

## Press release

Date 29 July 2022

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### Heijmans well positioned in current market

#### Highlights:

- Underlying EBITDA all business areas within strategic bandwidth
- Net result € 30 million (vs. € 10 million H1 2021)
- Order book rises to € 2.2 billion
- Cash position continues to develop positively
- Acquisition of Dynniq Energy completed end-June
- Heijmans reiterates outlook for full-year 2022

#### Key figures

(x € 1 million)

	H1 2022	H1 2021	2021
Revenues	864	881	1.748
Underlying EBITDA*/**	67	35	106
Result after tax	30	10	50
Earnings per share (in €)	1,31	0,43	2,24
Order book	2.234	2.039	2.061
Net cash	101	44	91
Solvency	29%	27%	30%
Number of FTEs	4.843	4.639	4.705

\* Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write downs on property assets, restructuring costs, book result on sale of subsidiaries and any other non-operational results, if applicable, that are designated by the Group as special.

\*\* The underlying EBITDA per 30 June 2022 includes the reversal of Wintrack II provision amounting to € 19 million (€34 million Wintrack II provision formed in H1 2021)

#### Ton Hillen, Heijmans CEO:

“Heijmans delivered a solid performance in the first six months of this year. We are fundamentally in good shape, especially in the current market situation. All our business areas delivered healthy performances in the first half of 2022. As a result, our revenue and profit development remains in line with the outlook we issued for the full year. At a time when we are aware of the challenging macroeconomic conditions, this is a compliment to our organisation. We continue to focus on the ratio of risk appetite to earning capacity. We have a well-filled order book. We continue to focus on margin rather than volume, and with that in mind, we can also note that the order book remains at a satisfactory level in terms of

quantity. The fact that almost 30% of our turnover is recurring and not project-based increases predictability and helps us to reduce our risk profile.

Heijmans sets great store in being a good employer, being engaged and having a reputation as a social and human company. This is why, in times of sharply increased energy prices and inflation, our employees up to middle-management level received a one-off compensation payment in June. We also adjusted our work related travel allowance. We are careful with our people and want to offer an attractive working environment. It is important for our people that there is already clarity in the sector about the new collective labour agreement, which will take effect on 1 January 2023. The pressure on the labour market is clearly increasing, but in that context Heijmans is managing well and staff turnover is at a manageable level. We are seen as an attractive employer with attention for a healthy living environment and we are working with a great deal of conviction to be the most attractive employer in the construction and infrastructure sectors.”

### **Safety**

Looking back in terms of safety in the first six months of this year, we are not satisfied. Especially since we were shocked in early March by a fatal accident involving the employee of a subcontractor on an Infra project on the N3 road near Dordrecht. Our thoughts are still with the family. We were again confronted with the danger in our sector and the non-negotiable need to focus on safety.

Safety remains a priority: we work safely or we don't work at all. With additional efforts within our organisation, supported by our Quality & Safety department, we will put even more emphasis on this in the second half of 2022. The greatest challenge to achieving the goals we have set is to increase proactive safety awareness and safe behaviour.

### **Acquisition of Dynniq Energy**

In mid-May, Heijmans announced the acquisition of Dynniq Energy, subject to the suspensive condition that the ACM would grant approval based on a merger decision. Dynniq Energy is a specialist in the design, construction and improvement of high, medium and low-voltage power stations for network operators and household power connections. The approval was granted on 16 June and Heijmans completed the acquisition process on 23 June. This acquisition strengthens Heijmans' position as an integrated player in the market for the construction and maintenance of energy infrastructure. The acquisition has been consolidated in the H1 2022 balance sheet. See section of 6.5 of the selected notes for more detailed information.

Energy infrastructure is one of Heijmans Infra's strategic growth pillars. The Netherlands is facing a major energy transition and this is leading to accelerated demand for the reinforcement of electricity networks and the construction of heat networks. In addition to energy transport, we are seeing increased demand from inner-city areas for reinforcement, capacity in network expansion and the availability of energy. Heijmans is already active on a

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multidisciplinary basis in the field of electricity transport and distribution and the acquisition of Dynniq Energy puts us in an even stronger position in this sector.

### **Wintrack II**

As reported in previous press releases, we have lodged an appeal in the Wintrack II case and the provision of € 34 million taken in H1 2021 as a precautionary measure has now largely been released (€ 19 million). A provision of € 15 million remains. We provide additional information on this subject in section 6.4 of the selected notes.

