



Implenia

Annual Report 2022

CREATE AND BUILD THE FUTURE

IMPLENIA ANNUAL REPORT 2022

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THE YEAR IN BRIEF

FINANCIAL YEAR 2022 – IMPLENIA SIGNIFICANTLY INCREASES PROFIT IN A CHALLENGING MARKET ENVIRONMENT

- EBIT significantly increased to CHF 138.9 million (adjusted for currency effects CHF 144.1 million); free cash flow and equity ratio substantially higher
- All Divisions improved their underlying performance and contributed to the strong result
- Acquisition of large and complex projects confirms Implenias competences as well as its strengths in innovation, digitalisation and sustainability
- For 2023, Implenias aiming for EBIT of CHF ~120 million and a further increase in the equity ratio to >20 %
- Board of Directors will propose a dividend of CHF 0.40 per share to Annual General Meeting

The year in brief

Order book
in CHF m



7,221

(2021: 6,881)

Group revenue
in CHF m



3,563

(2021: 3,765)

EBIT
in CHF m



138.9

(2021: 114.8)

Employees (FTE)
as at 31.12.2022

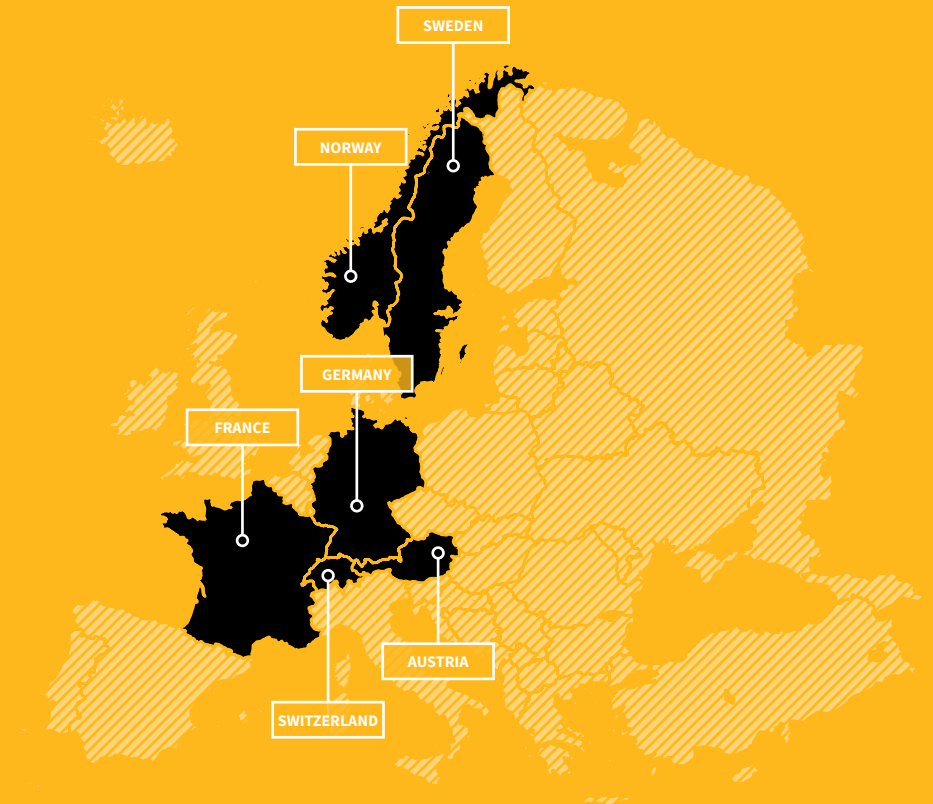


7,639

(2021: 7,653)

Geographical presence

Implenia's relevant markets





1 TO OUR SHAREHOLDERS

Letter from the Chairman of the Board of Directors — 006

Interview — 007

Share and financing — 010

DEAR SHAREHOLDERS

2022 was a successful year for Implenia: The annual result was significantly better than in 2021 – despite rising interest rates and inflation – proving that Implenia is on the right track. All Divisions improved their underlying performance and contributed to the strong result. The Group's equity grew again and its liquidity situation also improved significantly.

Thanks to a clear focus on large, complex real estate and infrastructure projects and the strict application of Value Assurance – Implenia's risk management system – the Group was able to acquire a large number of relevant orders with a significantly improved risk and margin profile in 2022. This clearly shows that clients trust Implenia. With its extensive expertise, many years of experience, its services and competencies, the company is in an excellent position for sustainable success.

The Group successfully completed its transformation last summer, marking an important milestone in the implementation of its strategy. Implenia continues to focus on integrated construction and real estate services in Switzerland and Germany and offers tunnelling and related infrastructure projects in other markets.

Implenia's position as an industry leader in sustainability was confirmed in 2022 by significant environmental, social and governance (ESG) rating agencies. Implenia shapes increasingly digitalised, industrialised and partnership-based development, planning and construction services – and it now uses BIM and Lean Construction methods on all major projects.

Implenia's portfolio of services is strategically oriented towards the demand driven by population growth, urbanisation, infrastructure investment and renewable energies. Despite economic uncertainty and a challenging market environment, there is still high demand for large-scale real estate projects in attractive urban locations, as well as for complex infrastructure projects. The Group will develop high-margin business areas through organic and inorganic growth. The focus is on sector-oriented specialisation and integration along the value chain.

Implenia wants its shareholders to participate in the company's success following the successful completion of its transformation, so it is cautiously resuming dividend payments. The Board of Directors will therefore ask the AGM of 28 March 2023 to approve a dividend of CHF 0.40 per share. The Board of Directors anticipates that Implenia will be able to continue distributing dividends in future.

Laurent Vulliet, Member of our Board of Directors, will not be standing for re-election at the AGM on 28 March 2023. He has been a Member of the Board of Directors and of its Nomination and Compensation Committee since 2016. On behalf of our shareholders, the Board of Directors and all Implenia employees, I would like to thank Laurent Vulliet for his great dedication and commitment to the company.

Raymond Cron (1959, Swiss, non-executive and independent) will be proposed to the AGM as a new Member of the Board of Directors. With his many years of experience in management at

real estate development and construction companies, he will bring comprehensive industry expertise and leadership skills to the Board. He has held various board and management mandates since 2015. Raymond Cron graduated in civil engineering from the ETH and completed a postgraduate degree in business administration at BWI ETH Zurich. I very much look forward to working with him.

The new provisions of the Swiss Code of Obligations relating to the revised Swiss Corporate Law came into force on 1 January 2023. Among other things, this will improve protection for minority shareholders and modernise the rules on holding AGMs. Based on the new provisions, the Board of Directors will ask Implenia's AGM to approve a revision of the Articles of Association to reflect the revised corporate law reform and take account of current best practices in corporate governance.

On behalf of the Board of Directors, I would like to thank all employees for their strong commitment during the year, and to thank you for your trust. I look forward to your continued support as a shareholder.



Hans Ulrich Meister
Chairman of the Board of Directors

IMPLENIA SIGNIFICANTLY INCREASES PROFIT IN A CHALLENGING MARKET ENVIRONMENT

Despite rising interest rates and inflation, Implenias significantly increased its EBIT in 2022 to CHF 138.9 million (adjusted for currency effects CHF 144.1 million), proving that the Group is on the right track. The transformation has been completed and Implenias has entered a new strategic phase with “Fit for Growth”. The Group will develop high-margin business areas through organic and inorganic growth. The focus is on sector-oriented specialisation and integration along the value chain. Implenias is excellently positioned for sustainable success.



André Wyss, CEO, and **Hans Ulrich Meister**,
Chairman of the Board of Directors

Interview

“Now we’re in the ‘Fit for Growth’ strategic phase, we are further strengthening our competitiveness through organic and inorganic growth in high-margin business areas, sector-oriented specialisation and integration along the value chain.”

André Wyss
CEO



Implenia completed its transformation earlier than planned in the first half of 2022. How was this possible?

Hans Ulrich Meister The consistent implementation and successful completion of the transformation is very gratifying from the point of view of the Board of Directors. This success would not have been possible without the extraordinary commitment of employees at all levels and the outstanding performance of the management. On behalf of the Board of Directors, I would like to thank everyone involved.

André Wyss We were able to implement the measures faster and with less funding than originally assumed. And these measures have had a rapid impact. I am very proud of what we have achieved. As “Team Implenia”, the Implenia Executive

Committee and all the company’s employees have achieved great things in addition to taking care of operating business. This has only been possible thanks to intensive cooperation at all levels. I would also like to thank all our employees for their effort.

In 2022, Implenia once again significantly increased its EBIT compared to the previous financial year. How would you rate this result?

André Wyss Implenia significantly increased its EBIT to CHF 138.9 million (2021: CHF 114.8 million) or CHF 144.1 million adjusted for foreign currency effects. All Divisions improved their underlying performance and contributed to the strong result. Division Real Estate saw the biggest improvement in EBIT at CHF 81.1 million (2021: CHF 42.1 million). This was mostly based on above-average earnings in the first half of the year from the sale of large real estate projects following several years of successful development work.

What effects does the significant improvement in EBIT have on equity and how did the cash situation develop in 2022?

André Wyss We clearly improved these two key benchmarks as well in 2022: equity increased by CHF 136.8 million to CHF 482.7 million (2021: CHF 345.9 million). Our equity ratio rose from 11.6 % in the previous year to 17.5 % as of 31 December 2022. Operating cash flow

turned clearly positive at CHF 128.1 million (2021: CHF –69.2 million), helping us to achieve a free cash flow of CHF 124.0 million (2021: CHF –17.5 million).

What developments were there on the Board of Directors in 2022?

Hans Ulrich Meister The Board of Directors, with all its professional and personal diversity, works excellently as a team and is very good at fulfilling its responsibilities as a supervisory body. Its close cooperation with the Implenia Executive Committee was an important prerequisite for the successful transformation. Judith Bischof was newly elected to the Board of Directors in 2022 and has already integrated very well. Her personality and her professional experience as general counsel for various listed companies provide an ideal complement to the existing skills and experience on the Board.

What does completion of the transformation mean for the Group’s future?

André Wyss We are excellently positioned for sustainable success. The “Fit for Growth” phase is being implemented in line with our four strategic priorities. We will develop high-margin business areas through organic and inorganic growth. Our focus is on sector-oriented specialisation and integration along the value chain.

Interview

We will continue to improve our profitability through systematic risk and performance management. And we are continuing to improve our Operational Excellence by means of digitalisation, BIM, Lean Construction and process optimisation, while also optimising our net working capital.

In terms of innovation, we are focusing on industrialisation, digitalisation and BIM, as well as sustainability. Implenia aims to be the industry leader in these areas. We are implementing our innovation strategy through our Innovation Hub, as well as by evaluating potential partners and acquisitions, and through research and innovation partnerships with universities and institutes.

Our fourth strategic priority, Talent and Organisation, is focused on attracting and developing the most talented people and retaining them within the organisation for the long term. By taking action in three areas – “Collaboration and Employee Engagement”, “Talent Management” and “Recruitment Excellence”, Implenia is working to position itself as a preferred employer.

All of Implenia’s Divisions won, executed and completed large and attractive projects last year. How do you see the market developing in 2023?

Hans Ulrich Meister Implenia’s portfolio of services is strategically oriented towards the demand that is being driven by population growth, urbanisation, infrastructure investment and renewable energy. Despite economic uncertainty and a challenging market environment, there is still high demand for large-scale real estate projects in attractive urban locations, as well as for complex infrastructure projects.

André Wyss This demand is reflected in our continuing healthy order intake. With its extensive expertise and many years of experience, Implenia is extremely well positioned in the relevant markets. We continue to monitor macroeconomic developments closely, of course, and we take appropriate measures to mitigate the associated risks.

What goals has Implenia set itself for 2023?

André Wyss We expect EBIT of CHF ~120 million for the financial year 2023 based on strong operating business at all Divisions. The EBIT contribution of Division Real Estate is likely to be considerably lower than in the previous year, especially in the first half of the year. We

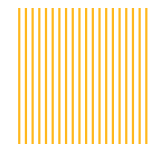
also expect to be able to increase Implenia’s equity ratio to over 20 % in 2023. The medium term goal is an equity ratio of 25 %.

The successful transformation has left the Group in a strong position for sustainable success. Can shareholders expect a dividend again in 2023?

Hans Ulrich Meister Implenia wants shareholders to participate in the company’s success now the transformation is complete. The Board of Directors will therefore propose paying a dividend of CHF 0.40 per share at the Annual General Meeting on 28 March 2023. We expect that Implenia will be able to continue distributing dividends in future.

“Demand is being driven by population growth, urbanisation, and investments in infrastructure and renewable energy. This is where Implenia’s portfolio of services is focused.”

Hans Ulrich Meister,
Chairman of the Board of Directors



SHARE AND FINANCING

Earnings per share, undiluted
in CHF



5.68

(2021: 3.31)

Market capitalisation
in CHF m



703

(2021: 383)

Cash dividend per share¹
in CHF



0.40

(2021: 0.00)

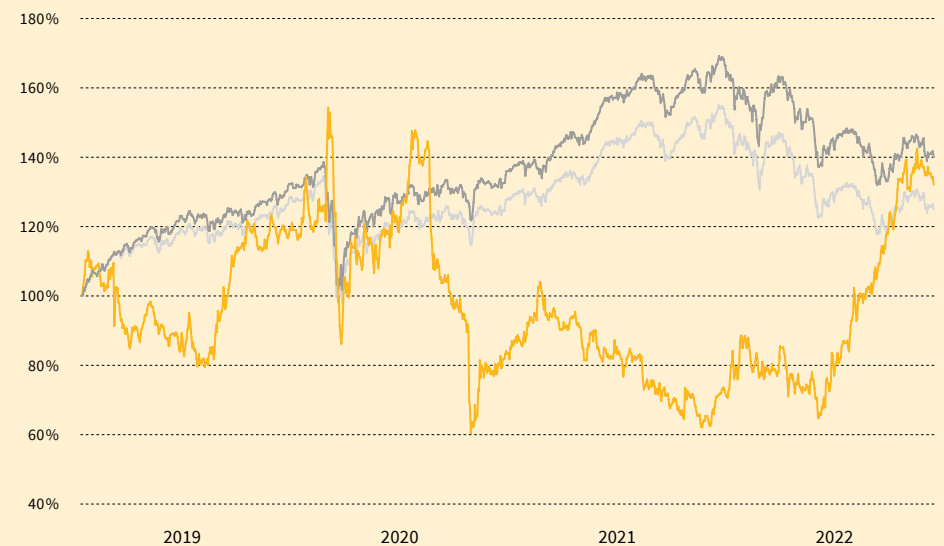
Daily trading volume
in CHF m



1.2

(2021: 1.0)

Share price since 1 January 2019 (indexed)
Total shareholder return +33.4 %



■ Implenia N
■ SPI
■ Swiss All Share

Source: Bloomberg

¹ Subject to approval by Annual General Meeting

Share and financing

INFORMATION ABOUT IMPLENIA'S SHARES

Review

The average number of shares traded each day fell slightly to around 40,500 in 2022, compared with around 42,500 in the previous year. The average daily trading volume increased to CHF 1.2 million

(from CHF 1.0 million in 2021). Implenia's closing price at the end of 2022 was CHF 38.05 (closing price 2021: CHF 20.76), an increase of 83.3 %.

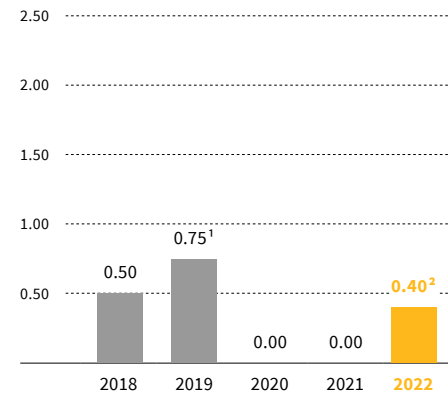
Share performance

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------|---------|---------|---------|---------|
| Year-high (in CHF per share) ¹ | 41.45 | 30.88 | 46.25 | 35.48 | 70.15 |
| Year-low (in CHF per share) ¹ | 18.40 | 17.81 | 16.79 | 22.97 | 26.68 |
| Price at 31.12. (in CHF per share) ¹ | 38.05 | 20.76 | 24.04 | 34.32 | 28.92 |
| Annual performance in % | 83.3% | (13.6%) | 30.0% | 18.7% | (49.8%) |
| Average number of shares traded per day | 40,541 | 42,545 | 90,846 | 99,524 | 53,506 |
| Stock market capitalisation at 31.12. (in CHF t) ¹ | 702,860 | 383,479 | 444,067 | 633,959 | 534,210 |

Source: Bloomberg

¹ Share price before 2020 adjusted for Ina Invest spin-off

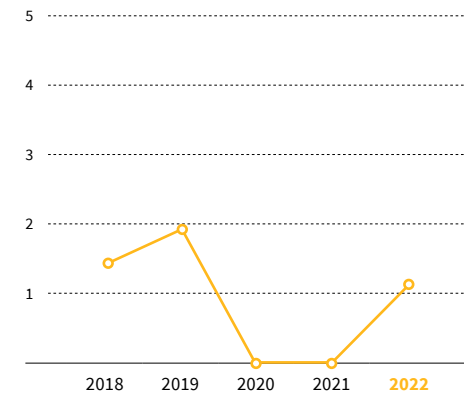
Cash dividend in CHF per share



¹ 2019: Plus dividend in kind from the Ina Invest transaction of max. CHF 1.20 per share

² Subject to approval by Annual General Meeting

Dividend yield in %



Share and financing

DIVIDEND POLICY AND RETURNS

Board of Directors will propose a dividend of CHF 0.40 per share to Annual General Meeting

Implenia wants its shareholders to participate in the company's success following the successful completion of its transformation. Therefore the Board of Directors will propose a dividend of CHF 0.40 per share to the AGM on 28 March 2023. The Board of Directors anticipates that Implenia will be able to continue distributing dividends in the future.

KEY DATA

| | |
|--------|----------------|
| Symbol | IMPN |
| Valor | 2 386 855 |
| ISIN | CH002 386 8554 |

Index membership

- SPI
- SPI ESG
- SPI ESG Select
- SPI ex SLI
- SPI EXTRA
- Swiss All Share

Share capital

| | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|------------|------------|------------|------------|------------|
| Share capital (in CHF 1,000) | 18,841 | 18,841 | 18,841 | 18,841 | 18,841 |
| Number of registered shares issued | 18,472,000 | 18,472,000 | 18,472,000 | 18,472,000 | 18,472,000 |
| Of which treasury shares | 64,954 | 63,854 | 29,404 | 13,851 | 67,054 |
| Number of outstanding registered shares | 18,407,046 | 18,408,146 | 18,442,596 | 18,458,149 | 18,404,946 |
| Par value of each registered share (in CHF) | 1.02 | 1.02 | 1.02 | 1.02 | 1.02 |
| Conditional / Authorised capital (in CHF 1,000) | 3,768 | 3,768 | 3,768 | 3,768 | 3,768 |

Key figures

| | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|--------------------------------------|------------|------------|------------|------------|------------|
| Earnings per share (in CHF) | 5.68 | 3.31 | (7.30) | 1.61 | (0.28) |
| Price-earnings ratio ¹ | 6.7 | 6.0 | (3.3) | 21.3 | (103.2) |
| Equity per share (in CHF) | 26.13 | 18.73 | 16.40 | 30.48 | 30.44 |
| Gross dividend ² (in CHF) | 0.40 | – | – | 0.75 | 0.50 |
| Dividend yield | 1.1 % | 0.0 % | 0.0 % | 1.9 % | 1.5 % |
| Distribution ratio ³ | 7.0 % | 0.0 % | 0.0 % | 46.7 % | n.a. |

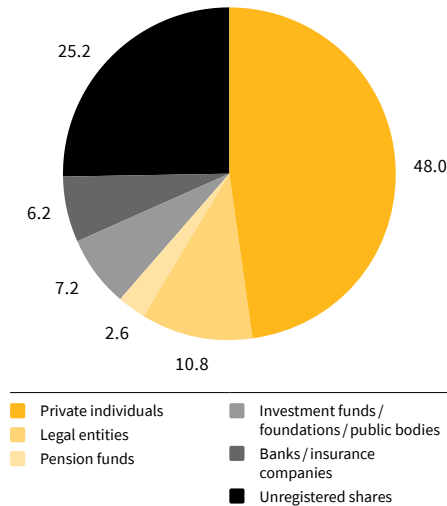
¹ Share price before 2020 adjusted for Ina Invest spin-off

² 2019: Plus dividend in kind from the Ina Invest transaction of max. CHF 1.20 per share
2022: Subject to approval by Annual General Meeting

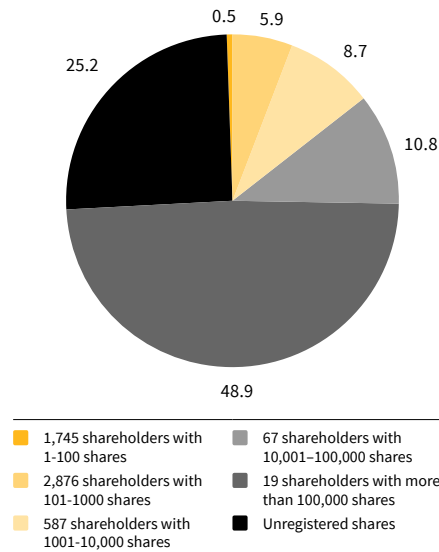
³ Based on number of outstanding shares at 31.12.

Share and financing

Share capital by type of shareholder
(shares with and without voting rights) in %
as at 31 December 2022



Shareholders by size of shareholding
(shares with and without voting rights) in %
as at 31 December 2022



SHAREHOLDER STRUCTURE

Major shareholders / nominees owning more than 3% of share capital
(as at 31 December 2022)

| Name | Number of shares | Percentage of share capital |
|----------------------------------|------------------|-----------------------------|
| Max Rössler / Parmino Holding AG | 3,048,970 | 16.5% |
| Norbert Ketterer | 1,848,000 | 10.0% |
| Rudolf Maag | 1,000,000 | 5.4% |
| Dimensional Holdings Inc. | 555,019 | 3.0% |

ANALYST RECOMMENDATIONS

Coverage of Implenia's shares

Investment specialists continuously analyse Implenia's business performance, results and

market situation. Five analysts regularly publish studies on Implenia shares.

| Broker/bank | Rating |
|----------------------|-------------------|
| Credit Suisse | Neutral |
| Kepler Cheuvreux | Hold |
| Research Partners | Hold |
| Vontobel | Hold |
| Zürcher Kantonalbank | Market weightings |

As at: 22.2.2023

Credit ratings

Implenia Ltd. has no official credit rating from a credit rating agency. The listed ratings are based

on each bank's internal criteria. Please note that all credit ratings can change at any time.

| Rating agency/bank | Rating | Outlook |
|----------------------|---------------|---------------|
| Credit Suisse | High BB | Stable |
| UBS | BB+ | Stable |
| Zürcher Kantonalbank | BB+ | Stable |
| Fedafin | Not disclosed | Not disclosed |

As at: 22.2.2023

Share and financing

DEBT FINANCING

Outstanding bonds

Implenia has issued the following CHF bonds and listed them on the SIX Swiss Exchange.

| Coupon | Term | Nominal | Issue price | Due | ISIN code |
|--------|-----------|-----------|-------------|------------|----------------|
| 1.625% | 2014–2024 | CHF 125 m | 101.06% | 15.10.2024 | CH025 359 2767 |
| 1.000% | 2016–2026 | CHF 125 m | 100.74% | 20.3.2026 | CH031 699 4661 |
| 2.000% | 2021–2025 | CHF 175 m | 100.00% | 26.11.2025 | CH114 509 6173 |

Implenia repaid a CHF 175 million subordinated convertible bond when it matured on 30 June 2022.

EUR 60 million. The three EUR-denominated tranches have fixed interest rates and maturities of four, six and eight years. The first tranche of EUR 10 million was repaid in 2021.

