0	0,0
<b>EBITDA covenants (C) - Leverage Ratio</b>	<b>59,1</b>	<b>52,5</b>
<b>Net interest</b>	<b>4,9</b>	<b>4,7</b>
<i>Adjustments:</i>		
Capitalised interest	1,6	0,7
Net interest joint ventures	0,6	0,7
Adjustments IFRS 16	-2,5	-2,4
Net interest non recourse project financings	-2,3	-2,5
Interest cumulative preference shares B	-3,1	-3,3
Other	-0,3	-0,3
<b>Net interest covenants (D)</b>	<b>-1,1</b>	<b>-1,3</b>
<b>Average net debt covenants (E)</b>	<b>-120,9</b>	<b>-48,1</b>
Guaranteed capital reported	268,3	223,1
Adjustments IFRS 15	1,0	0,9
Adjustments IFRS 16	0,0	0,0
<b>Guarantee capital for solvency ratio (F)</b>	<b>269,3</b>	<b>224,0</b>
Reported balance sheet total	930,6	898,4
Adjustments IFRS 15	-29,9	-36,3
Adjustments IFRS 16	-81,1	-86,6
<b>Balance sheet total for solvency ratio (G)</b>	<b>819,6</b>	<b>775,5</b>
<b>Leverage ratio (A/C) &lt;3*</b>	<b>-2,8</b>	<b>-2,4</b>
<b>Interest cover ratio (B/D) &gt;4*</b>	<b>-51,8</b>	<b>-41,6</b>
<b>Average Leverage ratio (E/C) &lt;1*</b>	<b>-2,0</b>	<b>-0,9</b>
<b>Solvency ratio (F/G) &gt; 22,5%</b>	<b>32,9%</b>	<b>28,9%</b>

\* A negative outcome in combination with a positive rolling EBITDA is permitted