### **Accelerated electrification of passenger cars**

As creators of a healthy living environment, Heijmans has expressed its ambition to be CO<sub>2</sub> neutral as of 2023. We will achieve this in four ways: our mobility, our equipment, our building sites and our offices. We are taking another step in the right direction with our own mobility. As of 1 January 2023, employees will only be able to choose a lease contract for an electric car. We will shorten current lease contracts for fossil fuel-driven cars. Our goal is to have an emission-free lease car fleet by the end of 2025.

### **Outlook**

We reiterate our previous outlook for 2022. We expect to be able to continue the performance seen in H1 for the rest of this year. We expect revenue to increase slightly. We expect to see growth in Property development and Building & Technology, but Infra revenue is set to decline due to the lower level of large infrastructure projects. In addition, we expect our underlying EBITDA to come in at a similar level to last year, without the € 19 million release from the Wintrack II provision.

The long-term outlook for our sector remains positive, given the significant investments required to resolve the housing shortage, offer protection against rising sea levels and changing climate conditions, and to shape the energy transition. For the housing market, accelerating production is only possible if a complex of factors can be turned around, such as the nitrogen issue, the addition of planning capacity, the acceleration of spatial planning and the retention of manpower in the construction industry.

In the short term, geopolitical and macro-economic conditions - including the availability of equipment and labour and rising raw material prices - are a challenge for the entire sector. To navigate this safely, we are on the ball, so to speak, and we are an agile organisation that can steer hands-on where necessary. Thanks to our well-distributed and well-filled order book, Heijmans is in a good position for 2022, even in a more volatile market. The extra effort and agility of our people gives us confidence in the future, on the way to Heijmans' 100th anniversary in the spring of 2023.

## Developments per segment

### Property development

Property development recorded continued growth in both revenue and margin. Results in the second half of the year will depend on the issuance of permits for several larger projects.

<i>x € 1 million</i>	H1 2022	H1 2021	2021
Revenues	294	288	548
Underlying EBITDA	21	19	36
<i>Underlying EBITDA margin</i>	7,1%	6,6%	6,6%
Order book	676	571	595

Heijmans sold 1,031 homes in H1 2022 (compared with 1,209 in H1 2021), with a sharp increase in the number of B2B sales (598 in 2022 compared with 339 in 2021), but a decline in B2C sales (433 in 2022 compared with 870 in 2021), as few projects went on sale in H1 of this year. In addition to its role as an integrated area developer in residential districts such as The Hague Southwest, the Overvecht neighbourhood in Utrecht and the Van Deysseel neighbourhood in Amsterdam, Heijmans also invests in land holdings for its own land bank to ensure that its portfolio remains at a healthy level in the future.

In Rotterdam, Heijmans achieved a new milestone in the Hart van Zuid project, with the expansion of the Zuidplein shopping centre and the completely renovated bus terminal. Also in Rotterdam, the Havenkwartier residential complex on the southern quay on Katendrecht is taking shape, with completion planned for in 2023. In Almere, in July Heijmans started the total area development of New Brooklyn, where almost 170 homes will be built in the period to Q2 2024. In June, the Spaarndammerhart project in Amsterdam won the Amsterdamse Nieuwbouwprijs 2022 (the public prize for new buildings in the city), after previously winning the Abe Bonnema Architecture Prize.

The Park Vijfsluizen new-build project in Vlaardinggen has entered the next phase. Heijmans is developing a sustainable, low-traffic residential area with approximately 400 sustainable and future-proof houses and apartments in a green setting at the site of the former Shell sports park. Heijmans has signed a partnership agreement with the Eindhoven housing corporation Woonbedrijf to build around 450 sustainable and affordable homes per year for the next 10 years, together with two consortium partners.

Given the need for new homes, decisiveness and direction from central government remain crucial. In that context, it is incomprehensible that the residential zoning on part of the Zuidplaspolder is considered to be reversed, and we will continue to discuss this with both

the municipal and the provincial authorities. For the time being, however, this has led to a downward revaluation of the land.

### Building & Technology

Following a decline in revenue last year, we noted a strong recovery at Building & Technology in the first half of this year, with a rise of more than 10% in revenue. Due to the continuing demand for homes, the figures for Residential Building remain at a good level, despite the pressure on the procurement market in terms of both availability and pricing. Heijmans Services also continues to perform at a good level.