Outstanding promissory note loans

In June 2017, Implenla issued a promissory note loan (private placement), for a total amount of

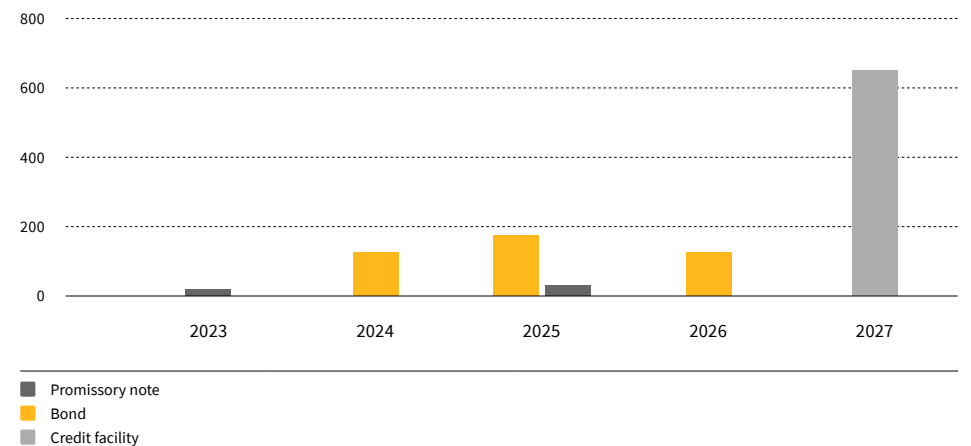
| Coupon | Term | Nominal | Due |
|--------|-----------|----------|----------|
| Fixed | 2017–2023 | EUR 20 m | 9.6.2023 |
| Fixed | 2017–2025 | EUR 30 m | 9.6.2025 |

Syndicated loan agreement

Implenia has a revolving syndicated loan agreement for CHF 650 million, which in November 2022 was extended to December 2027. This unsecured credit facility consists of a tranche of CHF 100 million (Facility A) as a revolving

cash limit, a guarantee limit of CHF 450 million (Facility B), and a cash and / or guarantee limit of CHF 100 million (Facility C). As of the balance sheet date, no liquidity had been drawn down from the usable portion of the credit facility.

Maturity profile of debt financing instruments as at 31.12.2022



Share and financing

OVERVIEW OF KEY FIGURES

Five-year Implenia Group overview

| in TCHF | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|------------------|-----------|-----------|-----------|-----------|
| Order book (as at 31.12.) | 7,221,306 | 6,880,921 | 6,386,284 | 6,157,507 | 6,248,291 |
| Income statement | | | | | |
| Production output | 4,152,567 | 4,174,113 | 4,060,298 | 4,517,550 | 4,452,761 |
| Consolidated revenue | 3,563,266 | 3,764,670 | 3,988,946 | 4,430,833 | 4,364,473 |
| EBIT | 138,861 | 114,826 | (146,757) | 63,507 | 12,935 |
| Consolidated profit | 105,963 | 63,956 | (132,052) | 33,920 | 504 |
| Cash flow statement | | | | | |
| Cash flow from operating activities | 128,126 | (69,246) | (161,533) | 143,549 | 16,052 |
| Cash flow from investing activities | (4,129) | 51,752 | (31,809) | (58,678) | (68,638) |
| Cash flow from financing activities | (294,335) | 107,425 | 4,161 | (79,732) | (14,872) |
| Free cash flow¹ | 123,997 | (17,494) | (193,342) | 84,871 | (52,586) |
| Investment activities | | | | | |
| Investments in real estate transactions | 19,915 | 41,078 | 57,926 | 53,170 | 62,821 |
| Real estate disposals | (26,655) | (28,351) | (116,510) | (48,951) | (35,584) |
| Investments in fixed assets | 44,238 | 42,653 | 52,106 | 70,635 | 80,025 |

¹ Excl. impact of fixed short-term deposit prior to repayment of convertible bond

| in TCHF | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|------------------|------------|------------|------------|------------|
| Balance sheet | | | | | |
| Cash and cash equivalents and fixed short-term deposits | 609,040 | 796,895 | 719,990 | 912,317 | 913,233 |
| Real estate transactions | 141,026 | 149,269 | 137,130 | 189,486 | 185,292 |
| Other current assets | 1,084,524 | 1,136,534 | 1,093,712 | 1,124,833 | 1,044,098 |
| Non-current assets | 918,836 | 905,138 | 992,379 | 856,627 | 718,732 |
| Total assets | 2,753,426 | 2,987,836 | 2,943,211 | 3,083,263 | 2,861,355 |
| Financial liabilities | 654,479 | 888,453 | 732,837 | 639,753 | 516,022 |
| Other liabilities | 1,616,277 | 1,753,465 | 1,907,347 | 1,853,041 | 1,760,158 |
| Equity | 482,670 | 345,918 | 303,027 | 590,469 | 585,175 |
| Total equity and liabilities | 2,753,426 | 2,987,836 | 2,943,211 | 3,083,263 | 2,861,355 |
| Net cash position excl. lease liabilities | 120,336 | 67,319 | 160,526 | 420,500 | 405,540 |
| Capital structure | | | | | |
| Equity ratio in % | 17.5 % | 11.6 % | 10.3 % | 19.2 % | 20.5 % |
| Long-term liabilities in % | 24.4 % | 25.2 % | 24.6 % | 22.6 % | 21.1 % |
| Short-term liabilities in % | 58.1 % | 63.2 % | 65.1 % | 58.2 % | 58.4 % |
| Workforce (FTE; as at 31.12.)¹ | 7,639 | 7,653 | 8,701 | 8,867 | 8,765 |

¹ Excl. temporary staff

Share and financing

Five-year Implenia Group overview

| in TCHF | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------|--------|----------|--------|-------|
| Key figures | | | | | |
| EBIT margin in % ¹ | 3.9 % | 3.1 % | (3.7 %) | 1.4 % | 0.3 % |
| Return on Invested Capital (ROIC) in % | 40.6 % | 48.7 % | (82.0 %) | 32.5 % | 6.8 % |

¹ Basis: consolidated revenue IFRS

SUSTAINABLE INVESTMENT

Increasing value through sustainability

Sustainability is an integral part of Implenia's business and value system, which makes Implenia's shares and bonds attractive to those investors who take a sustainable approach to investment.

Certification and ratings

Implenia is certified under the ISO 14001 standard – Environmental Management – and has pursued a sustainability strategy since 2009. Our sustainability reporting is based on the Global Reporting Initiative (GRI).

A series of top ratings reflects the external recognition that Implenia's commitment to sustainability has received in recent years. MSCI ESG – one of the world's leading rating agencies – gave Implenia an AAA rating in 2022. EcoVadis, the world's largest provider of sustainability ratings, elevated Implenia from silver to

gold status in 2022. This puts the Group in the top 5 percent of the more than 100,000 companies evaluated by EcoVadis. Implenia also received above-average sustainability ratings from rating companies Sustainalytics and Inrate.



The use by Implenia of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Implenia by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Overview of sustainability ratings and standards

| Ratings | Score | Assessment period | Rank |
|--------------------------------|------------|-------------------|--|
| Sustainalytics | 85 / 100 | 2021 | 1 |
| Sustainalytics ESG Risk Rating | 24.4 / 100 | 2021 | 16, 5th percentile, "Industry Top Rated" |
| MSCI | AAA / AAA | 2022 | 1 |
| EcoVadis | 67 / 100 | 2021 | 5th percentile |
| Inrate | B / A+ | 2021 | 7 |

"Green" credit financing

In 2018 Implenia became the first industrial company in Switzerland to link its credit margin to its sustainability performance. This performance is determined annually by Sustainalytics, a leading international provider of ESG ratings. In 2022, Implenia consolidated its top position – both overall and in the three individual areas – from a total of 65 companies in the "Construction & Engineering" sector, scoring 85 points. This was a one-point improvement on the previous year's rating. Sustainalytics' "ESG Risk Rating" also puts Implenia in the top 5 percent of companies. Thanks to its consistently high ratings, Implenia benefits from favourable conditions on the capital markets.

Implenia will publish its new **Sustainability Report** on 27 April 2023. The Sustainability Report details all the sustainability objectives and activities in all three dimensions – environmental, financial and social.

Share and financing

COMMUNICATIONS,
CONTACTS AND DATES

Communications

Implenia follows an open, transparent and timely information policy in the interests of its shareholders, investors and the general public. In its periodic and ad hoc reporting, Implenia is committed to equal treatment of all stakeholder groups with regard to timing and content. Comprehensive information is available to all investors, journalists and interested members of the public on the “Investors” and “Media” pages at implenia.com.

Interested parties can subscribe to all our important corporate communications, including ad hoc press releases, by clicking through to the “Media / News Service” page on the site. As in previous years, in 2022 the CEO, CFO and Investor Relations presented the company at roadshows, conferences and meetings. Implenia also held a [Capital Markets Day](#) on 1 November 2022. In 2022, Implenia held its two customary conferences on the financial results – half-year and full-year – for analysts and the media.

Contacts

For ongoing communication with shareholders, investors, journalists and analysts:

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Dates

| | |
|---|-----------|
| 2023 Annual General Meeting | 28.3.2023 |
| Media and analysts' conference on the 2023 first-half results | 16.8.2023 |



2 THE YEAR 2022

| | |
|-------------------------------|-----|
| Group profile and strategy | 019 |
| Market and customers | 026 |
| Key figures for the Group | 031 |
| Key figures for the Divisions | 036 |
| Opportunities and risks | 048 |

GROUP PROFILE AND STRATEGY

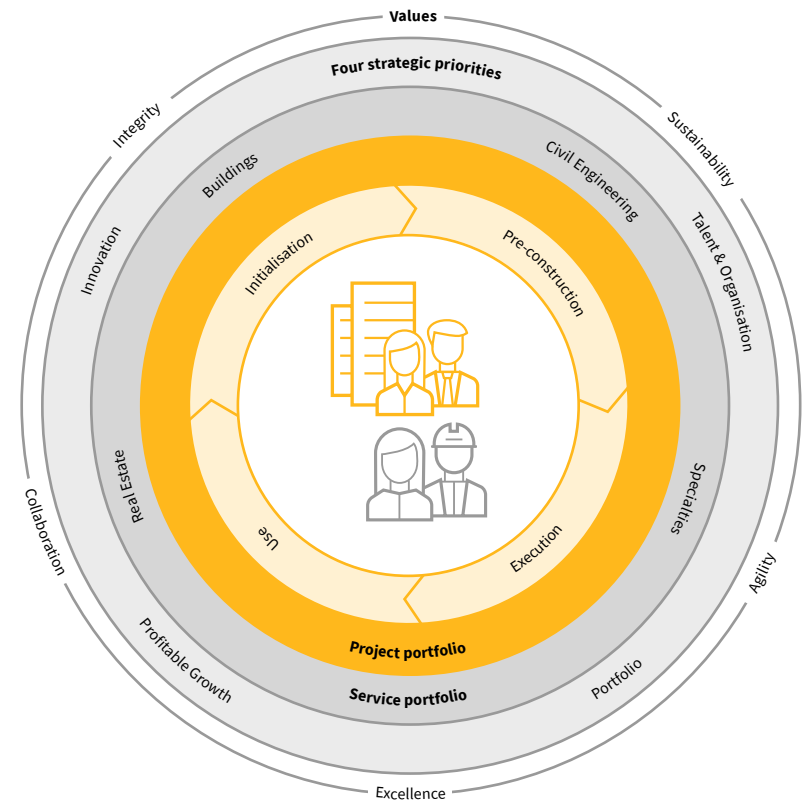
Implenia is an integrated leading construction and real estate service provider with clear strategic priorities and a dynamic organisation.

Formed in 2006 from the merger between Zschokke and Batigroup, Implenia can look back on around 150 years of history in the construction industry. Today, the company brings together the know-how of its highly skilled consulting, development, planning and execution units under the umbrella of an leading multinational integrated construction and real estate service provider.

Sustainably customer-oriented

Implenia generates value for its clients in all stages of the value creation process – based on its strategic priorities and with an agile organisation. The company brings together the know-how of its highly skilled consulting, development, planning and execution units under a single roof. With integrated services and cooperation across all four Divisions, the leading multinational construction and real estate service provider realises large, complex projects and accompanies customers throughout the entire life-cycle of their buildings and structures. The Group will develop high-margin business areas through organic and inorganic growth. The focus is on sector-oriented specialisation and integration along the value chain.

Our integrated business model with a comprehensive service offering along the entire value chain generates added value for our customers



Internal and external experts work in close coordination on projects, creating added value for our clients.



INTEGRATED SERVICES Implenia brings together the expertise of its highly skilled consulting, development, planning and execution units under one roof, and carries out large, complex projects with its integrated services and collaboration across all four Divisions.



[Link to video](#)

Group profile and strategy

What we are building on

Implenia builds homes, workplaces and infrastructure for future generations. In order to achieve the vision and make the mission a reality, all our employees focus everyday on the five values that shape the corporate culture and guide the company's day-to-day work.

Our vision, mission and values

Our vision

Our vision is to be a leading integrated multinational provider of construction and real estate services.

Our mission

Our mission is to work with and for people to develop sustainable real estate, and to construct buildings and infrastructure that meet their modern living, working and mobility needs.

Our values

Implenia is committed to the values of excellence, collaboration, agility, integrity and sustainability. Working together across the company, we have defined how we want to live up to each value.

Excellence

We meet the most demanding requirements in our projects, services and internal processes. We live up to Excellence by setting standards based on tradition and innovation that help us exceed our partners' expectations. Today and tomorrow.

Collaboration

We combine our multi-faceted market knowledge and insight with professional expertise to the benefit of our customers and other stakeholders. We live up to Collaboration by creating trust through fairness, transparency and respect. With all our partners.

Agility

We recognise opportunities and threats at an early stage, and we address them quickly – both strategically and operationally. We live up to Agility by being a highly mobile, passionate, multinational team that constantly looks for new and innovative ways of overcoming barriers, thus achieving the best value for our customers.

Integrity

We meet high ethical standards, are honest, and act in accordance with the agreements we make. We live up to Integrity by being honest and reliable, acting respectfully and always doing so with a smile.

Sustainability

We generate results that endure and we protect our fellow human beings and the environment. We live up to Sustainability by working together to create a future worth living for everyone.

Group profile and strategy

Strategic priorities

In order to realise the vision, implement the mission and use its strengths to seize opportunities in its markets, Implenla pursues a strategy based on four priorities: "Portfolio", "Innovation", "Profitable Growth" and "Talent & Organisation". Working from this basis, and following the successful completion of its transformation, Implenla plans to strengthen its competitiveness further during the current "Fit for Growth" phase.

"Fit for Growth" with four strategic priorities



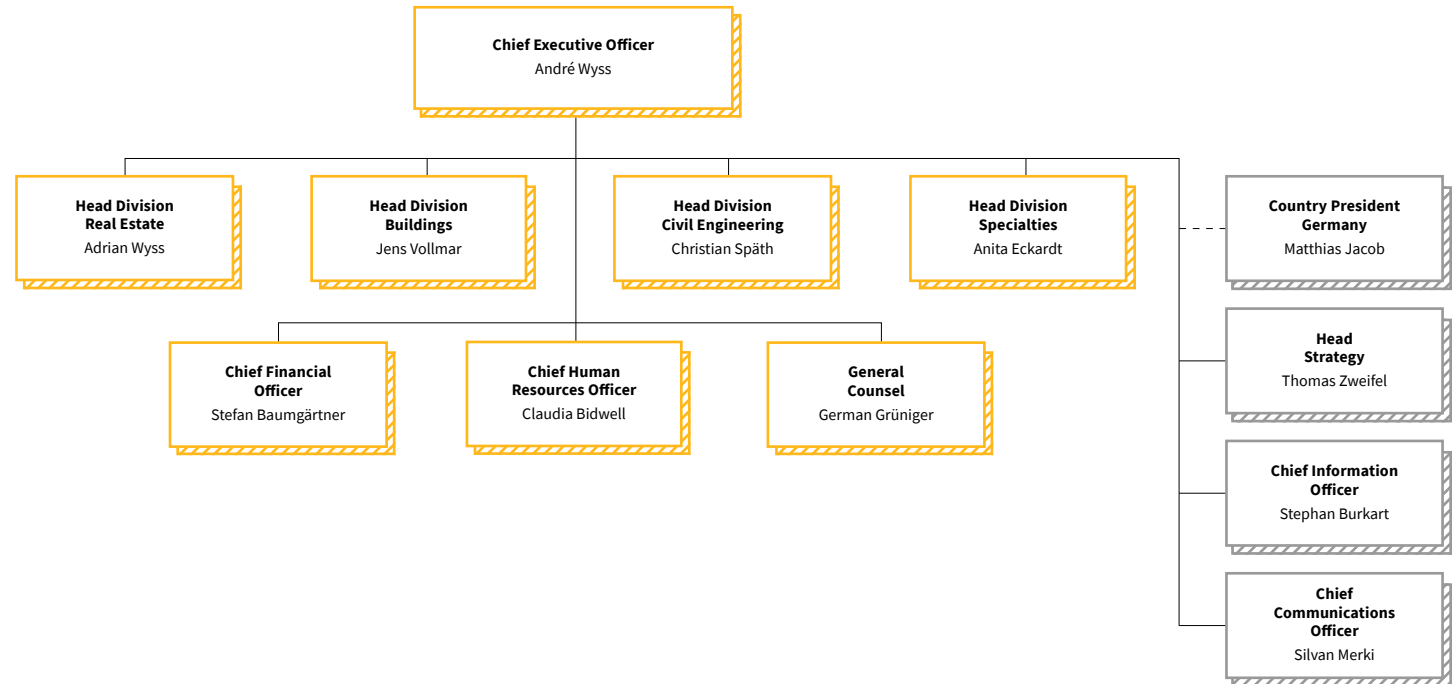
Group profile and strategy

Organisation chart

Implenia has organised its operational business into four Divisions: Real Estate, Buildings, Civil Engineering and Specialties. The Divisions are supported by Global Functions: Finance, Human Resources, Legal&Compliance, Strategy, Group IT and Marketing/Communications.

Organisation
























Organisation chart as at 31 December 2022






- Members of the Implenia Executive Committee
- Other members of senior management

Group profile and strategy

The Divisions in the markets

| Division |  Real Estate |  Buildings |  Civil Engineering |  Specialties | | |
|-------------|---|--|--|---|---|---|
| | <p>Division Real Estate develops sustainable real estate solutions. Implenia is already a leading real estate developer in Switzerland and is currently expanding this business in Germany. The Division's services also include active asset and portfolio management, the design of new types of real estate investment vehicles, and the development and industrial production of standardised and scalable real estate products.</p> | <p>Division Buildings focuses on the integrated conception and construction of complex new buildings and challenging modernisation projects. The focus is on providing expert customer-oriented advice and planning across the entire life cycle of a property. The range of services covers the entire value chain, from initial analysis and planning steps – often even before the contracts have been signed – to handover of the finished building. Implenia is a leading general and total contractor in its core markets of Switzerland and Germany.</p> | <p>Division Civil Engineering offers tunnel construction, special foundations, civil engineering and road construction. Services range from the planning of specific special solutions to the entire execution of challenging, complex, hybrid infrastructure projects. The use of the latest construction methods and processes, such as BIM and Lean Construction, is becoming increasingly important. In all of these areas, Implenia occupies a leading position in Switzerland and Germany. Implenia also offers tunnelling and related services in other international markets.</p> | <p>Division Specialties develops solutions for an efficient and sustainable construction industry in niches such as timber construction, geotechnical engineering, pre-tensioning technology, facade technology, building technology planning and construction logistics. By continuously adding new services to its portfolio, the Division actively helps to shape the major changes in the construction industry. Innovation and the added value it brings to customers is a central theme. This innovation can come from screening potential acquisitions, from external partnerships or from Implenia's internal innovation management.</p> | | |
| | | | Civil | Tunnelling | Special Foundations | |
| Switzerland |  |  |  |  |  |  |
| Germany |  |  |  |  |  |  |
| Austria | | | |  | |  |
| Sweden | | | |  | |  |
| Norway | | | |  | |  |
| France | | | |  | |  |
| Other | | | |  | |  |

-  Integrated offering of all Divisions in Switzerland & Germany
-  Tunnelling and related infrastructure projects in further markets
-  Sale of good and services, no substantial local presence

Group profile and strategy



The Implenia Executive Committee in 2022, from left to right:
Adrian Wyss (Head Division Real Estate), **Anita Eckardt** (Head Division Specialties), **Stefan Baumgärtner** (Chief Financial Officer), **André Wyss** (Chief Executive Officer), **Christian Späth** (Head Division Civil Engineering),
Claudia Bidwell (Chief Human Resources Officer), **Jens Vollmar** (Head Division Buildings and Country President Switzerland), **German Grüniger** (General Counsel)

MARKET AND CUSTOMERS

There is still high demand for large-scale real estate projects in attractive urban locations and for complex infrastructure projects. With its integrated range of services, Implenia is well placed to meet its customers' exacting requirements. Market forecasts for the real estate and construction sector in Implenia's core markets of Switzerland and Germany, as well as for tunnel construction and related infrastructure projects in other countries, have weakened for 2023.

In brief

Implenia is ideally positioned in a comparatively stable market environment to:

- Exploit the potential for profitable growth in its core markets Switzerland and Germany, as well as in other markets in the tunnelling sector
- Offer the services customers want in each market
- Strengthen and expand its market position
- Use its expertise and experience to meet customer needs

Construction and real estate in a European context

Investment in the real estate and infrastructure construction sectors remained positive in 2022 in the areas relevant to Implenia, as reflected in the company's continued strong order intake. However, economic uncertainties caused by material price fluctuations, inflation and interest rate hikes have reduced the momentum.

Demand for residential properties in good, urban locations is still very high in the core markets of Switzerland and Germany. Although financing costs have increased due to higher interest rates,

the incentives to renovate buildings remain in place.

Within Implenia's infrastructure markets, there will be further investment in both new builds and in renovation and modernisation. Forecasts for the growth of construction output in Europe (EC-15 countries) have weakened: output growth in the building construction sector (CAGR 2022–2025) is

forecast to be –0.1%, and in infrastructure construction +2.3%.

Prospects for core market Switzerland

Housing investment in Switzerland is forecast to rise slightly (+0.6%) in 2023. In the years thereafter, growth in the residential construction sector, which is very important for Switzerland, is

Market assessments and forecasts are based on data and insights from Euroconstruct.

This data is based on Euroconstruct's segmentation of the construction sector, which is as follows:

- Residential: permanent residences and second homes owned by households
- Non-residential: all buildings that are not intended as dwellings; this includes commercial buildings offering time-limited accommodation, e.g. hotels and care homes.
- Civil engineering: transport and utility infrastructure

Market and customers

expected to recover to 1.3 % in 2024 and 2.9 % in 2025.

Non-residential construction is being shored up by significant investment in buildings for health, education and R&D. Growth expectations for this sector are 0.4 % for 2023, 0.6 % for 2024 and 1.2 % for 2025.

Investments in the civil engineering sector will remain stable in 2023–2025 due to major transport infrastructure projects, especially the expansion of the railway network. Civil engineering is expected to grow moderately for the next three years (2023: 0.3 %, 2024: 0.6 %, 2025: 0.7 %).

Prospects for core market Germany

Demand for residential construction will remain high in 2023 due to the current housing situation and population growth, even though real estate financing costs are increasing due to rising interest rates. In the non-residential sector, demand for new builds is weakening as the post-Covid recovery phase ends and inflation pushes up prices, particularly for construction materials and energy. Specific segments continue to show good growth. These include warehouse construction, energy upgrades and modernisation in general.