<i>x € 1 million</i>	H1 2022	H1 2021	2021
Revenues	429	383	789
Underlying EBITDA	17	16	34
<i>Underlying EBITDA margin</i>	4,0%	4,2%	4,3%
Order book	1.267	1.181	1.224

The new-build plan of the Eindhoven-based housing corporation Woonbedrijf to build 735 student homes on the TU/e campus has entered the next phase. As the environmental permit has been granted, we can now move on to the next step: the start of the construction works in 2022. The planned completion date is the summer of 2024.

Other milestones included the reopening of Het Loo Palace to the public - following extensive renovation - and our activities as part of the maintenance house of chip machine manufacturer ASML. In Heerenveen, we worked towards the official handover of the IIBO timber frame manufacturing facility to Heijmans in early July, which completed the acquisition.

In Rotterdam, we renovated the former tax offices at Laan op Zuid 45 (surface area: 54,000 m<sup>2</sup> over 16 floors), which already complies with the new standard stipulating that all office buildings must have energy label C or better as of 1 January 2023. Currently, more than 40% of offices meet this standard, which means that there is still an enormous amount of work to be done to improve the sustainability of existing office stock.

Beyond Eyes, a joint initiative of Heijmans and cleaning company CSU, has now gained ISO 27001 certification, which proves that it complies with the strict global requirements for data protection. The data-driven system is used to measure occupancy and for sensor-based cleaning in office buildings to improve the working and living environment.

### Infra

After the exceptional year 2021, in line with expectations the Infra sector area delivered a performance in H1 2022 that was more in line with H1 2020.

<i>x € 1 million</i>	H1 2022	H1 2021	H1 2020	2021
Revenues	309	375	310	738
Underlying EBITDA (excluding Wintrack II)	15	37	17	75
<i>Underlying EBITDA margin</i>	4,9%	9,9%	5,5%	10,2%
Underlying EBITDA (including Wintrack II) *	34	3	17	41
Order book	830	750	704	712

\* The underlying EBITDA per June 30, 2022 includes the release of the Wintrack II provision amounting to € 19 million (€ 34 million Wintrack II provision formed during H1 2021)

Some H1 milestones include the solid progress delivered on the Piet Hein tunnel in Amsterdam (planned completion Q4 2022) and the performance contract awarded for the Oosterscheldekering Delta Works in Zeeland (maintenance for the next nine years). The Gorinchem-Waardenburg dyke reinforcement project is on schedule.

In close cooperation with Schiphol Airport, the Aalsmeer runway was renovated and provided with a new layer of asphalt with Heijmans' Flightflex® and the runway lighting was completely renewed, all in a period of just 13 weeks.

The Ministry of Public Works and Waterways has awarded Heijmans the definitive contract for the widening of the A1 motorway between Apeldoorn and Twello. Work on the road will start in Q4 2022 and the opening of the road is scheduled for Q2 2025. For Heijmans, this project has a value of around € 150 million.

In June, the government made it clear that priority will be given to improving and maintaining the existing infrastructure. The infrastructure minister wrote to the House of Representatives stating that there are not enough experts to carry out the mandatory nitrogen calculations and it will therefore be necessary for the authorities to choose which new infrastructure projects take priority and which will have to wait. Keeping the state of our roads and our infrastructure up to standard will require extra financial budgets. This means that work is increasingly shifting from new road construction to replacement and renovation.

## Financial results

### Revenue

Revenue came in at € 864 million in H1 2022, compared with € 881 million in the same period last year. As already anticipated at the start of the year, we saw a substantial decline at Infra, as the volume of large projects declined. This was due to a combination of a relatively high project volume in the first half of last year and a decline in market volume, as the construction of larger new infrastructure projects in particular was hampered by the progress in the nitrogen dossier. Building & Technology recorded an increase in revenue, which was driven by a higher level in this sector area's residential building activities. The

non-residential building and property development activities operated at a comparable to slightly higher level than last year.