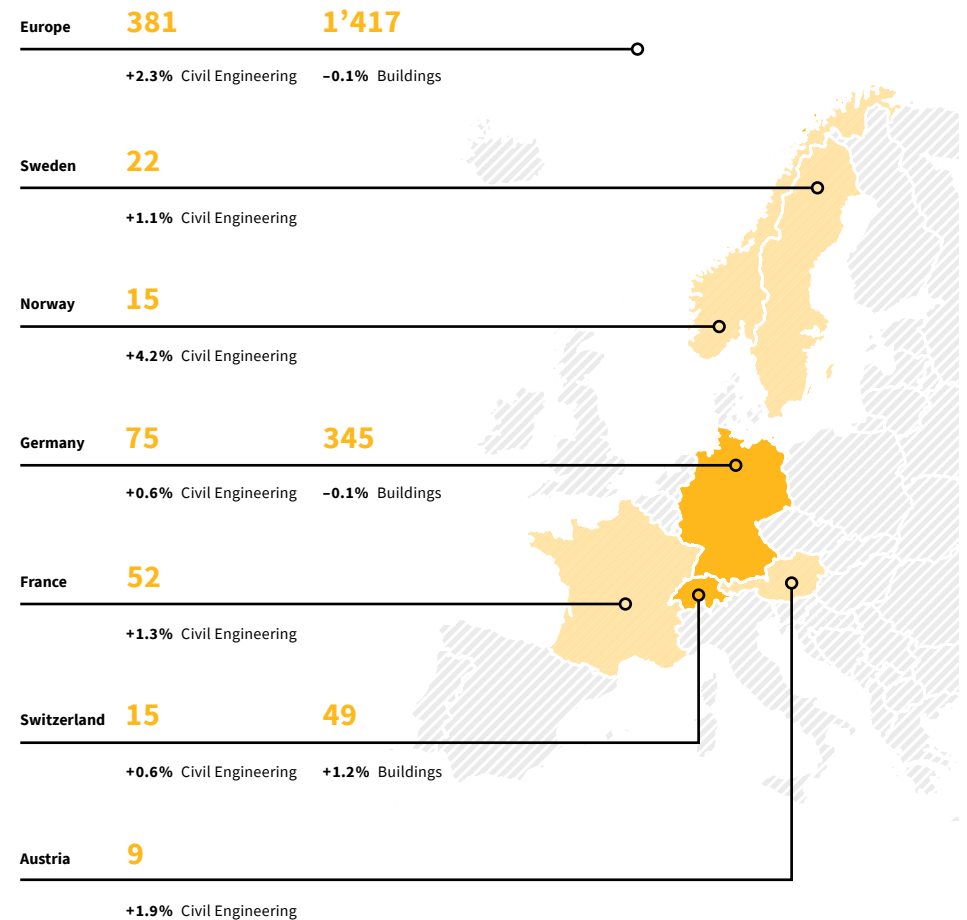
Growth of 0.6 % is expected for the building construction sector as a whole in 2023, 0.0 % in 2024 and –0.7 % in 2025. The civil engineering sector is forecast to grow by –0.2 % in 2023 and by 1.0 % in both 2024 and 2025. Germany's supra-regional rail network will be modernised and expanded over the next few years. According to its medium-term financial plans, the federal

government will keep its investment spending on roads, railways and waterways at the current level.

Complex infrastructure projects

In its other European markets, Implenia's expertise in tunnel construction and related infrastructure makes it a sought-after partner for complex large-scale projects. In France, growth of 1.1 % is expected for the civil engineering sector in 2023 thanks to fiscal stimulus measures by the government and despite rises in the cost of energy and materials. Norway continues to invest in its road and rail network, which is reflected in projected growth of 6.3 % for civil engineering in 2023. Despite a continuing need for capital spending on infrastructure in Sweden, investment in infrastructure construction there will decline due to a shift in government priorities and is forecast to be –1.7 % in 2023. In Austria, investment in civil engineering will shift from transport to energy infrastructure, and in particular to the renewable energy sector. The civil engineering sector is expected to grow by 3.0 % in 2023.

Sustainable investments in markets relevant to Implenia in EUR billion



% CAGR 2022–2025 Investments (Compound Annual Growth Rate)

Integrated offering of all four Divisions
Tunnelling and related infrastructure

Market and customers

Significance for Implenia

Forecast market growth for the two core markets of Switzerland and Germany has weakened due to economic uncertainty. However, there is still high demand for large-scale real estate projects in attractive urban locations and complex infrastructure projects. Macroeconomic developments are being closely monitored and measures are being taken to mitigate the associated risks.

Its continued healthy order intake shows that Implenia, with its comprehensive, integrated range of services across all four Divisions, is excellently positioned in its core markets of Switzerland and Germany. In Germany, in particular, where market share is still lower, there is considerable growth potential for Division Buildings – with its focus on large, complex projects and partnership-based contract models – and for Division Real Estate, with its Real Estate Development and Real Estate Products. Implenia will continue to expand its capabilities in the higher-margin areas of consulting, planning and engineering in Switzerland and Germany. The Group also plans to accelerate the development of high-margin business areas through selective acquisitions.

The company will use its expertise and experience in tunnel construction and related infrastructure in other markets throughout Europe. Here, too, the focus is on large, complex projects in which the Group can best apply its specialised expertise and management skills from a single source. With its attractive service portfolio, Implenia is ready to use its strengths in all markets

to meet customer requirements, gain market share and sustainably create added value.

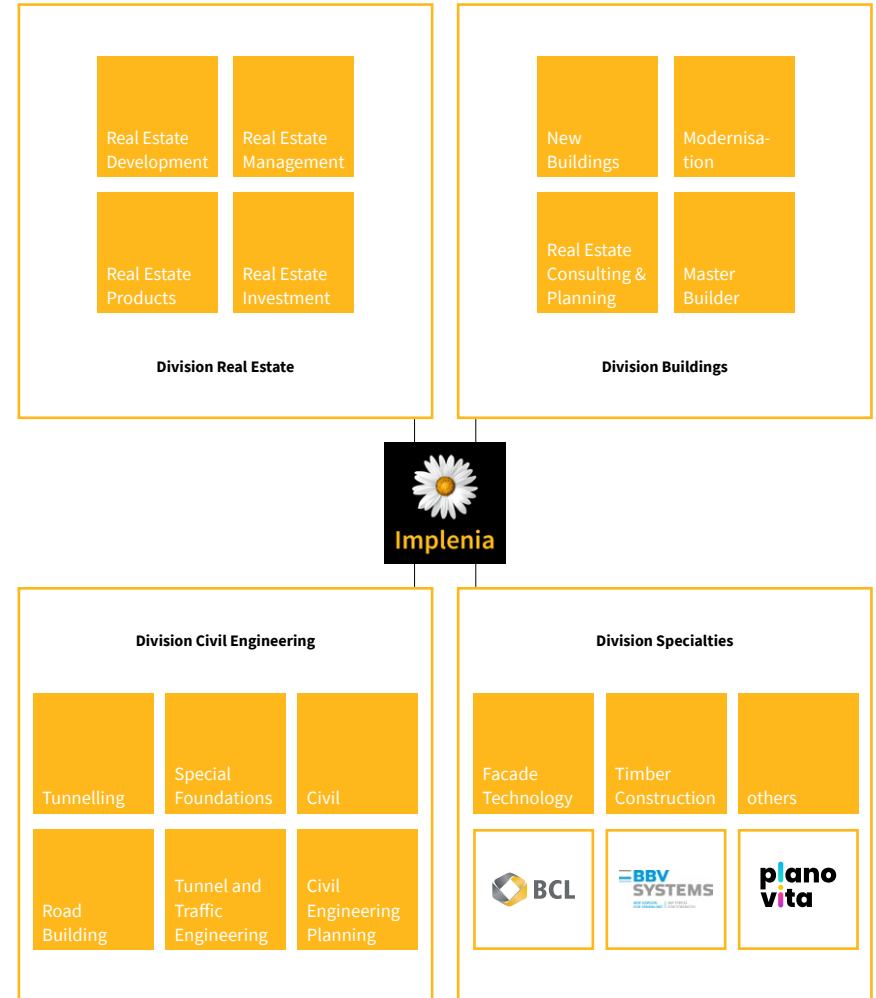
Customer-oriented service structure

Implenia's customer segments are very heterogeneous: They range from large B2B customers in the public and international corporate sectors to B2C buyer groups in the market for owner-occupied apartments. Requirements are similarly varied.

Implenia's corporate values – excellence, collaboration, agility, integrity and sustainability – guide and shape every customer relationship. For Implenia, close collaboration as partners is the ultimate goal for all customer relationships. The services provided by each Division and the way they are structured are designed to fit the requirements and opportunities of each customer segment as effectively as possible.

- **REAL ESTATE** Division Real Estate develops and sells Implenia's own real estate portfolio as well as offering all the real estate services that customers need to develop their own real estate portfolios. The Division's services include Real Estate Development, Management, Investment and Products. At its Real Estate Products unit, the Division develops industrially manufactured, sustainable real estate products for the Green Hospitality and Best Age Living sectors. It also maintains a successful partnership with Ina Invest centred on acquisition, development and other real estate services, as well as execution. Major ongoing projects include Lokstadt in Winterthur, Green Village in Geneva, Unterfeld

Overview of services at Implenia's Divisions



Implenia offers its customers an integrated range of consulting, development, planning and construction services for real estate and infrastructure in Switzerland and Germany. Implenia also offers tunnelling and related infrastructure projects in other markets.

Market and customers

“To realise a challenging project like the EUREF Campus in Dusseldorf, where sustainability is a focus topic, you need an experienced, reliable partner like Implenia, who is willing to set high goals with you.”

Reinhard Müller

Member of the Board, EUREF AG,
client of Division Buildings



in Baar, Tivoli in Neuchâtel, Darmstadt and Russelsheim (both DE), as well as newly acquired sites in the Lake Geneva region and the development of the Bredella area in Pratteln together with Ina Invest.

- **BUILDINGS** The customers at Division Buildings tend to be private companies, public sector institutions or other organisations with complex construction projects. These customers increasingly want an involvement in the project at an early stage based on new collaborative and contractual partnership models. These strengthen customer relationships and often lead to long-term and cross-project co-operation, such as at the Südcampus project

in Bad Homburg. The Division's customers also demand the highest standards in terms of quality, adherence to deadlines, safety and sustainability. There is attractive growth potential in properties for the healthcare sector (e.g. cantonal hospitals in Aarau and Baden) and the research and development sector (e.g. the Biomedical Department at University of Basel, Empa, Irchel Campus shared by the University of Zurich and ETH, EUREF Campus in Dusseldorf). Implenia has expanded its market presence and expertise in these areas.

- **CIVIL ENGINEERING** Division Civil Engineering's customers are usually public sector institutions or the companies associated with them (federal government, cantons, federal states, railway companies, etc.). Among these customers, the Division is internationally recognised and valued as a specialist for large, complex tunnelling and infrastructure projects. With the second tube of the Gotthard road tunnel, the Semmering Tunnel, the Brenner Base Tunnel and TELT (Lyon-Turin), Implenia is the only company participating in all four current Alpine transversals. At the regional level, Implenia is also in demand for complex large-scale projects in engineering, road and rail construction, such as two major projects for the replacement of motorway bridges in Germany, and the longest railway bridge in Norway.

Market and customers

Megatrends and changes in the construction and real estate industry

Longer-term megatrends shape significant changes in people's needs.

URBANISATION By 2025, 81.2% of western Europe's population¹ will live in urban regions (84.6% by 2040). The resulting densification requires new housing concepts that can be adapted flexibly to residents' different lifestyles and phases of life, and which are designed to be environmentally, financially and socially sustainable.

MOBILITY AND INFRASTRUCTURE INVESTMENT By 2040, Europe will require EUR 10.7 trillion of investment in mobility and infrastructure². The way people want to move around will become increasingly individualised and complex, but this will have to go hand in hand with careful husbandry of natural resources. Mobility infrastructure has to be designed and built accordingly.

More about the future of building:

[focus on the future](#)

In addition to demand-side mega-trends, the construction industry itself will also see significant changes over the next few years. Economies of scale, risk diversification and investments in innovation will gain in importance as the industry undergoes consolidation and internationalisation. Prefabrication of modules in factories is speeding up the ongoing industrialisation of the construction industry and raising productivity. Digitalisation is improving and simplifying construction planning and processes – through end-to-end use of Building Information Modeling (BIM), for example, and through the application of digital Lean Construction methods and Integrated Project Delivery (IPD). Due to increasing demand from investors and project owners, as well as through the efforts of construction companies themselves, the trend towards environmentally and socially sustainable building solutions will continue to increase.

- **SPECIALTIES** This Division mainly works as a service provider for third-party customers, as well as for Implenia's other Divisions – with a focus on engineering and planning services. There is particularly strong customer demand for the services provided by BCL (construction logistics), which can make construction sites more efficient and sustainable. The Division also sees growing demand for Planovita (integrated digital building technology planning), facade technology and timber construction. BBV Systems offers its customers tailor-made tensioning solutions for various structures. Thanks to its wide variety of customer projects Implenia can evaluate ideas generated by its internal Innovation Hub at an early stage, in different phases and under real-life conditions.

Together with its customers, Implenia designs and builds the world of tomorrow. As a leading integrated, multinational construction and real estate service provider, Implenia is making a difference – to how we live, work and move in the future.



¹ United Nations World Urbanization Prospects

² Estimate by Oxford Economics

KEY FIGURES FOR THE GROUP

Order book
in CHF m



7,221

(2021: 6,881)

Order book at record high with focus on large and complex projects

EBIT
in CHF m



138.9

(2021: 114.8)

Significantly higher EBIT in challenging market environment

Consolidated revenue
in CHF m



3,563

(2021: 3,765)

Group revenue in line with expectations

Employees (FTE)
as at 31.12.2022



7,639

(2021: 7,653)

Headcount remained stable

Consolidated key figures

| in TCHF | 2022 | 2021 | Δ | Δ like for like ¹ |
|--|------------------|-----------|---------|------------------------------|
| Consolidated revenue | 3,563,266 | 3,764,670 | (5.3 %) | (1.3 %) |
| EBIT | 138,861 | 114,826 | | |
| in % of consolidated revenue | 3.9 % | 3.1 % | | |
| Consolidated profit | 105,963 | 63,956 | | |
| Free cash flow | 123,997 | (17,494) | | |
| Net cash position excl. lease liabilities (as at 31.12.) | 120,336 | 67,319 | 78.8 % | 104.7 % |
| Net cash position (as at 31.12.) | (45,439) | (91,558) | 50.4 % | 62.5 % |
| Equity (as at 31.12.) | 482,670 | 345,918 | 39.5 % | 42.8 % |
| Order book (as at 31.12.) | 7,221,306 | 6,880,921 | 4.9 % | 8.5 % |
| Production output | 4,152,567 | 4,174,113 | (0.5 %) | 3.3 % |
| Workforce (FTE; as at 31.12.) | 7,639 | 7,653 | (0.2 %) | |

¹ Foreign currency adjusted

Key figures for the Group

EBIT significantly increased to CHF 138.9 million (adjusted for currency effects CHF 144.1 million); free cash flow and equity ratio substantially higher

Implenia has significantly increased its EBIT to CHF 138.9 million (2021: CHF 114.8 million), or CHF 144.1 million adjusted for foreign currency effects. Group revenue was at CHF 3,563 million (2021: CHF 3,765 million) and remained at previous year's level of CHF 3,716 million, adjusted for currency effects. The EBIT margin was 3.9% (2021: 3.1%). Due to the focus on large and complex real estate and infrastructure projects, the order book increased to CHF 7,221 million (2021: CHF 6,881 million), adjusted for currency effects to CHF 7,464 million. By strictly applying Value Assurance, Implenia's risk management, the Group

ensures that these projects have a solid risk and margin profile. Consolidated profit resulted in CHF 106.0 million (2021: CHF 64.0 million).

Implenia's equity increased by CHF 136.8 million to CHF 482.7 million in financial year 2022 (2021: CHF 345.9 million). The equity ratio as of 31 December 2022 stood at 17.5 % (2021: 11.6 %). Total assets were reduced to CHF 2,753 million (2021: CHF 2,988 million) compared to previous year. Cash flow from operating activities increased to CHF 128,1 million (2021: CHF – 69.2 million) and free cash flow to a high level of CHF 124.0 million (2021: CHF – 17.5 million). Free cash flow was positively impacted by the operating business and successful management of net working capital. The net cash position improved to CHF 120.3 million (excl. leasing liabilities).

For 2023, Implenia is aiming for EBIT of CHF ~ 120 million and a further increase in the equity ratio to > 20%

Implenia expects EBIT of CHF ~ 120 million for the financial year 2023 based on strong operating business at all Divisions. The EBIT contribution of Division Real Estate is likely to be considerably lower than in the previous year, especially in the first half year. In addition, Implenia expects the equity ratio to improve to > 20 % in 2023. Mid term, the Group aims to achieve an equity ratio of over 25 %.

Implenia aims to achieve an EBIT margin of ~ 3.5 % in the short to mid term and of > 4.5 % in the mid to long term.

Board of Directors will propose a dividend of CHF 0.40 per share to Annual General Meeting

Implenia wants its shareholders to participate in the company's success following the completion of its transformation. Therefore, the Board of Directors will propose a dividend of CHF 0.40 per share to the AGM on 28 March 2023. The Board of Directors anticipates that Implenia will be able to continuously distribute dividends in the future.

Key figures for the Group

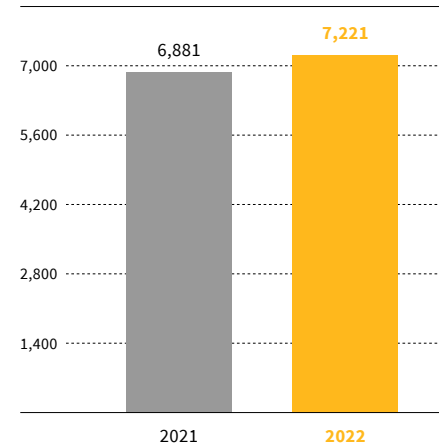
Key balance sheet figures

| in TCHF | 31.12.2022 | 31.12.2021 | Δ |
|--|------------------|------------------|----------------|
| Cash and cash equivalents and fixed short-term deposits | 609,040 | 796,895 | (23.6 %) |
| Real estate transactions | 141,026 | 149,269 | (5.5 %) |
| Other current assets | 1,084,524 | 1,136,534 | (4.6 %) |
| Non-current assets | 918,836 | 905,138 | 1.5 % |
| Total assets | 2,753,426 | 2,987,836 | (7.8 %) |
| Financial liabilities | 654,479 | 888,453 | (26.3 %) |
| Other liabilities | 1,616,277 | 1,753,465 | (7.8 %) |
| Equity | 482,670 | 345,918 | 39.5 % |
| Total equity and liabilities | 2,753,426 | 2,987,836 | (7.8 %) |
| Net cash position excl. lease liabilities (as at 31.12.) | 120,336 | 67,319 | 78.8 % |
| Investments in real estate transactions | 19,915 | 41,078 | (51.5 %) |
| Investments in fixed assets | 44,238 | 42,653 | 3.7 % |
| Equity ratio | 17.5 % | 11.6 % | |

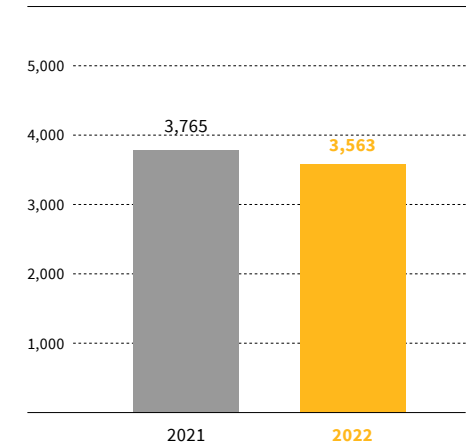
EBIT

| in TCHF | 2022 | 2021 | Δ |
|---------------------|----------------|----------------|---------------|
| Real Estate | 81,069 | 42,133 | 92.4 % |
| Buildings | 35,372 | 32,352 | 9.3 % |
| Civil Engineering | 35,751 | 51,776 | (31.0 %) |
| Specialties | 4,412 | 8,764 | (49.7 %) |
| Corporate and Other | (17,743) | (20,200) | 12.2 % |
| EBIT Total | 138,861 | 114,826 | 20.9 % |

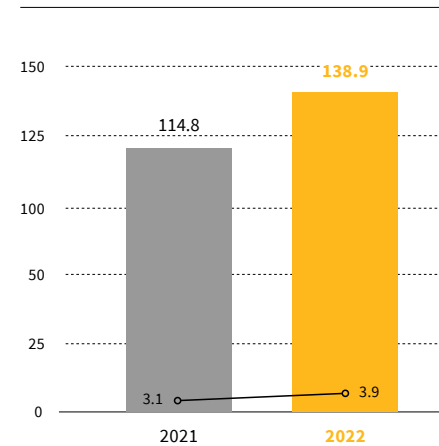
Order book in CHF m



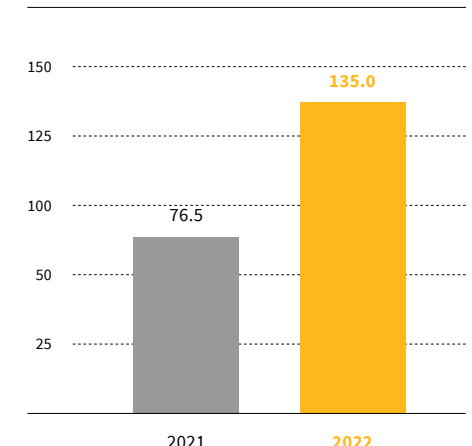
Consolidated revenue in CHF m



EBIT in CHF m



Operating performance in CHF m



■ EBIT ○— Margin in %

Key figures for the Group

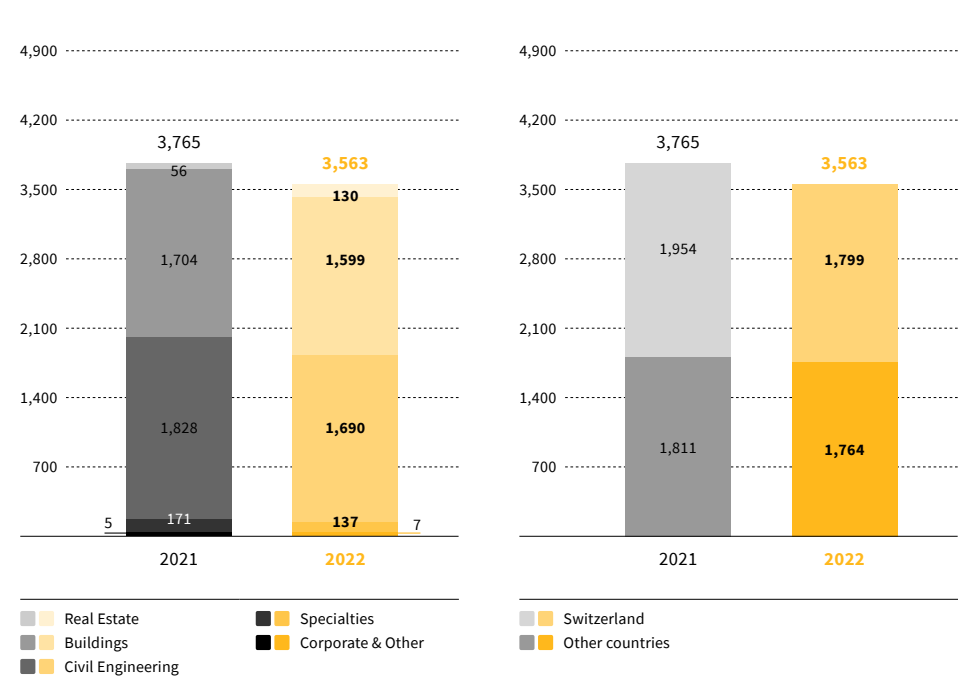
Order book in CHF m



Order book

| in TCHF | 31.12.2022 | 31.12.2021 | Δ |
|-------------------------|------------------|------------------|--------------|
| Buildings | 3,118,421 | 2,809,189 | 11.0 % |
| Civil Engineering | 3,950,989 | 3,918,114 | 0.8 % |
| Specialties | 151,896 | 153,618 | (1.1 %) |
| Total order book | 7,221,306 | 6,880,921 | 4.9 % |