<i>x € 1 million</i>	H1 2022	H1 2021	2021
<b>Revenues</b>	<b>864</b>	<b>881</b>	<b>1.748</b>
Property development	21	19	36
Building & Technology	17	16	34
Infra ( <i>excluding Wintrack II</i> )	15	37	75
Wintrack II	19	-34	-34
Corporate	-5	-3	-5
<b>Underlying EBITDA</b>	<b>67</b>	<b>35</b>	<b>106</b>
Correction EBITDA joint ventures	-3	-4	-11
Write down on property assets	-4	-1	-3
Restructuring costs	-1	-1	-3
<b>EBITDA</b>	<b>59</b>	<b>29</b>	<b>89</b>
Depreciation/amortisation	-19	-17	-34
<b>Operating result</b>	<b>40</b>	<b>12</b>	<b>55</b>
Financial results	-2	-3	-5
Share of profit of associates and joint ventures	1	3	5
<b>Result before tax</b>	<b>39</b>	<b>12</b>	<b>55</b>
Income tax	-9	-2	-5
<b>Result after tax</b>	<b>30</b>	<b>10</b>	<b>50</b>

### Underlying EBITDA

Underlying EBITDA increased to € 67 million in H1, compared with € 35 million in H1 2021. Building & Technology and Property development operated at a comparable to slightly higher level than last year. It should be noted that at Infra, Heijmans set aside a provision of € 34 million in H1 2021 for the Wintrack II project, while €19 million of this provision was released in H1 2022 following the ruling of the Arbitration Board in April. However, with a 4.9% EBITDA margin (excluding Wintrack II), Infra continues to perform at a healthy level, within the targeted bandwidth of 4-6%. Property development and Building & Technology also operated within their target bandwidths in H1 2022. Property development came in at 7.1% (bandwidth 6-8%) and Building & Technology ended at 4.0% (range 4-6%).

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### **Net result**

Heijmans' net result rose to € 30 million in H1 2022, from € 10 million in H1 2021. This difference was also largely due to the impact of the Wintrack II provision. Extraordinary expenses were € 2 million higher than last year due to the write-down of a land holding in the GOM Zuidplaspolder area development (€ 4.0 million). The effective tax rate was 23%, which was higher than in previous years. For a more detailed explanation of Heijmans' tax position, see section 6.6 of the selected notes.

### **Order book**

On balance, Heijmans' order book increased by € 173 million in H1, with increases in all sectors. The total order book continued to increase in 2022 to stand at the healthy level of €2.2 billion at the end of H1. The recent acquisition of Dynniq Energy added € 15 million to the order book.

### **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 Infra. 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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**Addenda to the Heijmans N.V. first half 2022 press release**

1. Condensed consolidated statement of profit or loss
- 2a. Consolidated statement of comprehensive income
- 2b. Consolidated statement of changes in equity
3. Condensed consolidated statement of financial position
4. Condensed consolidated statement of cash flows
5. Information per business segment
6. Financial covenants
7. Selected notes
8. Statement from the Executive

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

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### 1. Condensed consolidated statement of profit or loss

x € 1 million

	YTD June 2022	YTD June 2021	FY 2021
Revenues	864	881	1,748
Gross profit	109	122	248
<b>Operating result</b>	<b>40</b>	<b>12</b>	<b>55</b>
Financial result	-2	-3	-5
Share of profit of joint ventures and associates	1	3	5
<b>Result before tax</b>	<b>39</b>	<b>12</b>	<b>55</b>
Income tax	-9	-2	-5
<b>Result after tax</b>	<b>30</b>	<b>10</b>	<b>50</b>
<i>Earnings per share (in €):</i>			
Basic earnings per share	1,31	0,43	2,24
Diluted earnings per share	1,31	0,43	2,24

The result after tax is entirely attributable to shareholders.

The operating result for the first half of 2022 includes the gain of €19 million related to the partial release of the Wintrack II provision set aside in 2021 (expense of €34 million in H1 2021) (see section 6.4 of the selected notes).

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## 2a. Consolidated statement of comprehensive income

x € 1 million

	YTD June 2022	YTD June 2021	FY 2021
<b>Result after tax</b>	<b>30</b>	<b>10</b>	<b>50</b>
<i>Other comprehensive income that is never reclassified to the statement of profit or loss</i>			
Changes in actuarial results on defined benefit plans	1	-4	-5
Tax-effect of other comprehensive income that is never reclassified to the statement of profit or loss	0	1	1
<b>Other comprehensive income after tax</b>	<b>1</b>	<b>-3</b>	<b>-4</b>
<b>Total comprehensive income</b>	<b>31</b>	<b>7</b>	<b>46</b>

The total comprehensive income is entirely attributable to the shareholders.

## 2 b. Consolidated statement of changes in equity

2022	Paid up and called-up share	Share premium reserve	Reserve for actuarial results	Retained earnings	Result for the year after tax	Total equity
<b>Balance at 31 December 2021</b>	7	257	-60	14	50	268
Result after tax					30	30
Other comprehensive income			1			1
<b>Comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>30</b>	<b>31</b>
Dividend payment		0		-20		-20
Issuance of shares	0	10				10
<i>Result appropriation 2021</i>						
Transferred to the retained earnings				50	-50	0
<b>Balance at 30 June 2022</b>	<b>7</b>	<b>267</b>	<b>-59</b>	<b>44</b>	<b>30</b>	<b>289</b>
<b>2020</b>						
<b>Balance at 31 December 2020</b>	6	246	-56	-10	40	226
Result after tax					10	10
Other comprehensive income			-3			-3
<b>Comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>0</b>	<b>10</b>	<b>7</b>
Dividend distribution				-16		-16
Issuance of shares	1	11				12
<i>Result appropriation 2020</i>						
Transferred to the retained earnings				40	-40	0
<b>Balance at 30 June 2021</b>	<b>7</b>	<b>257</b>	<b>-59</b>	<b>14</b>	<b>10</b>	<b>229</b>

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### 3. Condensed consolidated statement of financial position

x € 1 million

ASSETS	30 June 2022	31 December 2021	30 June 2021
<b>Non-current assets</b>			
Property, plant and equipment	61	59	46
Right-of-use assets	69	74	75
Intangible assets	83	74	74
Joint ventures and associates	88	82	84
Other fixed assets	48	54	59
	<b>349</b>	<b>343</b>	<b>338</b>
<b>Current assets</b>			
Strategic land portfolio	106	108	111
Residential properties in preparation or under construction	40	62	75
Other inventory	13	15	11
Construction work in progress	109	74	86
Trade and other receivables	201	179	158
Cash and cash equivalents	185	210	165
	<b>654</b>	<b>648</b>	<b>606</b>
<b>Total assets</b>	<b>1.003</b>	<b>991</b>	<b>944</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>289</b>	<b>268</b>	<b>229</b>
<b>Non-current liabilities</b>			
Interest-bearing <sup>1</sup>	11	41	43
Lease liabilities	50	54	56
Non-interest-bearing <sup>2</sup>	75	89	87
	<b>136</b>	<b>184</b>	<b>186</b>
<b>Current liabilities</b>			
Interest-bearing loans and other current financing liabilities	3	2	3
Lease liabilities	20	20	19
Trade and other payables	313	308	294
Construction work in progress	219	185	192
Provisions	23	24	21
	<b>578</b>	<b>539</b>	<b>529</b>
<b>Total equity and liabilities</b>	<b>1.003</b>	<b>991</b>	<b>944</b>
Solvency rate based on guarantee capital <sup>3</sup>	<b>29%</b>	<b>30%</b>	<b>27%</b>

1. The interest-bearing liabilities include € 1 million in cumulative preference financing shares (€ 31 million as per 31 December 2021 and 30 June 2021).

2. The non-current non-interest-bearing liabilities as per 30 June 2022 is including the provision Wintrack II amounting to € 15 million (€ 34 miljoen per 31 december 2021 en 30 juni 2021) (Note 6.4)

3. Guarantee capital is defined as equity plus cumulative preference financing shares.

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#### 4. Condensed consolidated statement of cash flow

x € 1 million	YTD June 2022	YTD June 2021	FY 2021
Operating result	40	12	55
<i>Adjusted for:</i>			
Depreciation of property, plant and equipment	6	4	10
Depreciation of right-of-use assets	12	12	23
Amortisation of intangible assets	1	1	1
Adj. valuation of property investments and land portfolio's excl. JV's	0	1	2
Change in working capital	1	9	22
<b>Cash flow from operating activities before interest and tax</b>	<b>60</b>	39	113
Interest paid/received	-4	-2	-4
Tax expenses paid	-4	0	0
<b>Cash flow from operating activities</b>	<b>52</b>	37	109
<b>Cash flow from investment activities</b>	<b>-32</b>	-16	-32
<b>Cash flow from financing activities</b>	<b>-45</b>	-31	-42
<b>Net cash flow in the period</b>	<b>-25</b>	-10	35
Cash and cash equivalents at January 1	210	175	175
<b>Cash and cash equivalents at the end of the period</b>	<b>185</b>	165	210