Consolidated Group revenue in CHF m

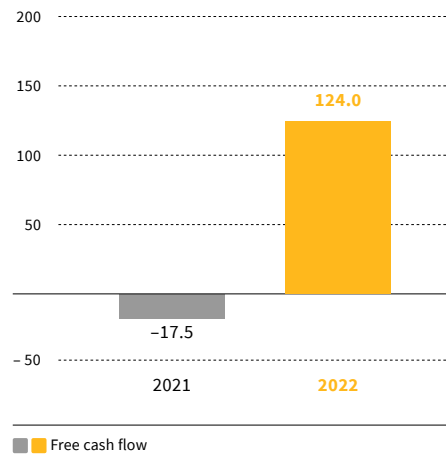


Consolidated revenue

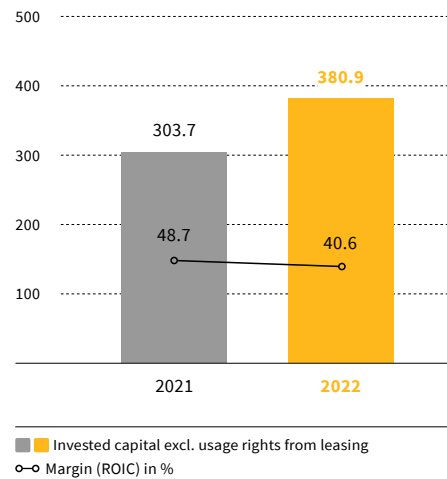
| in TCHF | 2022 | 2021 | Δ |
|---|------------------|------------------|----------------|
| Real Estate | 144,818 | 82,120 | 76.3 % |
| Buildings | 1,743,332 | 1,818,760 | (4.1 %) |
| Civil Engineering | 1,920,749 | 2,060,672 | (6.8 %) |
| Specialties | 163,977 | 208,583 | (21.4 %) |
| Corporate and Other / elimination of intra-Group services | (409,610) | (405,465) | (1.0 %) |
| Total consolidated revenue | 3,563,266 | 3,764,670 | (5.3 %) |

Key figures for the Group

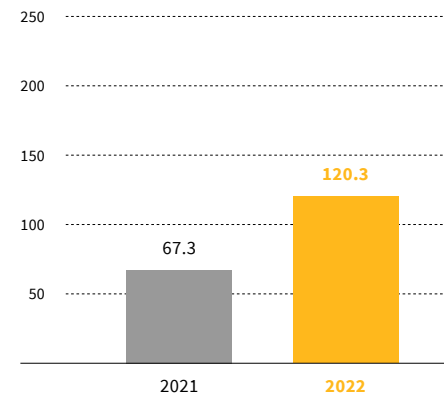
Free cash flow in CHF m



Return on invested capital (ROIC) in CHF m



Net cash position excluding liabilities from leasing in CHF m



Invested capital

| in TCHF | 31.12.2022 | 31.12.2021 | Δ |
|--|----------------|----------------|---------------|
| Current assets (excl. cash and cash equivalents and fixed short-term deposits) | 1,225,550 | 1,285,803 | (4.7 %) |
| Non-current assets (excl. pension assets and rights of use from leases) | 761,735 | 755,765 | 0.8 % |
| Debt capital (excl. financial and pension liabilities) | (1,606,375) | (1,737,839) | 7.6 % |
| Total invested capital excl. rights of use from leases | 380,910 | 303,729 | 25.4 % |
| Rights of use from leases | 156,657 | 148,929 | 5.2 % |
| Total invested capital | 537,567 | 452,658 | 18.8 % |

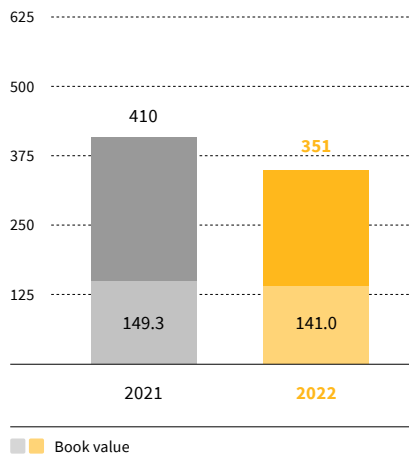
KEY FIGURES FOR DIVISION REAL ESTATE

Division Real Estate significantly increased its EBIT to CHF 81.1 million (2021: CHF 42.1 million). This was mostly based on above-average earnings in the first half of the year from the sale of large real estate projects following several years of successful development work.

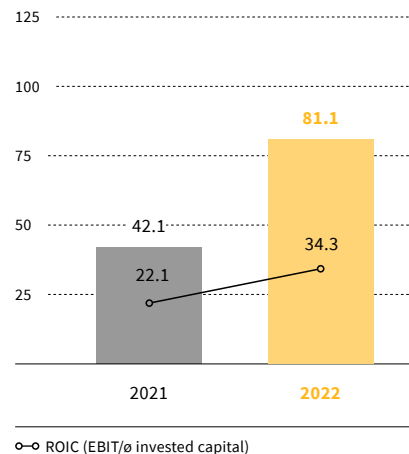


Adrian Wyss
Head Division Real Estate

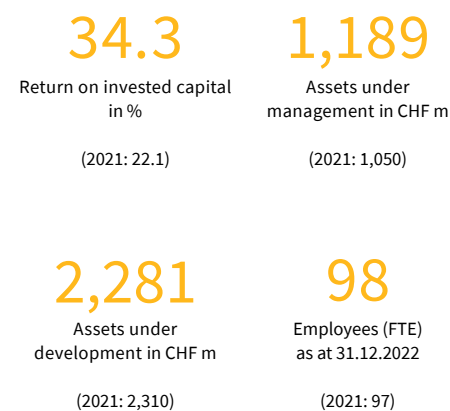
Market value of Real Estate portfolio
in CHF m



EBIT
in CHF m



Facts Real Estate



These sales affected the book value of the Real Estate portfolio, which was worth CHF 351 million (2021: CHF 410 million) at 31.12.2022. Implenia continues to invest in its own attractive real estate portfolio. The Division has continuously expanded its services business in recent years, generating increasing, recurring earnings. The partnership with Ina Invest developed successfully and above expectations.

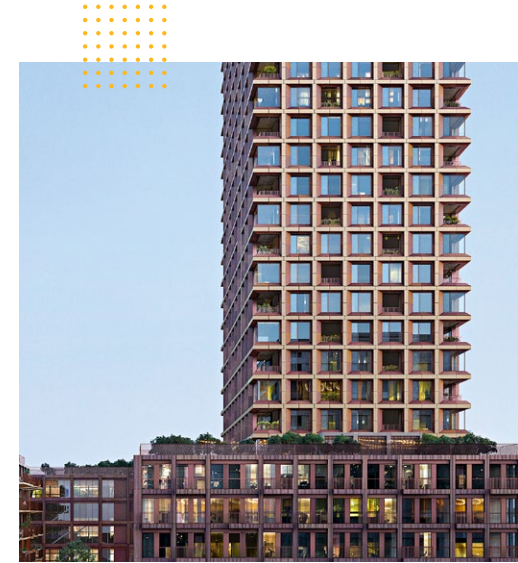
Key figures for Division Real Estate



Les Tattes in Onex: planned residential development with 221 apartments plus retail and office space in a suburb of Geneva.



In the Division Real Estate, Implenia has successfully completed the “Rocket” and “Tigerli” feasibility studies at Lokstadt, Winterthur: this paves the way for construction of the world’s tallest wooden residential building, 100 m high. The sustainable, standardised and industrialised real estate product “Green Hospitality” was another landmark achievement that improves the company’s competitiveness. The Division has further expanded its business in the German market with the development of the Marienplatz site in Darmstadt and a collaboration to develop sustainable residential properties.



Rocket and Tigerli in Winterthur: development and construction of the complex in Lokstadt for Ina Invest. At 100 metres, Rocket is the tallest wooden residential building currently being planned in the world.



Elefant in Winterthur: development and construction of an innovative office building for Ina Invest.

“On this site development project it is very important to maintain a permanent dialogue with all stakeholders.”

Jan Tanner
Managing Director of Bredella

ANNUAL REPORT 2022

IMPLENIA

BREDELLA, PRATTELN From grey to colourful: Implenia is developing a lively new neighbourhood on behalf of Ina Invest directly next to the railway station in Pratteln near Basel. It is turning a closed industrial estate into an open, attractive space for living, work and leisure.



[Link to video](#)

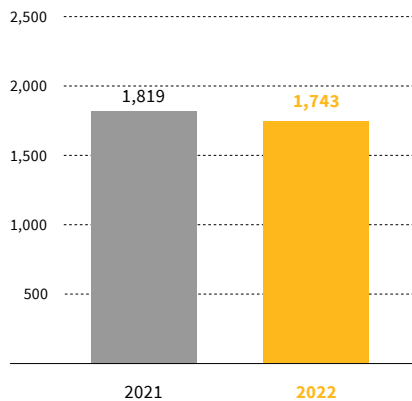
KEY FIGURES FOR DIVISION BUILDINGS

Division Buildings further improved its EBIT to CHF 35.4 million (2021: CHF 32.4 million). All service areas contributed positively to this result. Revenue slightly decreased compared to previous year to CHF 1,743 million (2021: CHF 1,819 million).

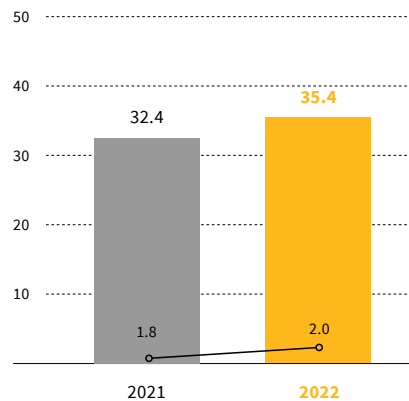


Jens Vollmar
Head Division Buildings

Revenue, unconsolidated
in CHF m



EBIT
in CHF m



○— Margin in %

Facts Buildings

3,118

Order Book in
CHF m

(2021: 2,809)

79.3

Visibility
in %

(2021: 77.7)

1,808

Unconsolidated production
output in CHF m

(2021: 1,839)

1,832

Employees (FTE)
as at 31.12.2022

(2021: 1,946)

The order book rose to CHF 3,118 million (2021: CHF 2,809 million) and improved in quality. By getting involved in projects earlier and using partnership-based contract models, the Division is adding value for clients in new ways. The Division acquired new projects and further developed its capabilities in the growing areas of general planning and consulting as well as in realisation of facilities for the healthcare and R&D sectors.

Key figures for Division Buildings

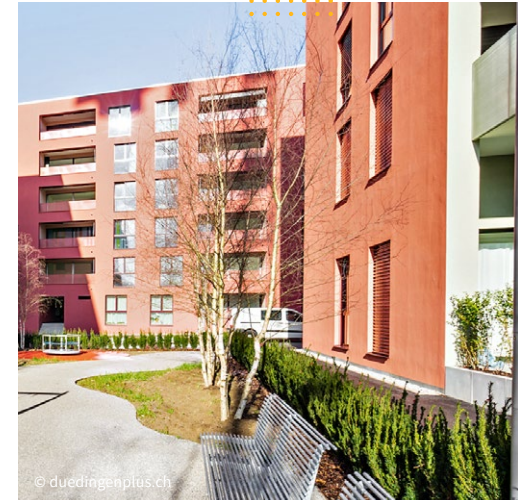
New laboratory building for the University of Basel's Department of Biomedicine: planning and construction of the new laboratory building as total contractor.



Lucerne Cantonal Hospital (LUKS): execution of master builder works at the new children's/women's clinic.



In the Division Buildings, Implenia won numerous residential, office and commercial projects, including the EUREF sustainability and innovation campus in Dusseldorf. There were further major new orders in the growing areas of healthcare and R&D: the new laboratory for the Department of Biomedicine at the University of Basel and new buildings for the Lucerne Cantonal Hospital. The base build of Baden Cantonal Hospital was completed on schedule. The new cantonal hospital in Aarau, which will be Switzerland's largest, is now in the construction phase.



Dudingensplus residential development: construction of eight new buildings in Dudingens with residential, commercial and office space.

“BIM and Lean Construction facilitate efficient, perfectly coordinated planning, calculation and execution.”

Joris Vankeirsbilck
Head Major Projects, Raunheim

EUREF CAMPUS DUSSELDORF The second EUREF innovation campus in Germany is being built directly next to the railway station at Düsseldorf Airport. As the CO₂-neutral building becomes a reality, EUREF can rely on Implen's expertise in executing sustainable building projects.



[Link to video](#)

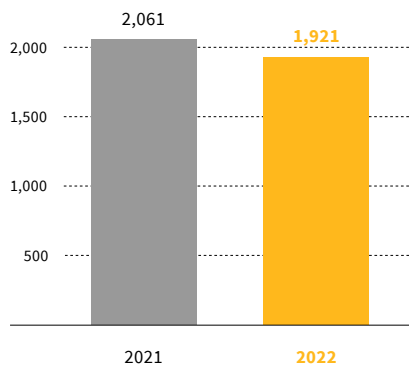
KEY FIGURES FOR DIVISION CIVIL ENGINEERING

Division Civil Engineering achieved EBIT excl. one-time effects of CHF 34.9 million (2021: CHF 25.0 million). Revenue was at CHF 1,921 million (2021: CHF 2,061 million) and remained at previous year's level adjusted for currency effects.

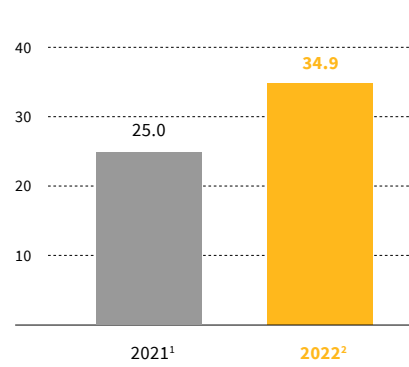


Christian Späth
Head Division Civil Engineering

Revenue, unconsolidated
in CHF m



EBIT excl. one-time effects
in CHF m



¹ one-time effects of CHF 26.8 m, mainly from divestment of non-core and non-strategic businesses and release of restructuring provisions; reported EBIT: CHF 51.8 m
² one-time effect of CHF 0.8 m from release of restructuring provisions; reported EBIT: CHF 35.8 m

Facts Civil Engineering

3,951
Order Book
in CHF m
(2021: 3,918)

70.7
Visibility
in %
(2021: 67.5)

2,032
Unconsolidated production
output in CHF m
(2021: 2,050)

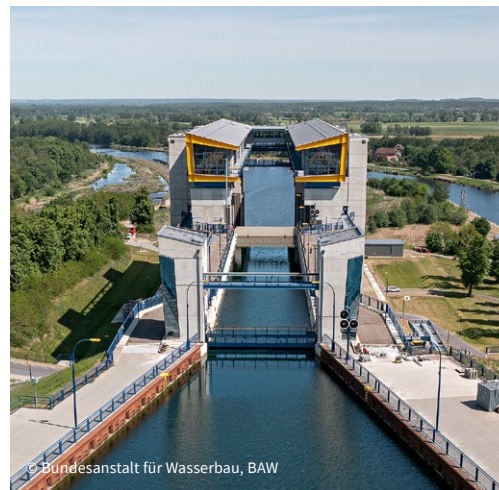
4,452
Employees (FTE)
as at 31.12.2022
(2021: 4,262)

The order book remained at previous year's level of CHF 3,951 million (2021: CHF 3,918 million), increased adjusted for currency effects and was of improved quality, reflecting the strategic focus on profitable and complex infrastructure projects. With its many years of experience and extensive expertise, the Division is the ideal partner for public-sector clients.

Key figures for Division Civil Engineering



Tangenvika railway bridge:
construction of Norway's longest
railway bridge.



Niederfinow ship lift: the newly built
ship lift allows boats to negotiate the
36 metre height difference on the
Oder-Havel canal.

In addition to its ongoing work, Implenia's Division Civil Engineering was awarded the contract for the main northern section of the second tube of the Gotthard road tunnel. Alongside the Semmering Tunnel, the Brenner Base Tunnel and TELT (Lyon-Turin), Implenia is therefore the only company participating in all four current European Alpine transversals. The Group also won some other major infrastructure contracts: the refurbishment of the Gubrist tunnel near Zurich, a connecting tunnel for the Stockholm Metro, construction of Norway's longest railway bridge and an important motorway tunnel in the same country. In Germany, a series of complex, sustainably oriented bridge building projects were added to the order book. The Bözberg Tunnel in Switzerland's Mittelland and the Lilla Lidingö bridge in Stockholm were completed successfully.



Gotthard Road Tunnel: construction
of the second tube by the "secondo
tubo" joint venture managed
by Implenia.

“We produce tubing sections for the tunnel on site, which saves 26,500 truck trips.”

Oliver Staffel
Technical Director

BRENNER BASE TUNNEL The tunnel will be the world's longest underground railway connection for passenger and freight transport. Collaborating with a multitude of partners, Implenia is mastering challenges that include a tight construction timetable and demanding logistics.



[Link to video](#)

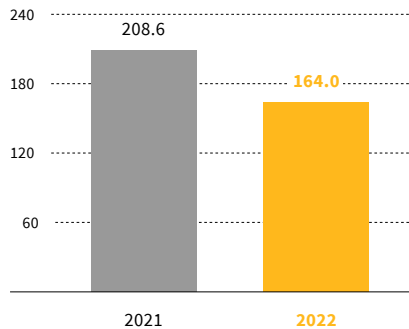
KEY FIGURES FOR DIVISION SPECIALTIES

Division Specialties achieved EBIT excl. one-time effects of CHF 2.6 million (2021: CHF – 3.2 million). Revenue decreased to CHF 164 million (2021: CHF 209 million) due to portfolio adjustments.

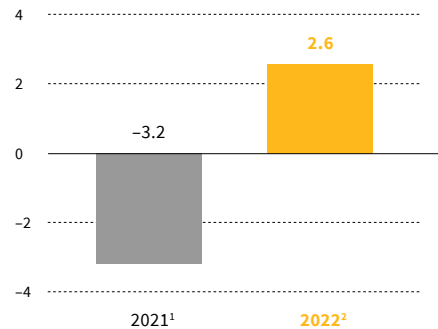


Anita Eckardt
Head Division Specialties

Revenue, unconsolidated
in CHF m



EBIT excl. one-time effects
in CHF m



¹ one-time effects of CHF 12.0 m, mainly from divestment of non-core and non-strategic businesses; reported EBIT: CHF 8.8 m

² one-time effects of CHF 1.8 m, mainly from portfolio adjustments of the Division; reported EBIT: CHF 4.4 m

Facts Specialties

151.9

Order Book
in CHF m

(2021: 153.6)

53.4

Visibility
in %

(2021: 53.3)

153.4

Unconsolidated production
output in CHF m

(2021: 189.8)

816

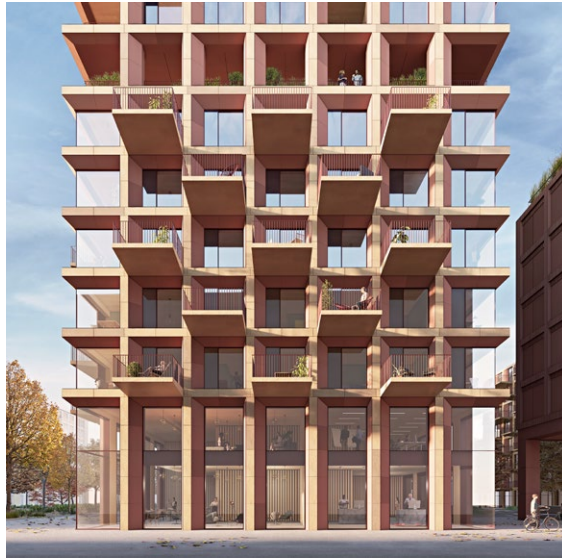
Employees (FTE)
as at 31.12.2022

(2021: 869)

The order book was at CHF 152 million (2021: CHF 154 million) and adjusted for currency effects above previous year's level. The Division will continue to expand its planning and engineering capabilities by developing and scaling customer-centric business models. It will also continue to adjust its portfolio and look for attractive acquisition opportunities. With its innovative service portfolio, the Division is contributing to the sustainable development of the construction industry.

Key figures for Division Specialties

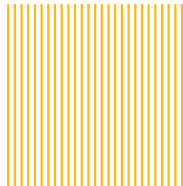
Rocket in Winterthur: Implenla and its partners developed the innovative wooden structure especially for high-rise buildings.



St. Gallen Cantonal Hospital: BCL is providing construction logistics services for this new-build project.



© Kantonsspital St. Gallen: Neubauprojekt «come together»



As well as being contracted by other Divisions' projects, the services offered by Division Specialties, such as Timber Construction, BCL, BBV Systems, Planovita and Facade Technology, are seeing increasing demand from external clients. Among others the Division has won a Facade Technology contract for the attractive "Berlin Decks" project and with BCL provides construction logistics services for the new building work at St. Gallen Cantonal Hospital. The Timber Construction unit has completed the base build for the Elefant office complex at Lokstadt in Winterthur.



New offices for the Cellforce Group in Reutlingen-Nord/Kirchentellinsfurt: BCL is handling construction logistics at the 28,000 m² site.



“Digital facade planning is more accurate and makes planning faster.”

Ronny Haudeck
Project Manager Implenia Facade Technology

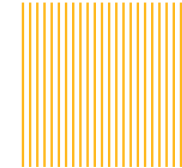


BERLIN DECKS Implenia Buildings and Facade Technology are working with JV partners to build the new Berlin Decks commercial campus for BEOS AG. The buildings will have striking green ceramic cladding, made of panels developed by Implenia Facade Technology and produced in Germany.



[Link to video](#)

OPPORTUNITIES AND RISKS



Implenia's holistic opportunity and risk management system supports the Group's strategic priority of "Profitable Growth". Enterprise Risk Management (ERM) and Business Continuity Management at Group level and Value Assurance at project level are used to identify strategic and operational risks, and initiate measures to improve the risk profile.

A proactive approach to opportunity and risk is a crucial element of successful corporate management. Implenia manages risk as a continuous task based on consistently applied processes integrated into day-to-day operations and clearly defined responsibilities.

Three-line model provides an overriding framework

Implenia uses the Three Lines of Defence model as the overarching framework for its risk management. This defines roles and responsibilities for effective, efficient risk management and counteracts risks along three lines:

- First line: the business unit responsible for the identified risks and the efficient mitigation of

these risks through controls and measures in day-to-day business.

- Second line: processes such as Value Assurance and functions like Performance Management, HR, Legal & Compliance that monitor and support first-line risk management processes. ERM integrates the risk identification and assessment carried out in the first and second line at the Division, function and Group level, and defines the uniform methodology and parameters.
- Third line: internal and external audit bodies. These have a monitoring role, i.e. they provide independent confirmation that Implenia's risks and opportunities are handled effectively and in accordance with the company's ERM regulations.

Enterprise Risk Management: five top risk clusters identified

Implenia's ERM regulates the management of strategic and operational risks based on the Group's markets and business model, as well as its legal and financial risks. These are identified, evaluated, controlled, monitored and reported on an annual cycle using standardised processes so that measures can be formulated. The ERM thus creates a basis for decision-making and helps management achieve strategic and operational goals.

Synchronised bottom-up and top-down process

The internal and external conditions under which Implenia works are constantly changing, so the Group identifies and assesses risks dynamically

based on probability of occurrence and likely impact. "With our holistic, integrated ERM, we work with a synchronised bottom-up / top-down process supplemented by ad-hoc activities," explains Rebecca Gerth, who coordinates ERM at Implenia. Since 2021, Implenia has identified and evaluated risks using the bottom-up process, consolidating them at the Division, function and Group level for and with management. In the top-down process, which is repeated twice a year, management identified the following five top risk clusters in 2022, and included them in the Group Risk Report:

- "Procurement", such as supply chain bottle-necks or high inflation
- "Project profitability", such as project and contract risks

Opportunities and risks

- “Economic downturn and reputation”, including recession and ESG risks
- “Resources and manpower”, such as shortages of specialists
- “Liquidity and financing”, such as rising interest rates

Business Continuity Management, introduced in 2022, allows Implenla to ensure that critical business processes and key functions remain available in crisis situations, or that they can be restored quickly through recovery plans. For example, task forces were set up and immediate action taken in response to potential energy shortages and the war in Ukraine.

Value Assurance: using operational risk management to generate value

Implenia's Value Assurance approach – an operational risk management tool applied at the project level – is another part of the second line. The goal of Value Assurance is to ensure that bid decisions are based on the relevant facts and data, as well as to optimise profitability estimates and project management throughout the whole life of a project. “Value Assurance is the method we use to present a project in a transparent, standardised way, so that we can evaluate opportunities and risks at every stage of the project,” explains Axel Metzger, Head Value Assurance at Implenla. The Group has used the following Value Assurance process since 2019:

Project selection

- **PRE-SELECTION WITH CHECKLIST** Each potentially interesting project is recorded and assessed. The selection checklist includes clear criteria that tell us whether a project should be tested further or dropped.
- **CLASSIFICATION** Selected projects are classified using an automated matrix tailored to the Division concerned. It divides the projects into one of four classes, depending on their complexity and risk profile. Class I is for very complex projects, Class IV is for the least complex.
- **PROJECT SELECTION** All projects are assessed by a Value Assurance Committee (VAC), whose members are determined by the project class. Class I projects are decided on by the CEO, CFO and General Counsel, Class II projects by Division management and their Finance and Legal Business Partners, Class III projects by management in the countries, sectors or business units, and Class IV projects by regional management. This ensures that only strategically and financially attractive projects make it through to the bid phase.

Approval to bid

Approval to prepare a bid is given in a dedicated, project-specific VAC meeting. Bids are presented using previously submitted standardised documents, and the strategy, opportunities and risks are discussed. Approval may be given with adjustments where necessary.

Project reviews

Project reviews with on-site inspections help us check the progress of a project, identify potential problems and agree steps to exploit opportunities or mitigate risks. Any lessons learned can benefit other bids as well as projects that are already in the execution phase. There is also an early warning system built into performance management, with benchmarks used to identify potential irregularities promptly across the entire project period. The Value Assurance process is continuously supported by Operations, Legal and Finance.

With complex projects – i.e. Class I and Class II projects – the team executing the project coordinates regularly with independent Implenla experts to ensure that any discrepancies that occur during execution are picked up as early as possible. On-site visits are made to determine how the project is progressing, how relationships with the client and other project stakeholders are developing, how the financial and legal situation is looking, how the performance is, and what challenges there might be. This information is collected by means of a standardised questionnaire. Project managers then use the responses to initiate measures wherever required.

Comprehensive reviews of Class III and IV projects are carried out through spot-checks at the division level, so Implenla can efficiently manage the risks of all projects in progress.

Through the strict application of Value Assurance, Implenla ensures that the projects it acquires are strategically relevant and have a significantly improved risk and margin profile.

Integrated cooperation

To ensure integrated cooperation across the Divisions, since 2022 managers have been systematically asked during the project selection and offer approval phases whether Implenla's own services from other Divisions have also been identified and considered. “If we use services from a single source, we can offer our customers added value,” explains Axel Metzger. “As part of our Value Assurance process, we want to ensure that we take advantage of this opportunity when ever possible.”



3 SUSTAINABILITY

Sustainability as a corporate value _____ 051

Employees _____ 052

Health & Safety _____ 054



Environment _____ 056

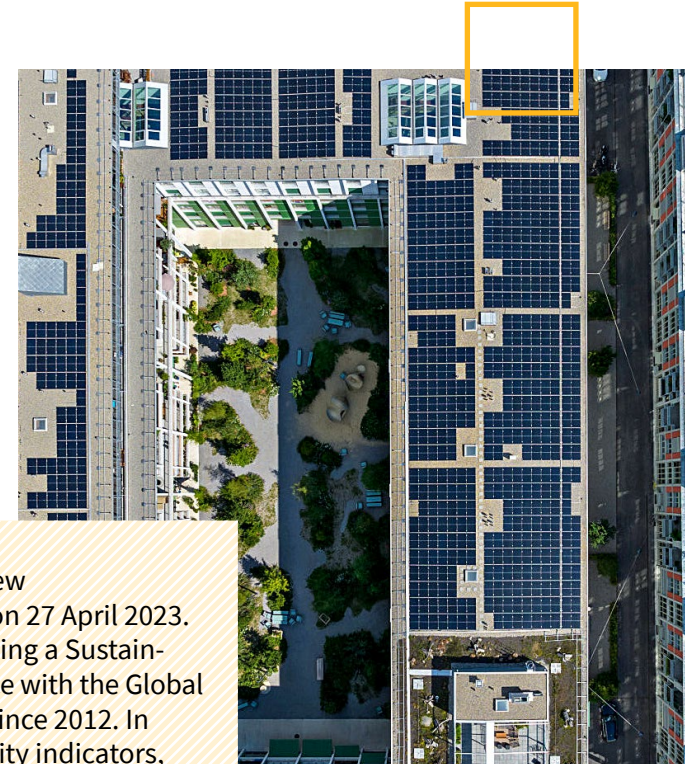
Innovation _____ 058

SUSTAINABILITY AS A CORPORATE VALUE

As one of Implenía's five corporate values, sustainability is firmly anchored in the Group's culture. Examples on the following pages – featuring employees, Health & Safety, the environment and innovation – show how Implenía puts environmental, social and economic sustainability into practice. All these examples are contributing to the achievement of Implenía's 2025 sustainability goals.



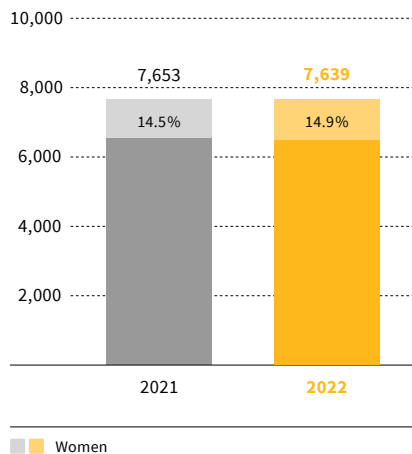
Implenia will publish its new  **Sustainability Report** on 27 April 2023. Implenía has been publishing a Sustainability Report in accordance with the Global Reporting Initiative (GRI) since 2012. In addition to the sustainability indicators, the report also includes the sustainability goals for 2025 and their completion status. The latest Sustainability Report and articles on the concrete implementation of the sustainability goals are available at  sustainability.implenia.com.



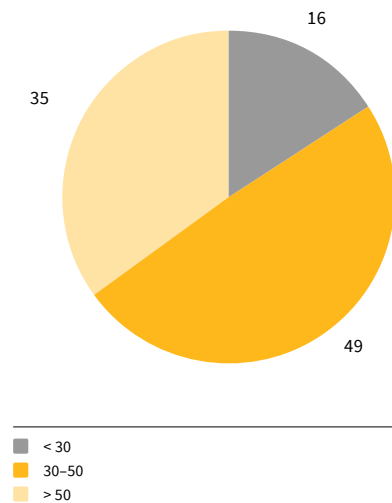
EMPLOYEES

Implenia is developing and building the world of tomorrow. Its success depends more than anything else on well-trained and committed employees. Implenla actively invests in attracting and retaining such employees for the long term: by offering exciting jobs, targeted training and development, a modern working environment and a culture of diversity and integration.

Number of employees (FTE) and proportion of women as at 31.12.2022



Age structure 2022
in %



Prospects for committed employees

In order to attract as many committed and qualified employees as possible at a time when skilled workers are in increasingly short supply, and to inspire these people to stay with the company for many years, Implenla uses a series of measures and offers a variety of work and development opportunities for employees at all stages of their career.

Opportunities for a new career...

Those just coming into the industry, for example, appreciate an initial opportunity to prove themselves. The **construction practitioner** who completes an apprenticeship at Implenla – a first step on the way to her dream job as an architect. The aspiring civil engineer, who combines studies with training as a **reinforced concrete builder** at Implenla, thus acquiring important practical experience and the skills needed to succeed

in the world of work. And the young **engineer**, direct from university, who enrolls in Implenla's construction management development programme.

... or further professional development

Whether they are fresh from school or in the middle of a successful career, motivated people are always looking for interesting prospects. This includes experienced professionals who can systematically pass on their knowledge to young talent. As an internationally active Group, Implenla also offers a wealth of job opportunities across business areas and in different countries, and actively supports employees if they want to develop in a new direction or work abroad.

The young tunnel **construction manager** from France, who wanted to move with his German wife and family to Munich, decided to pursue a career at Implenla for precisely this reason.

Employees

Inspired by extraordinary projects

Extraordinary projects offer an opportunity to learn or to use new technologies and approaches – even to experts with many years of professional experience. And it is always exciting to work on large-scale projects with high visibility: projects that shape how we will live, work and travel in the future. The experienced manager on the Gotthard tunnel project, for example, loves working on one of the largest infrastructure projects of the 21st century.

Developing potential

Talented people want to move forward and Implenia wants to help shape new developments and trends. To meet both requirements, Implenia actively invests in its employees' training and development. It starts with the youngest: in 2022, 187 apprentices and trainees completed

Proud of our diversity and training



92

Nationalities
as at 31.12.2022

(2021: 94)



187

Completed
apprenticeships
as at 31.12.2022

(2021: 112)

their two-to-four-year basic training at Implenia. Some of them are staying at the company, where they will join and strengthen existing teams. Many others will come back to Implenia after additional training or will even do this training while at Implenia.

An in-house training programme for young construction managers was successfully piloted in 2022, for example. This was designed to counter the shortage of skilled workers in this field and enable committed specialists and graduates to grow into new roles with the support of experienced professionals. This and similar programmes are actively supported by individual training courses provided outside the company.

Investing in leadership skills

As well as promoting specialist industry skills, Implenia invests in training managers. In 2022, the six-day "Winning Performance" training course, held every year since 2014, brought together 56 motivated, talented individuals from Switzerland, Germany and France for training in expert knowledge, (self-)leadership and communication, sustainability, and Lean and change management.

Implenia also launched the WE LEAD development programme in 2022 in order to reach a wider circle of managers. It is based on a management training strategy developed for Implenia by emba X, a joint venture between ETH and the University of St. Gallen. Various modules are digitalised to make them more widely available. In 2022 alone, around 200 managers completed at least one module; another 400 should follow in 2023.

An attractive working environment

Exciting projects and promising development opportunities make an employer attractive. It is equally important to provide employees with an environment where they feel comfortable and can reconcile their professional and private aspirations. Implenia's multi-award winning headquarters, Connect, provides a modern, sustainable and collaborative office environment for about 700 employees. Further locations will gradually be upgraded in a similar way, as the Lugano office was in 2022.

Highly flexible

The use of state-of-the-art technology, a progressive home office policy and trust-based working hours allow Implenia's office-based employees to arrange their work lives in a flexible manner.

Space for encounters

Collaborative work is just one aspect: Implenia also creates space for less formal encounters at various events and celebrations. These include summer parties on construction sites, site and team Christmas parties, and the monthly after-work office party.

Enrichment through diversity

The company also invests in a culture of diversity and integration that promotes different perspectives and experiences and encourages employees to appreciate and value each other. Implenia has set itself a goal of attracting more women into the industry and to specialist and management

positions. Preparations were made in 2022 to strengthen specific support activities in this area.

A good employer

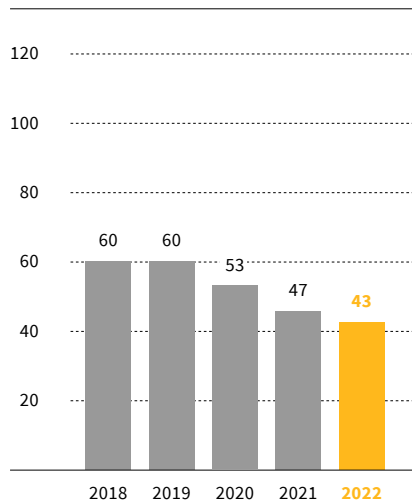
Regular surveys among employees help Implenia to understand and respond to their needs. It is not surprising, therefore, that Implenia is seen as an attractive employer. This is confirmed by independent assessments and by the fact that around a quarter of Implenia Switzerland's workforce has returned to the company after a job elsewhere.

HEALTH & SAFETY

During the year under review, we took a big step closer to our goal of reducing the Group-wide accident rate by at least half. The first Group-level Health & Safety Day saw all Implenia employees focusing on the topic of Health & Safety at work. Continuous improvement is aided by clear logging and analysis of any incidents that occur.

Development occupational accidents

Incidents per 1'000 full-time posts based on all Implenia Group units as at 31.12.2022



Implenia is working to reduce the Group-wide accident rate by at least 50 % by the end of 2025 compared to the reference year of 2020. Our efforts have led to a steady decline in the number of accidents at work: to 43 accidents per thousand full-time jobs in 2022.

Safety processes: logging and analysing incidents

Implenia's incident management process sets out the roles, responsibilities and tasks that apply when incidents occur. Taking a structured approach at all levels, this process helps reduce any injuries or damage and avoid any further impact. "Fortunately, we have rarely had to apply this process to its full extent, i.e. for serious accidents," says Felix Akeret, Global Head Safety. "However, where the process has been used, it has proved very effective, especially the requirement that all

parties involved meet shortly after the incident to discuss next steps."

Implenia has a system called Synergi Life through which all accidents are reported in standard format. Information is also collected systematically about near misses, i.e. incidents that did not actually cause any damage but could have done so. Key metrics such as the accident rate can be sourced directly from Synergi Life. The system can also evaluate incidents according to their potential impact. If an incident has minor effects but potentially could have had more serious consequences, this is highlighted so that lessons can be learned.

Safety leadership: leaders as role models

The Global Head Safety presents a 20-minute "Safety Moment" at the monthly meetings of the Implenia Executive Committee. Safety inspections are mandatory for managers; their annual goals include the number of inspections they must carry out. This involves managers even more closely in the topic of safety at work and signals to on-site workers that they are receiving attention and support. Safety was also made an integral part of the "Winning Performance" executive development programme for the first time in 2022. The approximately 60 middle managers on the programme spent half a day dealing intensively with the topic of occupational Health & Safety.

Health & Safety



Safety information: learn from examples

Global Safety Alerts have been used to share selected incidents with all employees since 2022 so everyone can learn from the accidents that do happen. Best practices are particularly useful learning tools. The Implenla Health & Safety Award, for example, honours three projects or teams that have done particularly good work on accident prevention. In 2022, the Südcampus Bad Homburg project team in Germany came first. Second place went to the Timber Construction team in Rümlang (Switzerland) and third to the TELT project team in France. More about the teams and their safety measures at [implenla.com/en/future/health-safety](https://www.implenla.com/en/future/health-safety).

📄 Südcampus: We develop solutions!

📄 Timber Construction: We look very closely!

📄 TELT: On parle!

Health & Safety Day

HEALTH & SAFETY AFFECTS EVERYONE

Following similar events at Division and country level, Implenla held a Group-wide Health & Safety Day for the first time in autumn 2022. The aim was to raise awareness and strengthen employees' sensitivity to the topic through a shared experience. All employees in every country, business area and function concentrated on the main topic for the day: "dilemma". The focus was on dialogue between managers and their teams. There were also site and office tours focused on Health & Safety, evacuation exercises, training in first aid and the use of defibrillators, as well as

workshops on health topics. An internal evaluation showed that the event was very well received; it will be repeated annually with a different focus each time.

Implenla
Health &
Safety Day
2022



ENVIRONMENT

Driven by its 2025 Sustainability Goals, Implenla is taking ambitious measures to protect the environment. Additional transparency about Implenla's environmental impact was created in 2022 by a more detailed analysis of its CO₂ footprint.

The company has been reporting its CO₂ footprint for Switzerland since 2012. Last year, a complete CO₂ footprint was reported for Scope 1 and 2 emissions in all markets for the first time. The Group is also working on Scope 3 emissions reporting for the first time (chart on page 57). Additionally, key data was reported through the Carbon Disclosure Project (CDP). Better measurability helps Implenla adopt targeted measures to reduce its CO₂ emissions.

Sustainability certification for ongoing building construction projects has been consistently high for several years; an increasing number of projects in civil engineering are now also meeting sustainability standards. Implenla aims to reduce the CO₂ footprint of the projects it develops itself; it particularly wants to promote the use of renewable energy sources and low-CO₂ materials. "We

have therefore reviewed our Swiss development portfolio in line with the SIA energy efficiency path," says Rolf Wagenbach, Global Head Sustainability. "Based on our findings, we can now develop measures to achieve net zero at the operating emissions and grey emissions levels in the medium term. This is part of the journey towards developing, building and operating 'Net Zero Carbon Buildings' in future." A process has been set up with the Real Estate Division to manage this. This should ensure that new development projects have a CO₂ budget in accordance with the reduction path and that they fulfil the requirements of the Swiss Sustainable Building Standard (SNBS) in Switzerland, and the "Effizienzhaus" standard in Germany.

CO₂ reduction and circular economy in focus

Implenia believes that closing material cycles has great potential to reduce CO₂ emissions in the construction industry and save primary resources. The company intends to develop new circular business models by 2025. The Real Estate Products Business Unit, for example, develops scalable, industrially manufactured real estate products based on wide-ranging circular principles. This was recognised when Real Estate Products received the "Advanced" Circular Globe Label from the SQS rating agency at the end of 2022 – a first for the real estate industry. This marked a major improvement for the new business unit compared with the pilot assessment. The label is valid until 2025 and covers the entire range of Real Estate Products services.

Systematically recording environmental incidents

The Synergi Life tool has been used across the Group since 2021 to record accidents and environmental incidents systematically. It then divides them into five categories depending on their severity. This enables Implenla to practice professional environmental management and to avoid incidents through targeted prevention measures.

Implenia also trains its employees on sustainability topics – general ones and those specific to their area of work – through the Sustainability Academy, which was launched in 2022. E-learning modules on environmental protection and CO₂ reduction have already been introduced.

Environment

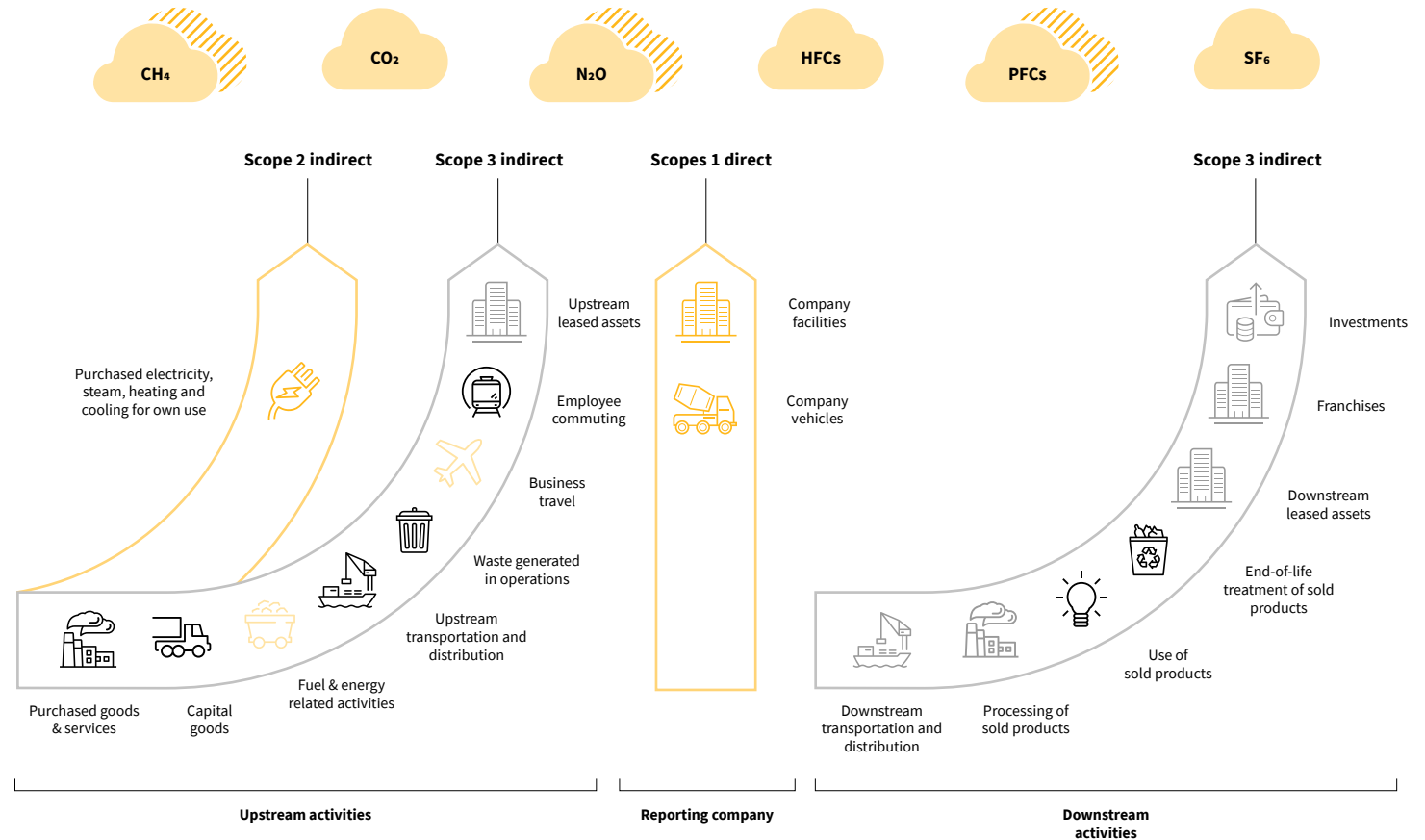
What are Scope 1, 2 and 3 greenhouse gas emissions?

SCOPE 1 Emissions caused directly by a company's use of fuel in operations and transport, as well as fugitive emissions.

SCOPE 2 Indirectly generated emissions resulting from the use of purchased electricity, steam, heating and cooling.

SCOPE 3 All other indirect emissions in a company's value chain caused by its activities.

Greenhouse gas emissions by Implenia*: Overview of value chain



* Implenia reports its greenhouse gas emissions in accordance with the international Greenhouse Gas Protocol. Implenia generates greenhouse gases through the operation of construction machinery, production facilities and yards (Scope 1), but also through the use of electricity and district heating (Scope 2). In addition, indirect emissions occur in its upstream and downstream process chains (Scope 3). The relevant figures can be found in the new Implenia Sustainability Report, published on 27 April 2023.

■ Reported Scope 1 and 2 emissions
■ Reported Scope 3 emissions
■ Unreported Scope 3 emissions
■ Not applicable or insignificant owing to nature of Implenia's business

Source: Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard

INNOVATION

Implenia implements innovative solutions that bring sustainable added value to its clients' projects. Good examples include the development of a new HS-EPS yielding support element for tunnel construction, and the co-development of hydrogen-powered solutions for emission-free construction sites.

Implenia develops and deploys new services, products and methods so that construction can have a sustainable and economically viable future. The company gets its innovative strength from various sources: from intrapreneurship among employees, from Open Innovation ideas generated by start-ups, universities and technology companies, as well as from investment in or acquisition of SMEs, start-ups and scale-ups that create sustainable added value with new business models. Often – and this is the ideal scenario – innovations, including those in the area of sustainability, are driven by the operational business. Karel van Eechoud, Senior Innovation Manager and Head of the Implenia Innovation Hub, highlights a few examples:

“Goldbox” HS-EPS yielding support element

Since 2019, Implenia has been using an established process called Kickbox to tap into its employees' potential to innovate. By the end of 2022, a total of 93 ideas had been submitted and reviewed via the Group-wide Kickbox programme; 16 pilot projects have now been implemented. In 2022, one particular product, an HS-EPS yielding support element, was developed through to the “Goldbox” stage. Thanks to the Kickbox process, Manuel Entfellner, site manager at the Semmering tunnel construction site in Austria, was able to show that his idea is feasible and has real market potential. His innovative yielding support element is lighter and safer than existing products, and is quicker to use. Following extensive testing, it is now being used in other tunnelling projects – such as the Brenner Base Tunnel. Read more:

 [HS-EPS yielding support elements](#)

Expertise of ETH students harnessed to implement ideas for innovation

Following the Open Innovation approach, the innovation team submitted innovation ideas to the Innovation Leadership Seminar at ETH Zurich for the third year in a row. “These are four specific challenges for Implenia that we sourced from our Divisions and are now seeking to solve with the help of ETH students.” One of these ideas concerns life-cycle analysis in tunnel construction – a relatively new topic in Swiss and German markets. A second relates to the development of a calculator that can determine the break-even point for energy-related modernisation measures in building construction. This will enable Implenia to analyse portfolios quickly and give the client optimised proposals.