## 5. Information by segment

### Condensed statement of profit or loss by segment

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Other/ eliminations	Total
<b>1st half 2022</b>					
Third parties	294	275	294	1	864
Intercompany	0	154	15	-169	0
<b>Total revenues</b>	<b>294</b>	<b>429</b>	<b>309</b>	<b>-168</b>	<b>864</b>
<b>Operating result</b>	<b>18</b>	<b>9</b>	<b>20</b>	<b>-7</b>	<b>40</b>
Net financing costs					-2
Result of joint ventures and associates					1
Result before tax					39
Tax result					-9
Result after tax					30
Operating results as percentage of revenues	6,1%	2,1%	6,5%		4,6%

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>1st half 2021</b>					
Third parties	288	228	365	0	881
Intercompany	0	155	10	-165	0
<b>Total revenues</b>	<b>288</b>	<b>383</b>	<b>375</b>	<b>-165</b>	<b>881</b>
<b>Operating result</b>	<b>16</b>	<b>11</b>	<b>-8</b>	<b>-7</b>	<b>12</b>
Net financing costs					-3
Result of joint ventures and associates					3
Result before tax					12
Tax result					-2
Result after tax					10
Operating result as percentage of revenues	5,6%	2,9%	-2,1%		1,4%

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#### Underlying EBITDA by segment

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>1st half 2022</b>					
<b>Underlying EBITDA</b>	<b>21</b>	<b>17</b>	<b>34</b>	<b>-5</b>	<b>67</b>
Adjustment operating result joint ventures	2	-1	-4	0	-3
Write-down land/real estate	-4	0	0	0	-4
Restructuring costs	0	0	-1	0	-1
<b>Total exceptional items</b>	<b>-2</b>	<b>-1</b>	<b>-5</b>	<b>0</b>	<b>-8</b>
Depreciation/amortisation	-1	-7	-9	-2	-19
<b>Operating result</b>	<b>18</b>	<b>9</b>	<b>20</b>	<b>-7</b>	<b>40</b>

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>1st half 2021</b>					
<b>Underlying EBITDA</b>	<b>19</b>	<b>16</b>	<b>3</b>	<b>-3</b>	<b>35</b>
Adjustment operating result joint ventures	-1		-2		-3
Write-down land/real estate	-1				-1
Restructuring costs		-1		-1	-2
<b>Total exceptional items</b>	<b>-2</b>	<b>-1</b>	<b>-2</b>	<b>-1</b>	<b>-6</b>
Depreciation and amortisation	-1	-4	-9	-3	-17
<b>Operating result</b>	<b>16</b>	<b>11</b>	<b>-8</b>	<b>-7</b>	<b>12</b>

Underlying EBITDA is the operating result before depreciation and amortisation, including EBITDA joint ventures, excluding write downs on property assets, restructuring costs, book result of subsidiaries and any other non-operational results, if applicable, that are designated by the Group as special.

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## Condensed statement of financial position by segment

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>30 June 2022</b>					
Assets	321	395	349	-90	975
Not allocated					28
<b>Total assets</b>	<b>321</b>	<b>362</b>	<b>349</b>	<b>-90</b>	<b>1.003</b>
Liabilities	198	346	274	-158	660
Not allocated					54
<b>Total liabilities</b>	<b>198</b>	<b>346</b>	<b>274</b>	<b>-158</b>	<b>714</b>
<b>Equity</b>					<b>289</b>
<b>Total equity and liabilities</b>					<b>1.003</b>

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
30 December 2021					
Assets	347	346	353	-88	958
Not allocated					33
<b>Total assets</b>	<b>347</b>	<b>349</b>	<b>353</b>	<b>-88</b>	<b>991</b>
Liabilities	231	299	294	-191	633
Not allocated					90
<b>Total liabilities</b>	<b>231</b>	<b>299</b>	<b>294</b>	<b>-191</b>	<b>723</b>
<b>Equity</b>					<b>268</b>
<b>Total equity and liabilities</b>					<b>991</b>

## **6. Selected notes**

### **6.1 Reporting entity**

Heijmans N.V. (the Company) has its registered office in the Netherlands. The Company's interim consolidated financial statements for the first six months of 2021 include the Company and its subsidiaries (collectively referred to as the Group) and the Group's interest in associates and joint arrangements.

### **6.2 Accounting principles**

#### **6.2.1 Statement of compliance**

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting as adopted by the European Union (IAS 34). The interim consolidated financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with Heijmans' consolidated financial statements for the full year 2021.

The Executive Board prepared the interim consolidated financial statements on 29 July 2022.