Alternative energy sources for construction sites

As part of a government-backed pilot project in Norway, Implenia is currently working with a partner company to find a fossil-free alternative way of providing construction sites with electricity. Energy specialist TECO 2030 is developing a hydrogen fuel cell generator with an output of 2 x 0.4 megawatts. Implenia is supporting TECO with its practical experience and will start testing the generator on its construction sites by the end of 2023.

4 CORPORATE GOVERNANCE

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| Group structure and shareholders | 061 |
| Capital structure | 062 |
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| Shareholders' participation rights | 077 |
| Change of control and defensive measures | 079 |
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CORPORATE GOVERNANCE

As required by the SIX Swiss Exchange Ltd’s Directive on Information relating to Corporate Governance of 18 June 2021, in force since 1 October 2021 (Directive Corporate Governance, DCG), this chapter describes the main structural and organisational principles of the Implenla Group, to the extent that they directly or indirectly concern the interests of the shareholders and other stakeholders. Unless specified otherwise, the information is provided as of the balance sheet date (31 December 2022).

The structure and numbering of the chapter correspond to those of the Annex to the Directive Corporate Governance. The information about compensation, shareholdings and loans is summarised in the Compensation Report (see pages 81 et seqq.). The principles and rules of Implenla’s Corporate Governance are implemented in the Articles of Association and the Organisational Regulation. The Code of Conduct establishes the guidelines for the applicable business practices and proper conduct, which are binding for all Implenla Group employees.

The Articles of Association of 24 March 2020, which were applicable as of the balance sheet date of the reporting year (hereinafter “Articles of Association” or “AoA”), the Organisational

Regulations of 24 October 2022 applicable as of the balance sheet date of the reporting year (hereinafter “Implenia OR”) and the Code of Conduct are available on Implenla’s website:

📄 <https://www.implenla.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

📄 <https://www.implenla.com/goto/corporategovernance/2022/en/or-implenia-20221024.pdf>

📄 <https://www.implenla.com/goto/corporategovernance/2022/en/code-of-conduct-20220712.pdf>

1 — GROUP STRUCTURE AND SHAREHOLDERS

1.1 — Group structure

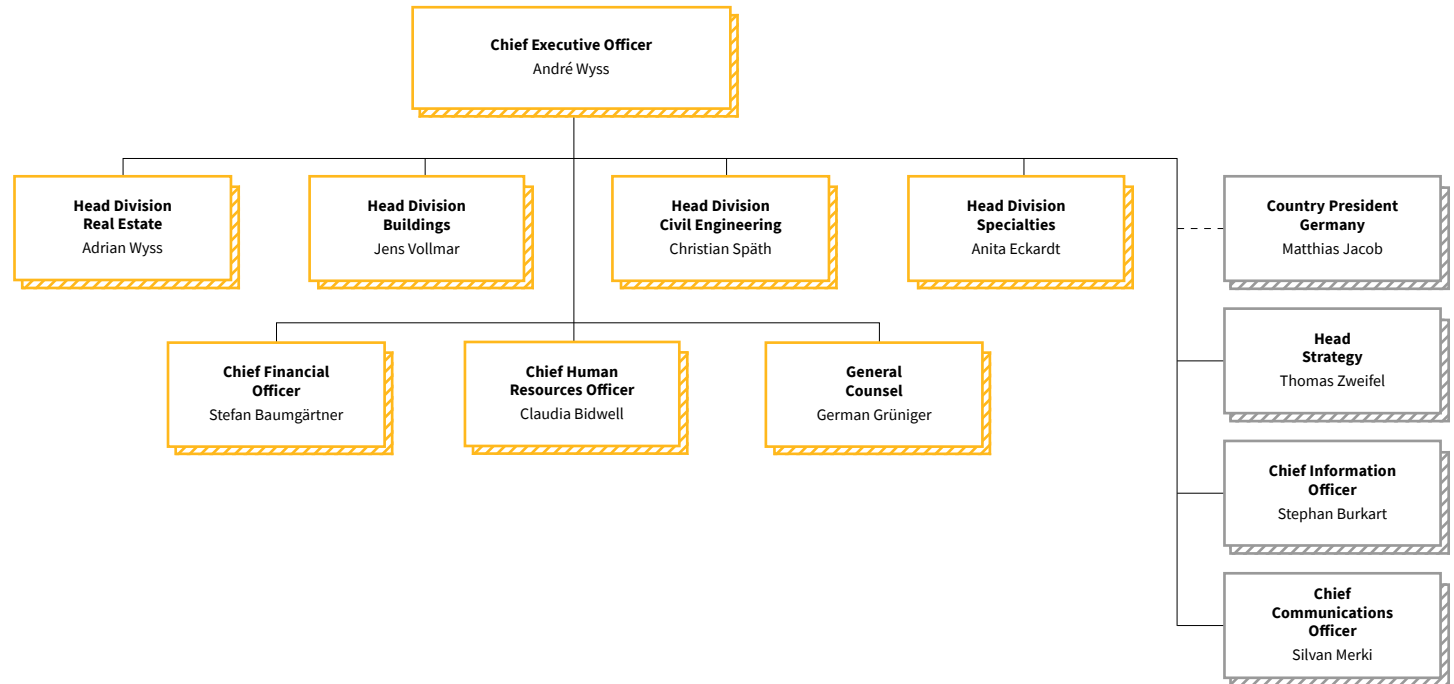
1.1.1 — Operational group structure

Impenia's internal organisation is based on four divisions (Real Estate, Buildings, Civil Engineering and Specialties). The divisions are supported by the Global Functions (Finance/Procurement, HR, Legal & Compliance, Strategy, Group IT and Marketing/Communications) (see figure on the right).

The Impenia Executive Committee (IEC), which provides group management for the Impenia Group, consists of eight members: the CEO, the four Division Heads and three Function Heads (CFO, Chief Human Resources Officer and General Counsel).

Our organisation

Organisation chart as at 31 December 2022



Members of the Impenia Executive Committee

Other members of senior management

1.1.2 — Consolidated listed entities

The Implenla Group has only one listed entity, Implenla Ltd., with its registered office in Opfikon, in the Canton of Zurich. Implenla Ltd. has been listed on SIX Swiss Exchange Ltd since 6 March 2006 (security number: 2386 855, ISIN: CH002 386 8554, security symbol: IMPN). It holds no shares in listed companies within its scope of consolidation. As of 31 December 2022, the market capitalisation of Implenla Ltd. amounted to CHF 702.9 million.

1.1.3 — Consolidated unlisted entities

A list of the main unlisted entities within the scope of consolidation, along with their company names, registered office, share capital and the Group's equity interest in each, can be found on page 160 of the Notes of Implenla's consolidated financial statements.

1.2 — Significant shareholders

Shareholders of an entity listed in Switzerland who, based on their interest in the share capital, reach, exceed or fall below certain threshold values of voting rights, have reporting and disclosure obligations according to the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA). According to the disclosure reports of SIX Swiss Exchange Ltd and the Share Register, the shareholders listed below held a shareholding of more than 3% of the share capital and voting rights of Implenla Ltd on 31 December 2022.

Disclosed shareholdings

| Shareholder's name | Investment |
|----------------------------------|------------|
| Max Rössler / Parmino Holding AG | 16.51% |
| Norbert Ketterer | 10.00% |
| Rudolf Maag | 5.41% |
| Dimensional Holdings Inc. | 3.01% |

All reports concerning the disclosure of shareholdings under Art. 120 FMIA, which were published in the reporting year and since 1 January 2023, are available at the following link of the Disclosure Office of SIX Swiss Exchange Ltd:

<https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>

1.3 — Cross-shareholdings

There are no cross-shareholdings.

2 — CAPITAL STRUCTURE

2.1 — Capital

The share capital of Implenla Ltd. as of 31 December 2022 amounted to CHF 18,841,440, divided into 18,472,000 registered shares with a nominal value of CHF 1.02 each. In addition, as of the balance sheet date, Implenla Ltd. had conditional capital of CHF 3,768,288. Based on the conditional capital, the share capital can be increased by a total of CHF 3,768,288 under the conditions established in Art. 3b of the Articles of Association.

2.2 — Conditional and authorised capital in particular

Conditional capital (Art. 3b of the Articles of Association)

The conditional capital can amount to a maximum of CHF 3,768,288, accounting for 20% of the existing share capital. The increase from conditional capital would be made by issuing no more than 3,694,400 registered shares to be fully paid up with a par value of CHF 1.02 each, by exercising conversion and/or option rights granted in connection with bonds or other financial market instruments of Implenla Ltd. or any of its Group companies.

During any issue of bonds or other financial market instruments connected with conversion and/or option rights, the shareholders' subscription rights shall be suspended. The existing holders of the respective conversion and / or option rights shall be entitled to subscribe for new shares. The terms and conditions of conversion and/or options shall be determined by the Board of Directors (Art. 3b(1) of the Articles of Association).

In the reporting year, no increase was performed from the conditional capital; i.e. no conversion and/or option rights were exercised in connection with the convertible bond issued on 30 June 2015 (on that subject, see section 2.7 below). For further information about conversion and/or option rights and the applicable terms and conditions, see Art. 3b of the Articles of Association.

<https://www.implenla.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

Authorised capital (Art. 3a of the Articles of Association)

The Company has no authorised capital.

2.3 — Changes in share capital during the last three reporting years

The share capital remained unchanged from 2020 to 2022. The equity capital of Implenia Ltd. developed as follows in that period:

Changes in equity capital during the last three years

| in CHF thousand | 31 December 2022 | 31 December 2021 | 31 December 2020 |
|---------------------------------------|------------------|------------------|------------------|
| Share capital | 18,841 | 18,841 | 18,841 |
| Statutory capital reserves | | | |
| – Reserves from capital contributions | 77 | 77 | 77 |
| Statutory retained earnings | 16,185 | 16,185 | 16,185 |
| Balance sheet profit | | | |
| – Profit carried forward | 400,007 | 417,111 | 433,446 |
| – Profit/(loss) for the year | 31,692 | (17,104) | (16,335) |
| Treasury shares | (1,863) | (1,246) | (955) |
| Total equity | 464,939 | 433,864 | 451,259 |

For further information about changes in share capital in the reporting years 2020 and 2021, see the respective annual reports.

<https://implenia.com/en/investor-relations/annual-report/2021/>

<https://implenia.com/en/investor-relations/annual-report/annual-report-2020/>

2.4 — Shares and participation certificates

The share capital as of 31 December 2022 was divided into 18,472,000 fully paid-up registered shares with a nominal value of CHF 1.02 each. Subject to Art. 7 of the Articles of Association, each share shall carry the right to one vote. There are no multiple voting shares or other shares with preferential rights. All registered shares are entitled to dividends, except for the treasury shares held by Implenia Ltd.

<https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

Implenia Ltd. has not issued any participation certificates.

2.5 — Dividend-right certificates

Implenia Ltd. has not issued any dividend-right certificates.

2.6 — Restrictions on transferability and nominee registrations

2.6.1 — Restrictions on transferability

No percentage clause under the Articles of Association would enable any limitations on transferability of shares of Implenia Ltd. within the meaning of Art. 685d (1) of the Swiss Code of Obligations. According to Art. 7 (4) (a) and (b) of the Articles of Association, the Board of Directors can refuse to register a holder of registered shares as a shareholder with voting rights if (i) he fails to prove, at the request of Implenia Ltd, that he acquired and held the shares in his own name and for his own account (Art. 7 (4) (a) of the Articles of Association), or (ii) his recognition as a shareholder prevents or could prevent Implenia Ltd. and/or its subsidiaries from supplying legally required proof of the composition of the set of shareholders and/or of the beneficial owners of the shares (Art. 7 (4) (b) of the Articles of Association). Since the Implenia Group is active in the project development and real estate business, Implenia Ltd. must refuse to register persons abroad as defined by the Swiss Federal Act on the Acquisition of Real Estate by Persons Abroad (Koller Act) if doing so might jeopardise being able to prove that the Company and/or its subsidiaries are under Swiss control.

The implementing provisions for Art. 7 (4) (b) of the Articles of Association are found in the Regulations on Registration of Registered Shares and Keeping of the Share Register of Implenia Ltd. of 4 February 2013 (hereinafter “Registration Regulations”).

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/registration-regulations-20130204.pdf>

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

According to section 5 of the Registration Regulations, the Board of Directors shall register a foreign shareholder as a shareholder with voting rights in the Share Register if:

- the foreign shareholder meets the requirements applicable to all shareholders (sections 2 to 4 of the Registration Regulations);
- the total number of the registered voting shares of foreign shareholders (including the shares of the foreign shareholder in question), does not exceed 20% of the total number of registered voting shares of all shareholders; and
- the number of registered voting shares held by the foreign shareholder in question does not exceed 10% of the total number of registered voting shares of all shareholders.

Where these thresholds are exceeded, foreign shareholders shall be registered only where a ruling is issued by the authority responsible for such authorisations at the location of Implenia Ltd.’s

registered office to the effect that Implenia Ltd. and its subsidiaries will not be considered under foreign control even after registration of the additional foreign shareholder. A foreign shareholder is considered to be any shareholder who is a person abroad within the meaning of Art. 5d in conjunction with Art. 6 of the Koller Act. Foreign shareholders within the meaning of that provision also include nominees (trustees) who have not disclosed the shareholders they represent.

2.6.2 — Granting of exceptions

No exceptions were granted in the reporting year.

2.6.3 — Admissibility of nominee registrations

According to section 4 of the Registration Regulations, any persons who do not expressly declare in their registration application that they hold the shares for their own account are considered to be nominees (trustees). According to Art. 7 (4) (a) of the Articles of Association, a nominee is entered in the Share Register as a shareholder with voting rights if the nominee declares in writing that he is willing to disclose the names, addresses and shareholdings of the persons for whom he holds the shares and/or will promptly disclose that information in writing on first demand. The exact wording of that rule can be found in the Articles of Association.

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

According to section 4 of the Registration Regulations, the Board of Directors shall register a nominee as a shareholder with voting rights, recognising a share of up to 1% of the registered share capital entered in the Commercial Register, if the nominee declares in writing that he is willing to disclose the names, addresses and shareholdings of the persons for whom he holds the shares and/or will promptly disclose that information in writing on first demand. Nominees are required to have entered into an agreement with the Board of Directors regarding their status. Above the 1% limit, the Board of Directors shall enter the registered voting shares of a nominee on condition that the nominee discloses the names, addresses, place of residence or registered office and the shareholdings of those persons for whose account he holds 0.25% or more of the registered share capital entered in the Commercial Register.

For further information, see the Registration Regulations.

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/registration-regulations-20130204.pdf>

In order to be registered as a nominee, the nominee must submit an application in due form in accordance with the annex “Application for Registration as Nominee”. That form can be found on Implenia’s website.

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/application-for-registration-nominees.pdf>

2.6.4 — Procedures and prerequisites for suspension of preferential rights and restrictions on transferability under the Articles of Association

There are no preferential rights under the Articles of Association. A suspension of restrictions on transferability requires a General Meeting resolution passed by at least two thirds of the voting shares represented and the absolute majority of the par value of the shares represented (Art. 16 (1) (c) of the Articles of Association).

2.7 — Convertible bonds and options

On 30 June 2015, Implenia Ltd. issued a subordinated convertible bond in the amount of CHF 175,000,000 (security symbol: IMP15, ISIN: CH028 550 9359). The convertible bond was fully repaid on 30 June 2022.

3 — BOARD OF DIRECTORS

3.1 — Members of the Board of Directors

The Board of Directors, which should have at least five members according to the Articles of Association, currently has seven members. Ines Pöschel decided not to stand for re-election at the Annual General Meeting of 29 March 2022. Judith Bischof was newly elected to the Board of Directors. No member performs any operational management duties for

Implenia Ltd. or for any of its Group companies. Nor has any member of the Board of Directors belonged to the Implenia Executive Committee of Implenia Ltd. or any of the Group companies thereof during the last three financial years preceding the reporting period. No member maintains significant business relationships with the Implenia Group. The members are therefore independent. The Board of Directors is composed of the following members as of 31 December 2022:

| Name | Nationality | Position | Independent | In office since ¹ |
|---------------------|-------------------------|---------------|-------------|------------------------------|
| Hans Ulrich Meister | Switzerland | Chairman | Yes | 2016 |
| Henner Mahlstedt | Germany | Vice-Chairman | Yes | 2015 |
| Kyrre Olaf Johansen | Norway | Member | Yes | 2016 |
| Laurent Vulliet | Switzerland | Member | Yes | 2016 |
| Martin Fischer | Switzerland and USA | Member | Yes | 2018 |
| Barbara Lambert | Switzerland and Germany | Member | Yes | 2019 |
| Judith Bischof | Switzerland | Member | Yes | 2022 |

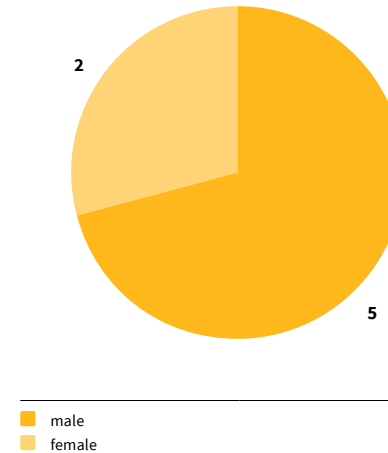
¹ Annual General Meeting in the designated year

The current composition of the Board of Directors covers a number of areas of competence. The members have many years of professional experience in a variety of industries. The graphs on the right illustrate the diversity of the Board of Directors.

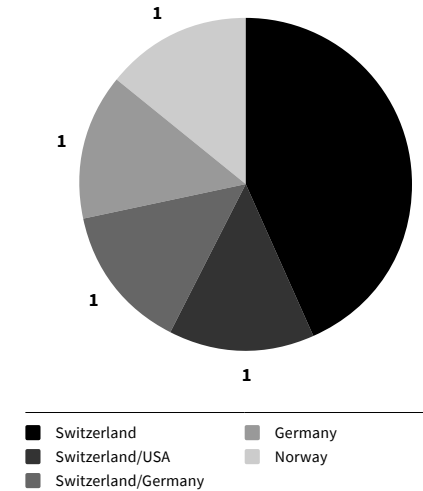
3.2 — Education, activities and vested interests

The summary on the next pages provides essential information about the education and career path of each member of the Board of Directors. It also discloses the mandates held by each member of the Board of Directors outside the Implenia Group as well as any further significant activities and permanent positions in significant interest groups.

Composition of the Board of Directors by gender (number)

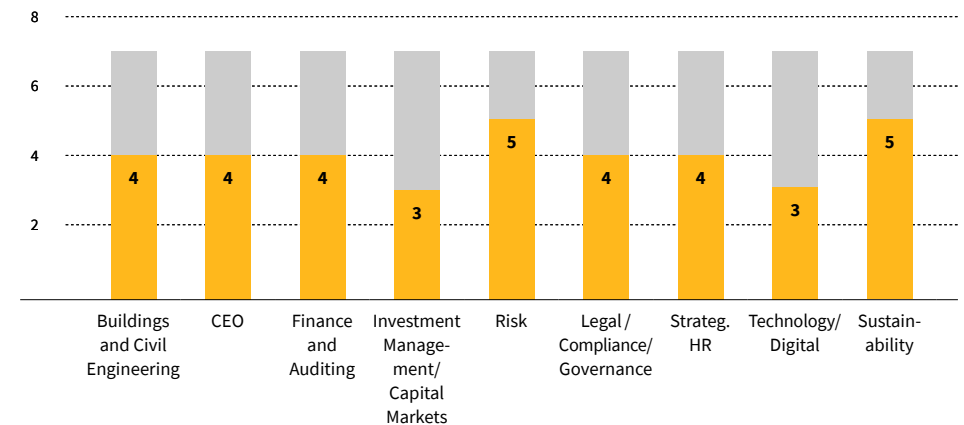


Composition of the Board of Directors by nationality (number)



Composition of the Board of Directors

Number of members by background, experience, know-how



HANS ULRICH MEISTER

Member¹ and Chairman of the Board of Directors

Born 1959
Swiss citizen

Non-executive / independent



Education

Advanced Management Program, Harvard Business School
Advanced Management Program, Wharton School
Business degree, Zurich University of Applied Sciences

Professional Experience

- 2008 – 2015** Member of the Executive Board of Credit Suisse Group AG and Credit Suisse AG
- 2012 – 2015** Head of the Private Banking & Wealth Management Division, responsible for the Private Banking business in EMEA and Asia Pacific of Credit Suisse
- 2011 – 2012** CEO of the Private Banking Division of Credit Suisse
- 2008 – 2015** CEO of Credit Suisse, Switzerland Region
- 2005 – 2007** Head of Private and Corporate Customers Switzerland at UBS
- 2004 – 2007** Member of the Group Managing Board of UBS Group
- 2003 – 2004** Head of Large Corporates & Multinationals at UBS
- 2002** Wealth Management at UBS, New York

Additional memberships on boards of directors

Ina Invest Holding Ltd (Member and Chair of the Audit Committee) – listed

1 Since March 2016

HENNER MAHLSTEDT

Member² and Vice-Chairman of the Board of Directors and member of the Audit Committee

Born 1953
German citizen

Non-executive / independent



Education

Civil engineering, Braunschweig Technical University

Professional Experience

- SINCE 2012** Managing shareholder of Mahlstedt Consultants GbR
- 2007 – 2012** Member of the Global Executive Committee of Hochtief AG
- 2010 – 2012** Chairman of the Executive Board of Hochtief Solutions AG
- 2007 – 2010** Chairman of the Executive Board of Hochtief Construction AG
- 2005 – 2007** Member of the Executive Board of Hochtief Construction AG
- 2003 – 2005** Division Head for the new German federal states at Hochtief Construction AG
- 2001 – 2003** Chairman of the Management of Pegel & Sohn GmbH
- 1997 – 2001** Member of the Executive Board of Strabag Hoch- und Ingenieurbau AG
- 1980 – 1997** Various positions within Strabag Hoch- und Ingenieurbau AG

Additional functions and offices

Member of the Advisory Board of Huesker Synthetic GmbH
Member of the Board of Trustees of Diakonie Kaiserswerth

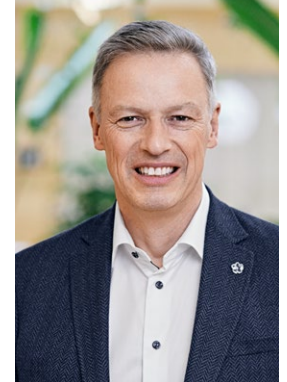
2 Since March 2015

MARTIN FISCHER

Member³ of the Board of Directors and member of the Nomination and Compensation Committee

Born 1960
Swiss and American citizen

Non-executive / independent



Education

Ph.D. in Civil Engineering, Stanford University
M.S. in Industrial Engineering, Stanford University
Diploma in Civil Engineering, EPF Lausanne

Professional Experience

- SINCE 2006** Professor for Civil and Environmental Engineering at Stanford University
- 1999 – 2001** Associate Professor for Civil and Environmental Engineering at Stanford University
- 1992 – 1999** Assistant Professor for Civil and Environmental Engineering at Stanford University
- 1991 – 1992** Acting Assistant Professor for Civil and Environmental Engineering at Stanford University
- 1984 – 1991** Various positions in industry and at colleges and universities in Switzerland, Germany, the USA and Japan

Additional memberships on boards of directors

RIB Software SE (member) – listed
sfirion AG (Chairman of the Supervisory Board)
Cadwork Informatik CI AG (member)
Control AG (member)

3 Since March 2018

KYRRE OLAF JOHANSEN

Member¹ of the Board of Directors and Chair of the Nomination and Compensation Committee

Born 1962
Norwegian citizen

Non-executive / independent



Education

Business Candidate, BI Norwegian Business School
MSc Civil Engineer, NTNU Trondheim

Professional Experience

- SINCE 2013** CEO of Norsk Mineral AS
- 2008 – 2012** CEO of Entra Eiendom AS
- 2003 – 2008** CEO of Mesta AS
- 2000 – 2003** CEO of the Road Construction Division of NCC Industry
- 1999 – 2003** Region Head of NCC in Norway
- 1991 – 1998** Various leadership positions in construction work at ABB Power Generation AG
- 1986 – 1991** Engineering consultant

BARBARA LAMBERT

Member² of the Board of Directors and Chair of the Audit Committee

Born 1962
Swiss and German citizen

Non-executive / independent
Finance and Audit Expert



Education

Degree in Economics, University of Geneva
Certified Public Accountant
Banker

Professional Experience

- 2008 – 2018** Member of the Management Committee and Group Chief Risk Officer at Banque Pictet & Cie SA
- 2002 – 2007** Partner at Ernst & Young, Head of Banking and Insurance Auditing
- 1987 – 2002** Partner at Arthur Andersen, Switzerland

Additional memberships on boards of directors

UBS Switzerland AG (Member of the Board of Directors, Chair of the Audit Committee and Member of the Risk Committee)
Deutsche Börse AG (Member of the Supervisory Board, Chair of the Audit Committee and Member of the Risk Committee) – listed
SYNLAB AG (Member of the Supervisory Board, Chair of the Audit and Risk Committee) – listed

Additional functions and offices

Member of the Advisory Board of the Geneva School of Economics and Management

JUDITH BISCHOF

Member³ of the Board of Directors and member of the Audit Committee

Born 1974
Swiss citizen

Non-executive / independent



Education

Attorney-at-law
Dr. iur., University of Zurich
Executive MBA HSG, University of St. Gallen
Master of International Business and Law, University of Sydney

Professional Experience

- SINCE 2022** General Counsel and member of the Executive Leadership Team of Clariant Ltd
- 2018 – 2022** General Counsel and member of the Executive Committee as well as Secretary to the Board of Directors of RUAG International Holding Ltd
- 2011 – 2017** General Counsel and Member of the Executive Committee of Ascom Holding Ltd.
- 2005 – 2011** Attorney-at law, Lenz & Staehelin Zurich
- 2002 – 2004** Law Clerk, District Court of Zurich

1 Since March 2016

2 Since March 2019

3 Since March 2022

LAURENT VULLIET

Member¹ of the Board of Directors and member of the Nomination and Compensation Committee

Born 1958
Swiss citizen

Non-executive / independent



Education

Advanced Management Program INSEAD, Fontainebleau

Dr. sc. tech. EPF Lausanne

Diploma in Civil Engineering, ETH Zurich

Professional Experience

SINCE 1994 Full Professor for Soil Mechanics and Risk Management at EPFL

SINCE 2018 Owner, Prof. Vulliet Consulting

2009 – 2013 Vice-President of the Swiss Society of Engineers and Architects (SIA)

2006 – 2013 Member, CEO and partner at BG Ingenieure und Berater AG

2001 – 2007 Dean of the Faculty of Architecture, Civil and Environmental Engineering at EPFL

1989 – 1993 Senior Engineer at De Cérenville Géotechnique SA

1986 – 1989 Lecturer in Soil Mechanics at the University of Arizona

Additional memberships on boards of directors

De Cérenville Géotechnique S.A. (Chairman)

Additional functions and offices

President of the “Société pour le quartier nord de l’EPFL”

Member of the Swiss Federal Geological Commission

¹ Since March 2016

3.3 — Rules of the Articles of Association regarding the number of permissible activities according to Art.12(1)(1) OaEC

According to Art. 22e of the Articles of Association, each Board Member may hold no more than 14 mandates as a director or officer of legal entities outside the Implenia Group (no more than four of which may be held in exchange-listed companies), which are to be registered in the Swiss Commercial Register or a similar foreign register. If mandates are held in different legal entities of one and the same corporate group or are held on behalf of a corporate group or a legal entity, then these will be counted in their entirety as one mandate in each case. According to the above-cited provision of the Articles of Association, it is permissible to exceed the foregoing limits for short periods.

The Articles of Association with the exact wording of the above-cited provision can be viewed on Implenia’s website.

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

3.4 — Election and term of office

The members of the Board of Directors have a one year term of office. It commences with the election and ends after the close of the next annual General Meeting, without prejudice to prior resignation or prior removal from office (Art.18 (3) of the Articles of Association). The members of the Board of Directors may be re-elected at any time (Art.18 (4) of the Articles of Association) subject to an upper age limit of 70 years of age. The retirement occurs at the end of the annual General Meeting following the 70th birthday (Art.18 (5) of the Articles of Association). In compliance with the Swiss Ordinance against Excessive Compensation at Stock Exchange Listed Companies (“OaEC”) respectively the Swiss Code of Obligations (“OR”), the members and Chairman of the Board of Directors and the members of the Nomination and Compensation Committee shall be elected individually by the General Meeting (Art. 9 (b) and Art.18 (2) of the Articles of Association). Similarly, in compliance with the OaEC, the independent proxy is elected by the General Meeting (Art. 9 (b) of the Articles of Association). Moreover, the Board of Directors generally constitutes itself and, in particular, appoints its Vice-Chairman and secretary of the Board of Directors.

If the office of the Chairman of the Board of Directors becomes vacant or the Nomination and Compensation Committee is not completely filled or the Company lacks an independent proxy, the Articles of Association have no rules to eliminate such organisational problems that deviate from Art. 4 (4), Art. 7 (4) and Art. 8 (6) OaEC.

3.5 — Internal organisation

3.5.1 — Division of responsibilities on the Board of Directors

The Board of Directors is responsible for the strategic and financial management of Implenia and the supervision of its management. It adopts resolutions as the highest corporate body, except in matters for which the General Meeting is competent by law. The Chairman of the Board of Directors shall call the Board of Directors' meetings. If the Chairman is unable to call the meeting, the meeting shall be called by the Vice-Chairman or, if need be, by a member of the Board of Directors designated for that purpose by the Board of Directors. The CEO and CFO shall attend the Board of Directors' meetings on a regular basis. The Chairman shall determine the agenda and prepare and direct the meetings. The Chairman shall also decide on a case-by-case basis whether to involve others in the deliberations of the Board of Directors. Board of Directors' meetings may be called by any member of the Board of Directors by specifying the agenda item and giving a short justification for the call.

The duties, responsibilities and working procedures of the Board of Directors, as well as its conduct in case of conflicts of interest, are regulated by the Implenia OR and Table of Responsibilities of 11 July 2019 (hereinafter "Table of Responsibilities"). The Implenia OR (without the Table of Responsibilities) can be found on Implenia's website.

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/or-implenia-20221024.pdf>

3.5.2 — Breakdown of the members of the committees of the Board of Directors, their duties and areas of responsibility

The Board of Directors has the following two internal committees in the reporting year: the Audit Committee (AC) and the Nomination and Compensation Committee (NCC). The Board of Directors elects one Chair per committee. The AC and NCC analyses the areas assigned to them by the Board of Directors and submit reports to the Board of Directors to assist with the preparation of its resolutions or the performance of its supervisory duties. The Chairs of the individual committees inform the Board of Directors of all the essential points and make recommendations on decisions to be made by the plenary Board of Directors. The committees' duties and responsibilities are defined in the Implenia OR, the Table of Responsibilities and the regulations issued by the Board of Directors.

The committees generally organise themselves. The Board of Directors shall enact appropriate regulations at request of the committees. The committees shall generally have an advisory function, with decision-making authority reserved for the plenary Board of Directors. The committees shall have decision-making authority only where so determined in the Table of Responsibilities or in a Committee's Regulation or by a special Board of Directors resolution. The committees are authorised to conduct or have investigations conducted on all matters within their area of responsibility.

They may call upon the services of independent experts. The Board of Directors may appoint ad hoc committees for certain tasks and assign preparatory, supervisory and/or decision-making authority to such committees (sections 5.1.1 and

5.1.6 of the Implenia OR). No ad hoc committee was formed in the reporting year.

The table below shows the committees existing in the reporting year and their members:

| | Audit Committee (from 29 March 2022) | Nomination and Compensation Committee (from 29 March 2022) |
|-------------------------------|---|---|
| Hans Ulrich Meister, Chairman | standing guest | standing guest |
| Judith Bischof | • | |
| Martin Fischer | | • |
| Kyrre Olaf Johansen | | • Chair |
| Barbara Lambert | • Chair | |
| Henner Mahlstedt | • | |
| Laurent Vulliet | | • |

3.5.2.1 — Audit Committee

The AC is independent and shall consist of at least two members of the Board of Directors designated by the Board of Directors. The AC is chaired by a member of the Board of Directors with proven expertise in auditing and finance. The AC shall perform all of the Board of Directors' duties relating to accounting oversight and organisation, financial controlling (including the internal control system), financial planning and risk management. Risk management shall include reporting on (current or impending) legal actions. In addition, the AC shall monitor and report on the Compliance

Management System to the Board of Directors. The AC shall coordinate and define the internal and external auditing tasks and be responsible for regular communications with the internal and external auditors and formulate the internal and external audit engagements. It shall have the authority to order special audits (section 5.1.1 of the Implenia OR). For more information about the AC's tasks, also see the Implenia OR.

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/or-implenia-20221024.pdf>

3.5.2.2 — Nomination and Compensation Committee

The NCC shall be composed of two to four members of the Board of Directors who are elected individually by the General Meeting. The general principles of the duties and responsibilities of the NCC concerning compensation have been established by the General Meeting in Art. 21a of the Articles of Association and are described in greater detail in the Compensation Report (page 85 et seq.).

For more information about the NCC's tasks, also see the Implenia OR.

📄 <https://www.implenia.com/goto/corporategovernance/2022/en/or-implenia-20221034.pdf>

3.5.3 — Working procedure of the Board of Directors and its committees

The Board of Directors and its committees shall meet as often as required by business, at least six times (Board of Directors) or three times (AC and NCC), respectively per year. The meetings shall be held at the invitation of the Chair of the relevant committee and accompanied by an agenda and meeting documents each time. Moreover, each member can call a meeting and request the inclusion of additional agenda items. The meetings of the Board of Directors and of the committees shall be presided over by their respective Chair. The presence of the majority of the members shall constitute a quorum. Members who participate in the meeting via telephone or videoconference shall be deemed present, too.

The resolutions and votes of the Board of Directors and its committees shall be carried by a majority of the voting members present. Abstentions are not permitted. In case of a tie vote, the Chairman shall have the casting vote. The results of the negotiations and resolutions shall be recorded in the minutes. The Chairman of the Board of Directors shall decide whether or not the CEO participates (section 3.3.6 of the Implenia OR). In case of need, further IEC members or other persons may be invited to the meetings. Moreover, the Division and Function Heads shall report once a year on their division or function; in addition, the Division Heads shall give semi-annual and annual reports at the respective meetings of the Board of Directors.

The Chairman of the Board of Directors shall participate in the meetings of the AC and of the NCC as a permanent guest. Further participants in the AC generally include the CEO, CFO and General Counsel and, if necessary, a representative of Internal Audit and one or more representatives of the external auditor and other persons designated by the Chair. The CEO and Chief Human Resources Officer generally participate in the NCC meetings. Guests of the meetings of the Board of Directors and of the committees generally have no right to vote. In addition, the IEC members cannot attend meetings of the NCC or of the Board of Directors whenever their own performance or compensation is being discussed. The tables on the right and on the next page give an overview of the meetings and video meetings of the Board of Directors, AC and NCC in 2022:

Overview of meetings of the Board of Directors

| | (Video-) Meetings ¹ |
|---|--------------------------------|
| Total | 12 |
| Average duration (in hours) | 3:25 |
| Participation | |
| Hans Ulrich Meister, Chairman | 12 |
| Henner Mahlstedt, Vice-Chairman | 11 |
| Judith Bischof, Member since 29 March 2022 | 9 |
| Martin Fischer, Member | 12 |
| Kyrre Olaf Johansen, Member | 12 |
| Barbara Lambert, Member | 12 |
| Ines Pöschel, Member until 29 March 2022 ² | 3 |
| Laurent Vulliet, Member | 12 |

¹ The IEC was usually present in the person of the CEO.

² Resigned from the Board of Directors on 29 March 2022.

Overview meetings of the Audit Committee

| | Meetings ¹ |
|-----------------------------|-----------------------|
| Total | 3 |
| Average duration (in hours) | 4:55 |

Participation

| | |
|--|---|
| Barbara Lambert, Chair | 3 |
| Judith Bischof, Member ² | 2 |
| Henner Mahlstedt, Member | 3 |
| Kyrre Olaf Johansen, Member ³ | 1 |

1 The Chairman of the Board of Directors, the CEO, the CFO, the General Counsel and the auditors attended all meetings.

2 Appointed to the Audit Committee on 29 March 2022.

3 Resigned from the Audit Committee on 29 March 2022.

Overview meetings of the Nomination and Compensation Committee

| | Meetings ^{1, 2} |
|-----------------------------|--------------------------|
| Total | 3 |
| Average duration (in hours) | 2:05 |

Participation

| | |
|---|---|
| Kyrre Olaf Johansen, Chair ³ | 2 |
| Ines Pöschel, Chair ⁴ | 1 |
| Laurent Vulliet, Member | 3 |
| Martin Fischer, Member | 3 |

1 The Chairman of the Board of Directors, the CEO as well as the Chief Human Resources Officer and the Head Compensation & Benefits attended all meetings.

2 In addition, supplementary and preparatory meetings as well as telephone conferences were held. Some of these meetings were with the full Board of Directors or involved third parties as deemed necessary.

3 Elected as member of the NCC on 29 March 2022 and appointed as Chair by the Board of Directors.

4 Resigned from the Board of Directors on 29 March 2022.

3.6 — Definition of areas of responsibility

The overall management and supervision of the Group is assigned by law to the Board of Directors. In addition to the responsibilities reserved to the Board under Art. 716(a) of the Swiss Code of Obligations, the Board of Directors rules on the following major transactions in accordance with the Table of Responsibilities:

- the acquisition or sale of holdings with an Enterprise Value of CHF 25 million or more;
- the purchase and sale of land / buildings / areas (commercial properties) worth more than CHF 30 million;
- the determination of target markets and the resolution to enter a market;
- the determination of the principles of the financial policy (debt-to-equity ratio and financial indicators);
- the determination of the financing plan;
- the procurement of outside capital of CHF 50 million or more (credit lines, bonds, private investments and other capital market transactions, finance leasing, hire-purchase activities, etc.);
- Fundamental issues and guidelines relating to the investment of financial resources;
- the granting of any kind of loan of CHF 5 million or more to third parties;

- the granting of group guarantees and sureties, other guarantees, bid, performance and payment bonds etc., other security interests and entering into contingent liabilities outside of the ordinary course of business of CHF 5 million or more; and
- the use of financial derivatives when not used strictly for hedging purposes.

Moreover, the Board of Directors is in charge of determining the sustainability strategy.

The Board of Directors delegates the management of the Implenia Group to the CEO, unless provided otherwise by law, by the Articles of Association or the Implenia OR, and insofar as such powers have not been delegated to the IEC or to individual members of the IEC. The CEO shall take care of the management and representation of the Implenia Group, unless delegated to other governing bodies by law, by the Articles of Association or by the Implenia OR. He is responsible for the conduct of business and representation of the Group, in particular, for leadership of its operations and the implementation of corporate strategy. Insofar as such powers have not been reserved to the Board of Directors, the CEO is authorised to organise, perform and/or delegate to qualified subordinates the duties and powers assigned to him according to the Implenia OR, subject to providing such subordinates with proper instructions and supervision.

The CEO shall be assisted with the conduct of business by members of the IEC and other Global Function Heads. They report directly to him. The CEO is responsible for reporting to the Chairman of the Board of Directors and/or to the Board of Directors (section 6.2.3 of the Implenia OR).

For the details of the division of responsibilities among the Board of Directors, CEO and IEC, see the Implenia OR and Table of Responsibilities.

<https://www.implenia.com/goto/corporategovernance/2022/en/or-implenia-20221024.pdf>

3.7 — Information and control instruments

In order to monitor how the CEO and members of the IEC perform their assigned responsibilities, the following information and control instruments are available to the Board of Directors, among others:

Information and control instruments

| | Annual | Semiannual | Quarterly | Monthly |
|--|--------|------------|-----------|---------|
| Financial report (balance sheet, income statement and cash flow statement) | | | • | |
| Budget (by division and group) | • | | | |
| Three-year plan (by division and group) | • | | | |
| VAC Reporting | • | | | |
| Group risk situation | • | | | |
| Result Delivery Assessment (RDA) | | • | | |
| Litigation Reporting | | • | | |
| Compliance Reporting | | • | | |

The IFRS Financial Reporting shall be delivered to the Board of Directors quarterly. The Half-Year Report is subject to approval by the Board of Directors and then released for publication.

As part of the budget planning for the following year, the indicators are determined based on the expected economic trend and specified together with the corporate objectives for each Division. Such indicators are used as a basis for budgeting the balance sheet, income statement, cash flow statement and liquidity planning. The annual planning for the next three calendar years (three-year plan) is performed like the budget planning.

The IEC and the Board of Directors evaluate the Implenia Group's risk position annually, specifying and assessing the main Group risks in terms of their consequences and probability. The implementation and impact of the specified measures are monitored constantly by the IEC. When assessing the operational risks, current or impending legal actions are taken into account, as well as major scope changes in construction projects. The related reports show the risks and opportunities at the Group and Division levels and are constantly updated by the operational managers in cooperation with the Global Functions Legal & Compliance as well as Finance, in order to introduce measures and monitor their effectiveness. As part of the Result Delivery Assessment (RDA) reporting, management reports on the volume of completed and open claims at each regular AC meeting.

All the divisional projects and the choice of construction consortium partners shall undergo

in-depth evaluation thanks to the value assurance process, with the Value Assurance Committee (VAC) acting as the steering body. The VAC has been set up on four levels: Group (class 1), Global Division (class 2), Country Unit (class 3) and Regional Unit (class 4). In the VAC reports, VAC class 1 shall give the AC reports, at least every six months, on the outcome of its assignments and the appropriateness and effectiveness of the project management.

Litigation reports on (current or impending) legal actions are given in each ordinary AC meeting.

As part of the compliance reporting, a report is given in each ordinary AC meeting on the Compliance Management System (incl. data protection) in general and, in particular, on compliance cases, the state of progress in the investigations and the measures taken.

The Internal Control System is audited by the external auditor as required by law, and the resulting report is given to the Board of Directors (Art. 728a (1) (3) and 728b (1) of the Swiss Code of Obligations). The reports on the individual information instruments are prepared and consolidated by the Global Functions Finance and Legal & Compliance. They are then delivered simultaneously to the Board of Directors and the IEC. At the meetings of the IEC and AC, the reports are presented by the CFO respectively by the General Counsel and commented on.

The CEO and CFO each provide detailed information about the course of business, comment on it and answer the questions of the members of the Board of Directors and AC.

The Board of Directors has engaged a recognised audit firm to conduct the internal audit. The AC determines the focal points of the internal audit based on a multi-year audit plan. In the reporting year, the focus was on IT & Digitalization Strategy, SG & A incl. Management Outsourcing Partners Switzerland, Travel & Entertainment Expenses CH, CSA Review, Health Check Austria, Project Audits as well as a follow-up on past audits. The Internal Audit's audit plan is implemented in coordination with the CFO. Internal Audit created the audit plan according to the reports that the AC submitted together with the necessary comments and recommendations. Internal Audit reports directly to the AC. The reports of Internal Audit are transmitted to the external auditor without limitation. A regular exchange of information takes place between Internal and External Audit.

3.8 — Environmental, Social and Governance (ESG) Management

Environmental, social and corporate governance actions form an integral part of Implenia's core values and are continuously monitored by the Board of Directors. The Sustainability Committee, which was reorganised in 2019, consists of representatives of all Divisions and business units. The Sustainability Committee reports directly to the IEC, which in turn reports on regular basis to the Board of Directors. The sustainability strategy is finally approved by the Board of Directors. Given the size of the Board of Directors and the strategic importance of the topic, sustainability shall be discussed by the plenary Board of Directors. That is also why no separate Board of Directors committee has been formed. The [Sustainability Report](#) will be updated in April 2023.

4 — IMPLENIA EXECUTIVE COMMITTEE

4.1 — Members of the Implenia Executive Committee

As of 1 March 2022, the IEC consists of eight members. The previous position of Head of Country Management was discontinued due to the completion of the transformation and Matthias Jacob left the IEC to devote himself to the position of Country President Germany in the future. Furthermore, Marco Dirren was replaced as CFO by Stefan Baumgärtner as of 1 May 2022.

The table below shows the composition of the IEC as of 31 December 2022:

| Name | Nationality | Position | Member of IEC since |
|--------------------|-------------------------|---------------------------------|---------------------|
| André Wyss | Switzerland | CEO | 2018 |
| Stefan Baumgärtner | Switzerland | CFO | 2022 |
| Adrian Wyss | Switzerland | Head Division Real Estate | 2019 |
| Jens Vollmar | Germany | Head Division Buildings | 2019 |
| Christian Späth | Germany | Head Division Civil Engineering | 2020 |
| Anita Eckardt | Denmark | Head Division Specialties | 2019 |
| German Grüniger | Switzerland | General Counsel | 2019 |
| Claudia Bidwell | Switzerland and Germany | Chief Human Resources Officer | 2020 |

4.2 — Education, activities and vested interests

The summary on the following pages contains basic information about the career paths and education of the individual members of the IEC. It also discloses the mandates held by each

member outside the Implenia Group as well as any further significant activities and permanent positions in significant interest groups.