#### **6.2.2 Use of estimates and judgements**

The preparation of the interim report requires the management to form judgements and make estimates and assumptions that may have an impact on the reported value of assets and liabilities and of income and expenses. The management makes the estimates and the assumptions upon which these are based on the basis of experience and other factors that are considered reasonable. The outcome of the estimates forms the basis for the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual outcomes may differ from these estimates.

The critical judgements that the management has formed in the application of the Group's accounting principles for financial reporting, together with the significant sources of any estimate-related uncertainties, are the same as those applied in Heijmans' consolidated financial statements for 2021, in view of the fact that there were no special circumstances that required any change in same, with the exception of the Wintrack II claim (see section 6.4). For a more detailed explanation of the limited impact of the nitrogen issue and inflation risk see sections 6.12 and 6.13.

### **6.3 Main accounting principles for financial reporting**

The accounting principles applied in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the financial year 2021.

## 6.4 Wintrack II

The Wintrack II project is subject to increased estimation uncertainty. The contracts related to the construction of new high-voltage pylons for two routes: Eemshaven-Vierverlaten and Borssele-Rilland, to be carried out by the Heijmans Eurocoles B.V. consortium, and had a contract value of approximately € 250 million. In early September 2018, the client TenneT primarily dissolved the contracts and in the alternative terminated the contracts. The parties have filed considerable claims and counterclaims with regard to the contract sum.

On 3 May 2021, the Arbitration Board ruled that TenneT had lawfully dissolved the contracts out of court. On the basis of this ruling, Heijmans took a provision of € 34 million in H1 2021 for precautionary reasons.

The final ruling on 7 April 2022 brought the proceedings in the first instance to a close. As announced at the publication of Heijmans' interim results for 2021, Heijmans Eurocoles B.V. lodged an appeal against the ruling of 3 May 2021, in which the arbitrators ruled that TenneT had lawfully dissolved the Wintrack contracts out of court. The appeal was postponed at the time pending the final ruling.

The final ruling was based on the interlocutory ruling issued in May of last year, in the sense that the question of whether the contracts had been lawfully dissolved out of court was not raised again. In their ruling of 7 April 2022, the arbitrators determined - in brief - that TenneT must still pay Heijmans Eurocoles B.V. a portion of the unpaid work and that Heijmans Eurocoles B.V. was not required to repay any instalments. The arbitrators rejected the advance payment of compensation claimed by TenneT. The appeal proceedings are now continuing. The arbitrators' ruling to the effect that TenneT lawfully dissolved the contracts out of court will be raised again. The appeal could still take several years. The arbitrators have stipulated that the appeal must first be completed before any damages can be determined in a damages assessment procedure.

On the basis of the ruling of 7 April 2022, Heijmans released an amount of €19 million from the aforementioned provision and included this in the results for the first half of 2022, and a provision of € 15 million remains as at 30 June 2022. The portion of the unpaid work which TenneT paid to Heijmans Eurocoles B.V. as a result of the judgment of 7 April 2022 had a limited impact on the results for the first half of 2022. For the rest, Heijmans has not recognised the claims of Heijmans Eurocoles B.V. against TenneT. If the consortium is ultimately found to be in the wrong, and after completion of the pending damages assessment procedure, this could lead to a considerable outflow of resources (in addition to the € 15 million already set aside).

The consortium, supported by its (external) lawyers, has lodged an appeal against the ruling and remains confident of a favourable outcome.

## **6.5 Acquisition Dynniq Energy B.V.**

On 23 June, Heijmans acquired all the shares in Dynniq Energy B.V. This strengthens Heijmans' position as an integrated player in the market for the construction and maintenance of energy infrastructure. Dynniq Energy B.V. is a specialist in the design, construction and upgrading of high, medium and low-voltage power stations for grid operators and household energy connections. In 2021, Dynniq Energy B.V. recorded revenue of € 31 million with a limited net profit. The acquisition of Dynniq Energy B.V. resulted in an increase of approximately € 10 million in the item goodwill and intangible assets in the balance sheet as at 30 June 2022.

The revenue and results of Dynniq Energy B.V. from the time of acquisition on 23 June 2022 through 30 June 2022 were limited and have not been included in Heijmans' interim financial statements.

## **6.6 Tax rate**

The effective tax rate of 23% in H1 2022 was lower than the nominal tax rate of 25.8%, due to the recognition of previously unrecognised losses and the application of the participation exemption to the net positive (tax exempt) result of various participations.

Heijmans expects to recognise all losses yet to be recognised by the end of 2022. Due to the recognition of previously unrecognised losses, the effective tax rate for the full year 2022 will also be lower than the nominal tax rate of 25.8%.

## **6.7 Redemption of class B cumulative preference financing shares**

In 2022, Heijmans redeemed the class B cumulative financing preference shares, with an outstanding amount of € 31 million as at 31 December 2021, in phases. On 14 April, Heijmans redeemed €15 million based on the redemption agreements linked to the appropriation of profit in the previous financial year. Based on Heijmans' strong balance sheet ratios and for the purposes of a more efficient allocation of capital, Heijmans then proceeded on 28 April (with the announcement of the first quarter figures) with the voluntary, penalty-free redemption of the remaining share premium reserve amounting to € 15 million. The buy-back and cancellation of the class B financing cumulative preference shares required the approval of the General Meeting of Shareholders, which was granted on 12 July 2022. On 13 July 2022, the class B cumulative financing preference shares were fully redeemed via the payment of the nominal value and all remaining interest obligations were settled.

## **6.8 Paid out (stock) dividends**

The cash dividend on ordinary shares for 2021 paid in cash in May 2022 amounted to € 8.6 million. In May 2022, Heijmans issued 792,447 new shares and paid these out as stock dividend.

### 6.9 Share Matching Plan

In April 2019, Mr. Hillen used 30% of his short-term bonus granted for 2018 to purchase 7,500 depositary receipts for Heijmans shares. In line with the Share Matching Plan, the Group awarded one conditional share for each share purchased. These shares vested after three years. In April 2022, the Group repurchased 7,500 shares and awarded them to Mr. Hillen; these shares are subject to a mandatory lock-up period of two years.

In April 2022, Mr. Hillen and Mr. Van Boekel purchased 5,300 and 1,500 depositary receipts for Heijmans shares, for 23% and 25% respectively of their awarded 2021 short-term bonus. In line with the Share Matching Plan, the Group awarded one conditional share for each share purchased. These shares will become unconditional after three years.

### 6.10 Fair values

The table below lists the carrying amount and fair value of the Group's financial instruments

x € 1 million	30 June 2022	
	Book value	Fair value
<i>Loans and receivables</i>		
Loans granted to joint ventures	20	21
Trade and other receivables	201	201
Cash and cash equivalents	185	185
Cumulative financing preference shares	-1	-1
Syndicated bank financing	0	0
Project financing	-10	-10
Other non-current liabilities	-3	-3
Trade and other payables	-313	-313
<b>Total</b>	<b>79</b>	<b>80</b>

The Group has no financial assets or financial liabilities measured at fair value

### 6.11 Seasonal patterns

The usual seasonal patterns in the construction industry have an impact on the reported results, balance sheet and cash flows. Revenue and operating result are historically lower in the first half of a year than in the second half of a year. Working capital and net debt are historically higher in June than in December. In recent years, this effect has been more limited due to the fact clients pay relatively quickly and the Group has been able to invoice quickly, so that the level of work in progress is favourable (low).

### **6.12 Nitrogen issue (PAS)**

The impact of the nitrogen issue on the financial results was relatively limited at Property development and Building & Technology in the first half of 2022. These problems are leading to delays in tenders for major infrastructure projects. The delay in the execution of our projects remains limited for the time being.

### **6.13 Inflation risk**

The Group is facing increased uncertainty regarding inflation, driven by the demand-supply mismatch on the raw materials markets. The uncertainty regarding inflation is also creating greater uncertainty regarding the development of interest rates. The Executive Board monitors the impact of this on a continuous basis. The Group's prospects for the coming years are good, given, among other things, the orders in its portfolio, many of which include agreements on the indexation of price levels.

## **7. Statement from the Executive Board**

The Executive Board hereby states, taking into consideration what is stated in this report, that to the best of its knowledge the interim financial information related to the companies included in the consolidation, drawn up in accordance with IAS 34 'Interim Financial Reporting', as accepted within the European Union, gives a true and fair view of the assets, liabilities, financial position and the result for the first half of 2022 and that the interim report gives a true and fair summary of the most important events of the first half of the year and the impact of those events on the interim financial statements, a true and fair description of the main risks and uncertainties for the remaining periods of the year, as well as a true and fair view of the most important related party transactions.

's-Hertogenbosch, 29 July 2022

### **The members of the Executive Board**

Ton Hillen, Chairman

Gavin van Boekel