ANDRÉ WYSS

Chief Executive Officer

Born 1967
Swiss citizen



Education

Various Executive Education Modules in Leadership Development at Harvard Business School

Study of economics at the University of Applied Sciences in Business Administration Zurich (HWV)

Apprenticeship as chemical worker at Sandoz (today Novartis)

Professional Experience

SINCE 2018 CEO Implenla Group

2016 – 2018 President of Novartis Operations (global, responsible for, among other things, the entire production process, central group services such as real estate and infrastructure, IT, procurement, personnel and accounting, as well as Corporate Affairs) and Country President of Novartis Switzerland

2014 – 2018 Member of Novartis Group Management

PREVIOUSLY: Various positions at Novartis, including President of Novartis USA, Executive for other Country and Regional Companies (Asia Pacific, Middle East & Africa, Group Emerging Markets, Greece), and Executive for Novartis Business Services, Head of Pharmaceutical Production in Europe, CFO for Research & Development

Memberships on boards of directors

Ina Invest Holding Ltd (Member) - listed

ADRIAN WYSS

Head Division Real Estate

Born 1975
Swiss citizen

Member of the Implenla Executive Committee



Education

Architect, University of Applied Sciences

Postgraduate degree in Business Administration, University of Applied Sciences Bern

Professional Experience

SINCE 2019 Head Division Real Estate

2015 – 2019 Business Unit Head Modernization & Development, Implenla

2013 – 2015 Head Modernization, Implenla

2006 – 2013 Various functions within Implenla

2000 – 2006 Architect at Pfister Schiess Tropeano Architekten, Zurich

JENS VOLLMAR

Head Division Buildings Country President Switzerland

Born 1984
German citizen

Member of the Implenla Executive Committee



Education

Degree in business economics from the University of St. Gallen (Dr. oec. HSG)

Professional Experience

SINCE 2019 Head Division Buildings and Country President Switzerland

2015 – 2018 Business Unit Head Buildings, Implenla

2014 – 2015 Head Business Development Buildings, Implenla

2013 – 2014 Head CEO Support, Implenla

2011 – 2013 Senior Consultant at the Institute for Finance, Financial Law, and Law & Economics, University of St. Gallen (HSG)

Additional functions and offices

Lecturer in Corporate Transactions and Construction and Real Estate Management, University of St. Gallen (HSG)

Vice-Chairman of the Executive Board Development Switzerland

Member of the Board of Bauenschweiz

CHRISTIAN SPÄTH

Head Division Civil Engineering

Born 1968
German citizen

Member of the Implenia
Executive Committee



Education

Diploma in Civil Engineering, Munich Technical University

Professional Experience

- SINCE 2020** Head of Civil Engineering Division
- 2019 – 2020** Head of Civil Engineering Business Unit at Implenia
- 2015 – 2019** Head of Tunnelling Business Unit at Implenia
- 2013 – 2015** Head of Tunnelling for Germany and Austria at Implenia
- 2012 – 2013** Engineering and management positions for complex projects at Implenia
- 2005 – 2012** Various tunnelling and engineering management positions at Alpine Bau
- 1995 – 2005** Construction and Project Director for Tunnelling at Hochtief

ANITA ECKARDT

Head Division Specialties

Born 1973
Danish citizen

Member of the Implenia
Executive Committee



Education

Master of International Business, Munich Business School
Executive Coach, Coaching Institute, Copenhagen

Professional Experience

- SINCE 2019** Head Division Specialties
- 2019 – 2019** CEO of Habitects AG
- 2017 – 2018** Chief Operating Officer at CRH Swiss Distribution
- 2008 – 2016** CMO Saint-Gobain Distribution Denmark & Sales Director Vetrotech Saint-Gobain International
- 2005 – 2008** Global Key Account & Marketing Manager at Bang & Olufsen
- 2001 – 2005** Global Brand Manager at Grundfos

Memberships on boards of directors

CKW AG (Member)

Additional functions and offices

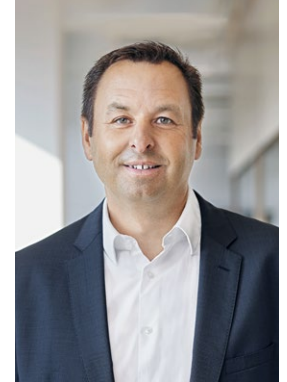
Vice-Chairperson of the SEED next generation living association

STEFAN BAUMGÄRTNER

Chief Financial Officer

Born 1971
Swiss citizen

Member of the Implenia
Executive Committee



Education

Executive MBA, Dipl. Controller NDS HF, FHS Ostschweiz
Industrial Engineer, University of Liechtenstein

Professional Experience

- SINCE 2022** CFO Implenia Group
- 2017 – 2022** CFO Ems Group
- 2014 – 2017** Division CFO of RUAG Space
- 2008 – 2014** Vice-President Finance Sulzer in Houston, Texas

CLAUDIA BIDWELL

Chief Human Resources Officer

Born 1966
Swiss and German citizen

Member of the Implenia
Executive Committee



Education

Bachelor of Science in Economics, University of London (UCL)
British Psychological Society, certified in "Work & Organisational Assessment"
Various Executive Education Modules in Leadership Development at
Harvard Business School

Professional Experience

- SINCE 2020** Human Resources Officer Implenia Group
- 2019 – 2020** Global Head of People and Organisation Development and Head of HR in Switzerland at Implenia
- 2017 – 2019** Global Head of Talent Development & Organisational Capability at Takeda Pharmaceuticals
- 2004 – 2017** Various management positions at Novartis

GERMAN GRÜNIGER

General Counsel

Born 1969
Swiss citizen

Member of the Implenia
Executive Committee



Education

Lic. iur., University of Freiburg
Dr. iur., University of Basel
LL.M., New York University
Attorney at Law
Stanford Executive Program (2019)

Professional Experience

- SINCE 2014** General Counsel Implenia Group
- 2007 – 2014** Partner at Baur Hürlimann law firm
- 1996 – 2006** Substitute/Associate at Baur Hürlimann law firm
- 1995 – 1996** Law clerk at court

Memberships on boards of directors

MediData AG (Member)
Bürgenstock Hotels AG (Member)
Bergbahnen Beckenried-Emmetten AG (Member)

Additional functions and offices

Board of Trustees of the Felsenweg am Bürgenstock Foundation (Member)

4.3 — Rules of the Articles of Association regarding the number of permissible activities according to Art.12(1)(1) OaEC

According to Art. 22e of the Articles of Association, each member of the IEC may hold no more than nine mandates as a director or officer of legal entities outside the Implenia Group (no more than four of which may be held in exchange-listed companies), which are to be registered in the Swiss Commercial Register or a similar foreign register, providing that they are approved on a case-by-case basis by the NCC. If mandates are held in different legal entities of one and the same corporate group or are held on behalf of a corporate group or a legal entity, then these will be counted in their entirety as one mandate in each case. It is permissible to exceed the foregoing limits for short periods. The Articles of Association with the exact wording of the above-cited provision can be viewed on Implenia's website.

<https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

4.4 — Management contracts

There are no management contracts with third parties.

5 — COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 — Content and procedure to determine compensation and the shareholding programmes

Please see pages 81-102 of the separate Compensation Report for further information about the content and procedure to determine compensation and the grant of shareholdings and loans to members of the Board of Directors and of the IEC.

5.2 — Rules under the Articles of Association

5.2.1 — Rules under the Articles of Association concerning the principles of compensation

Please see Art. 15a, 22a and 22b of the Articles of Association and pages 84 et seqq. of the separate Compensation Report for information about the rules governing the principles of compensation.

<https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

5.2.2 — Rules under the Articles of Association concerning loans, credit and pension benefits to members of the Board of Directors and Management Board

Please see Art. 22c of the Articles of Association and pages 91 and 101 of the separate Compensation Report for information about the rules governing the principles of loans, credit facilities and pension benefits.

<https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

5.2.3 — Rules under the Articles of Association concerning the vote by the General Meeting on compensation

Please see Art. 15a of the Articles of Association and pages 85-86 of the separate Compensation Report for information about the rules concerning the vote by the General Meeting on compensation.

<https://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

6 — SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 — Limitation of voting rights and proxy voting

All shareholders who are registered in the Share Register as shareholders with voting rights by the relevant cut-off date are entitled to participate and vote in the annual General Meeting. The Articles of Association do not provide any limitation of voting rights for shareholders, subject to restrictions on the transferability of shares (see section 2.6.1 of this report). Each share carries one vote. Moreover, as mentioned above, the Board of Directors is authorised to enter into agreements with the nominees on their reporting obligation (see section 2.6 of this report and the Registration Regulations).

<https://www.implenia.com/goto/corporategovernance/2022/en/registration-regulations-20130204.pdf>

No exceptions were granted in the reporting year. The restrictions on registration and voting rights under section 2.6.1 above may be suspended by amendment of the Articles of Association. The latter requires a General Meeting resolution passed by at least two thirds of the voting shares represented and the absolute majority of the nominal value of the shares represented (Art.16(1)(c) of the Articles of Association).

The shareholders' rights to participate in the General Meeting are governed by the relevant statutory provisions and the Articles of Association. Each shareholder can vote by participating personally in the General Meeting or have himself represented by an independent proxy or by another shareholder with voting rights with a written proxy form issued by the shareholder. Representation by a governing officer or custodian under Art. 689c and 689d, respectively, of the Swiss Code of Obligations, is not permitted. The general instruction to vote in favour of the proposal of the Board of Directors for motions announced and not announced in the letter of invitation is deemed to be a valid instruction to exercise voting rights.

In addition, partnerships and legal persons can have themselves represented by authorised signatories or other authorised representatives, minors or wards by their legal representatives, and married persons by their spouse, even if the representatives are not shareholders. The Chairperson of the General Meeting decides on the admissibility of a form of representation (Art. 13 (5) of the Articles of Association).

The shareholders may grant the independent proxy instructions and powers of attorney electronically, as well, in which case the Board of Directors shall determine the requirements for such powers of attorney and instructions (Art. 13(1) of the Articles of Association).

The Articles of Association have no further rules on issuing instructions to the independent proxy or on electronic participation in the General Meeting. The applicable rules are described in the relevant letter of invitation.

6.2 — Quorums under the Articles of Association

The General Meeting shall adopt resolutions by the majorities prescribed by law. The Articles of Association do not provide for any different majorities, except for resolutions to suspend or ease the limitations of transferability thereunder, which require a majority vote of two thirds of the voting shares represented and an absolute majority of the par value of the shares represented (Art. 16(1) of the Articles of Association). Resolutions on mergers, de-mergers and conversion are subject to the rules set out in the Swiss Merger Act.

6.3 — Convening of the General Meeting

General meetings shall be convened by the Board of Directors; the invitation, indicating the agenda items and motions, shall be published in the Swiss Official Gazette of Commerce at least 20 days before the meeting. In addition, registered shareholders may also be informed in writing (Art. 10(1) and Art. 11(1) of the Articles of Association). The decision to determine the location of the General Meeting shall be made by the Board of Directors. The minutes of the General Meetings shall be published on Implenias website.

<https://implenia.com/en/investor-relations/general-meeting/>

6.4 — Adding items to the agenda

The Board of Directors shall be responsible for adding items to the agenda. Any shareholders representing at least 1% of the issued share capital can move to add an item to the agenda (Art. 11 (2) of the Articles of Association). Such a request, specifying the agenda item and motions, shall be submitted in writing to the Board of Directors at least 45 days before the General Meeting.

6.5 — Registrations in the Share Register

The invitation to the General Meeting shall be sent to the shareholders registered as shareholders with voting rights in the Share Register as of the cut-off date. The cut-off date for eligibility to vote in the General Meeting is set by the Board of Directors based on Art. 13 (2) of the Articles of Association. The relevant data is cited in the invitation.

The Articles of Association with the exact wording of the above-cited provision can be viewed on Implenias website.

<https://www.implenia.com/goto/corporategovernance/2022/en/or-implenia-20221024.pdf>

7 — CHANGE OF CONTROL AND DEFENSIVE MEASURES

7.1 — Duty to make an offer

The Articles of Association contain no opting-out or opting-up clause. Art. 135 FMIA is therefore applicable, according to which a shareholder who acquires equity securities from Implenia directly or indirectly or by arrangement with third parties and, together with the securities that they already possess, thereby exceeds the threshold of $33\frac{1}{3}\%$ of the company's voting rights, must submit an offer for all the company's listed equity securities.

7.2 — Change-of-control clause

There are no agreements concerning change of control, whether with the members of the Board of Directors and of the IEC or with other members of Management. In the case of a change in control, the LTIP will be automatically ended and the number of the PSUs awarded will be adjusted pro rata.

8 — AUDITOR

8.1 — Duration of the Head Auditor's mandate and term of office

The auditor has been PricewaterhouseCoopers Ltd (Zurich) since financial year 2006. The duration of the mandate assigned to PricewaterhouseCoopers Ltd is one financial year in each case (Art. 22 of the Articles of Association). The current mandate commenced on 31 December 2019. The position of Head Auditor is held by Michael Abresch. According to Art. 730a of the Swiss Code of Obligations, the person who manages the audit may generally exercise his mandate for seven years at the most.

8.2 — Audit fee

In the reporting year, the fee invoiced by the auditor amounted to a total of CHF 2,072,000 (2021: CHF 2,021,580).

8.3 — Additional fees

The total amount of the additional fees for the reporting year amounted to CHF 143,088 (2021: CHF 477,758). The additional fees were charged in connection with taxes and ESG services.

8.4 — Information instruments of the External Audit

In particular, the AC is tasked with effective and regular monitoring of the auditor's reports in order to ensure their quality, integrity and transparency. The auditor's representatives participated in all three AC meetings during the financial year. The audit plan, including the fees, is presented to the members of the AC and discussed with them. In the meetings, the auditor reports the main findings to the AC together with the related recommendations.

9 — INFORMATION POLICY

Implenia maintains open and transparent communication on a regular basis with the shareholders, the capital market and the public. As contacts, the CEO, CFO and Head Investor Relations are available to shareholders, and the Chief Communications Officer is available to the media. The most important information is communicated periodically as follows:

- Annual results (February / March): Publication of the Annual Report, conferences for media and analysts
- Half-year results (August / September): Publication of the Half-Year Report, conferences for media and analysts
- General meeting (March / April)

Over the course of the year, Implenia provides information about important business events through press releases and letters to shareholders. As a company listed on SIX Swiss Exchange Ltd, Implenia has an ad hoc public disclosure obligation; i.e. the obligation to disclose information that may potentially affect share prices. In addition, Implenia maintains a dialogue with investors and media at special events and roadshows.

The website www.implenia.com is constantly available to shareholders, the capital market and public as an up-to-date news platform. It contains the main facts and figures regarding Implenia, financial publications, presentations on important developments and the dates of all the relevant events (General Meetings, press conferences, etc.). Interested parties can sign up for the free e-mail news service.

All press statements are released simultaneously on the website and in the media. In addition, all publications since 2012 are retrievable there.

🔗 <https://implenia.com/en/investor-relations/shares/>

🔗 <https://implenia.com/en/investor-relations/publications/financial-publications/>

🔗 <https://implenia.com/en/media/newsroom/>

🔗 <https://implenia.com/en/media/news-service/>

10 — TRADING BLACKOUT PERIODS

Implenia has clear rules related to trading blackout periods. Fixed recurring trading blackout periods apply to everyone entrusted with financial reporting in connection with the preparation and publication of regular financial reports (annual and semi-annual reports). The information is provided by letter or by e-mail. The fixed trading blackout periods shall begin when the relevant figures become available internally, or on the balance sheet date by the latest, with the proviso

that 15 December is considered to be the latest possible date in the case of the annual financial report. Each fixed trading blackout period shall end no sooner than 24 hours after the relevant publication.

Moreover, variable trading blackout periods are applicable to specific substantial corporate projects (such as restructuring or M&A transactions, etc.) which shall be announced to everyone involved in the specific project by letter or by e-mail. The variable trading blackout periods shall be applicable from notice of the project until the publication or express revocation.

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5 COMPENSATION REPORT

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LETTER TO SHAREHOLDERS FROM THE CHAIR OF THE NOMINATION AND COMPENSATION COMMITTEE

DEAR SHAREHOLDERS,

On behalf of our Nomination and Compensation Committee (NCC), I am pleased to present our Compensation Report for the financial year 2022.

In August 2022, Implenia announced that it had successfully completed its transformation that was started in the spring of 2019. The outcome of this significant milestone is already evident in the strong financial results seen across all Divisions in a year in which the industry faced significant challenges, including unforeseen inflation and supply chain disruptions. Moreover, the company has built a strong foundation which will enable the profitable and sustainable growth of its business in the years ahead. These achievements under such circumstances would not have been possible without the extraordinary efforts displayed by employees across the company and the high performance delivered by the Implenia Executive Committee (IEC) over the last few years of Implenia's transformation.

Through our robust compensation structures and philosophy, we are able to play an important role in driving and rewarding this kind of performance. A guiding principle for any compensation mechanism is that what benefits management, must in the short or long term, likewise benefit

the shareholders. With this in mind, designing the correct compensation packages is fundamental in order to develop and strengthen the culture and values that will allow Implenia to deliver on its strategy and achieve long-term success. This is a responsibility that the NCC takes very seriously. Our compensation recommendations to the Board of Directors therefore strictly follow the compensation principles as detailed under section 1 of this report.

To ensure the competitiveness of our pay levels and practices, in 2022 the NCC conducted a thorough benchmarking exercise compared to a selected group of peer group companies. In terms of pay levels, we determined that we pay most IEC positions around the peer group median based on market data provided by an external partner. In terms of practices, Implenia stood out as having one of the lowest weightings of its short term based remuneration within its overall executive pay-mix. The importance of our Long-Term Incentive Plan (LTI) as an instrument to reward long-term shareholder value creation is, and remains, undisputed. However, the NCC believes that the Short-Term Incentive (STI) plays a crucial role in recognizing progress made towards the company's annual

strategic priorities. To recognize the importance of both these remuneration components, it was decided to weigh these equally from 2023 onwards (previously weighted 40 % and 60 % of base salary for STI and LTI respectively). Especially with the stronger formalising of the ESG-related KPI within the STI plan, this weighting strengthens the accountability towards these goals while retaining the prominence of the LTI within the IEC pay-mix, and without increasing the overall pay levels of the IEC. This change does not apply to the CEO, whose performance will continue to be measured against his prior year pay-mix.

As the business environment and company strategies change over time, so too must the compensation philosophies that determine the key priorities for executives. Whilst traditionally these priorities were predominantly based on financial performance, the attention given to the link between progress in the area of ESG and executive remuneration is rightly growing each year. As one of Implenia's five organisational values, Sustainability is a topic which is deeply ingrained and lived throughout the company. Through the award of the industry's best MSCI ESG rating (AAA) in

January 2022, the dedication of Implenia's employees and leadership towards offering more sustainable solutions has not gone unnoticed by our external stakeholders.

Therefore, to further emphasise its commitment towards the success of its sustainability goals, as mentioned above, the NCC decided in 2022 to strengthen this link in the form of a dedicated ESG-linked KPI in the annual STI-Plan for the IEC. The exact objectives for each IEC member will differ slightly based on the area of responsibility of their role. However, each of them is contingent on the measurable progress towards the Group's overall sustainability targets, as further detailed in this year's Sustainability Report, which will be published in April 2023. In combination with the pre-existing financial, individual and value-based components, we believe the plan now clearly measures and rewards financial success, but also holds each member accountable for ensuring that these successes are understood in the wider context of the impact that the company's operations have towards our local communities and our planet. Although the initial feedback of this decision by external stakeholders have been

Letter to shareholders from the Chair of the Nomination and Compensation Committee

positive, we nevertheless don't regard this the final destination of Implenia's ESG journey. The implementation of further sustainability and ESG targets will be developed as we gather experience from the targets already set. In the years ahead, we will continue to evaluate where we can effectively leverage the remuneration of our employees and leadership to further incentivise the contributions made towards ensuring a more liveable world for generations to come.

The Compensation Report will be submitted to a non-binding advisory vote by the shareholders at the AGM 2023. At the AGM 2022, shareholders supported the compensation proposals put forward by the Board of Directors by a large majority. The Board compensation between the AGM 2022 and the AGM 2023 will fall within the approved amount of CHF 1.6 million. The maximum amount submitted to be voted on at the AGM 2023 for the next term will remain unchanged at CHF 1.6 million, as will the compensation paid to individual members of the Board of Directors.

At the AGM 2021, our shareholders approved, for the financial year 2022, a maximum total compensation of CHF 13 million for the IEC. The total awarded compensation for the IEC does not exceed this approved amount. For the upcoming AGM, the Board of Directors will not propose an increase of the maximum total compensation for the IEC. Consequently, this will remain at CHF 13 million.

As part of our mandate, we will continue to review the compensation strategy on an ongoing basis in order to adapt it to the evolving environment and keep alignment with shareholder and other stakeholder interests.

We count on your trust, look forward to our continued dialogue and thank you for your ongoing support.



Kyrre Olaf Johansen
Chair of the Nomination and
Compensation Committee

COMPENSATION PHILOSOPHY AND GOVERNANCE

The Compensation Report provides an overview of Implenias compensation principles and key components.

In particular, the compensation paid to members of the Board of Directors and to the Implenias Executive Committee (IEC) is outlined. Furthermore, the responsibilities and governance process in the design, approval, and implementation of compensation plans are detailed.

This report has been prepared in accordance with Swiss laws and regulations, including the requirements of the Ordinance against Excessive Compensation at Stock Exchange Listed Companies (OaEC) the Swiss Code of Obligations (OR), the Directive on Information relating to Corporate Governance issued by the SIX Swiss Stock Exchange and the Swiss Code of Best Practice for Corporate Governance drawn up by *economiesuisse*.

The compensation amounts shown under chapters “Compensation of the Board of Directors” and “Compensation of the Implenias Executive Committee” of this report were audited by the statutory auditor.

In addition, certain provisions on compensation are governed by the Articles of Association,

which were last updated and approved by the General Meeting in March 2020. The following provisions on compensation, implemented in 2014, are included in the Articles of Association:

- Powers (Art. 9)
- Approval of compensation of the Board of Directors for the period until the next AGM and of executive management for the next financial year by the General Meeting (Art. 15a)
- Additional amount of up to 50% of the applicable total amount of compensation of management authorised if members of management join management or take additional responsibilities during the period for which the compensation of management has already been approved (Art. 15a para 5)
- Set-up and tasks of the compensation committee (Art. 21a)
- Principles of compensation applicable to the Board of Directors and executive management (Art. 22a, b, c) and contracts (Art. 22d)

The Articles of Association can be consulted in their entirety online:

<http://www.impenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

Compensation philosophy and governance

1 — COMPENSATION PRINCIPLES

Implenia's compensation philosophy, applicable to the IEC and more generally to all employees, is based on the following main principles:

- **SUPPORT OF THE COMPANY'S STRATEGIC PLANS** The compensation components are designed with a view to balancing the need to deliver short-term goals with achieving sustainable, long-term success.
- **PAY FOR PERFORMANCE** The different compensation elements aim to reward business performance and individual contributions, and motivate employees to deliver outstanding performance while avoiding excessive risk-taking.
- **ALIGNMENT WITH SHAREHOLDERS' INTERESTS** The performance share plan for the IEC incentivises management to create long-term shareholder value. Shareholding guidelines apply to both the Board of Directors and the IEC. Additional details on the shareholding guidelines can be found in the chapters "Compensation of the Board of Directors" and "Compensation of the Implenia Executive Committee", in the paragraphs "Shareholding and Loans".
- **MARKET COMPETITIVENESS** In order to attract and retain talent, benchmarking is carried out periodically. This ensures that the different compensation elements are adequate without being excessive, in line with local market practices, and take into account the scope, complexity, and responsibilities of the roles as well as the experience and skills of the incumbents.
- **INTERNAL EQUITY AND TRANSPARENCY** To ensure consistent treatment of employees, compensation guidelines and approval processes are in place across the organisation. Compensation decisions for all employees are subject to reviews and approvals by the superior and the next-level manager with the guidance of Human Resources at a global or local level. Regular internal assessments are carried out for comparable positions to ensure a fair approach.
- **COMPLIANCE** As a responsible employer, Implenia strictly follows local laws and collective agreements as well as its internal guidelines and Code of Conduct. Implenia also regularly demonstrates its compliance as part of project tendering processes.

2 — COMPENSATION GOVERNANCE

2.1 — Nomination and Compensation Committee

The Board of Directors has, in accordance with the Articles of Association and as per applicable law, established a Nomination and Compensation Committee (NCC) to assist it with compensation and other matters (see Art. 21a of the Articles of Association). As determined in the Articles of Association, its organisational regulations and the respective charter, the NCC supports the Board of Directors, which has the ultimate decision authority, in the fulfilment of its duties and responsibilities in the area of compensation and personnel related matters.

The responsibilities and tasks related to areas of compensation include, among others:

- Assessment of overall compensation principles and compensation strategy of the Implenia Group;
- Recommendation on all elements of the compensation of the members of the Board of Directors and the IEC;
- Recommendation on the maximum total compensation amount of the Board of Directors and the IEC;
- Recommendation on the individual compensation of the CEO;
- Decision on the individual compensation of the other members of the IEC;
- Recommendation on the targets under the short-term and long-term incentive plans;
- Preparation and recommendation of the Compensation Report.

Compensation philosophy and governance

The following table provides an overview of the division of responsibilities between the Annual General Meeting (AGM), the Board of Directors, the NCC, and the CEO:

Approval and authority levels on compensation matters

| Decision on | CEO | NCC | BoD | AGM |
|---|----------|----------|------------------------------|-------------------|
| Compensation principles and strategy | | Proposal | Approval | |
| Key terms of compensation framework for the Board of Directors and the IEC | | Proposal | Approval | |
| Employment and termination agreements for the CEO | | Proposal | Approval | |
| Employment and termination agreements for the other members of the IEC | Proposal | Review | Approval | |
| Maximum aggregate amount of compensation for the Board of Directors | | Proposal | Review and submission to AGM | Binding vote |
| Maximum aggregate amount of compensation for the IEC | | Proposal | Review and submission to AGM | Binding vote |
| Individual compensation, including fixed base salary, variable cash compensation and LTI, for the CEO ¹ | | Proposal | Approval | |
| Individual compensation, including fixed base salary, variable cash compensation and LTI, of the IEC (excluding the CEO) ¹ | Proposal | Decision | | |
| Individual compensation, including cash components and shares, to be granted to the members of Board of Directors within the amount approved by the AGM | | Proposal | Approval | |
| Compensation report | | Proposal | Approval | Consultative vote |

¹ Within the framework of the AoA and the maximum aggregate amount of compensation approved by the AGM.

The NCC consists of a minimum of two and a maximum of four independent, non-executive members of the Board of Directors, who are elected annually and individually by the AGM. From these members, the Board of Directors appoints the NCC Chair. For the period under review, as highlighted in the Corporate Governance Report, the NCC consisted of three members: Kyrre Olaf Johansen (NCC Chair), Laurent Vulliet, and Martin Fischer.

The NCC meets as often as business requires but at least three times a year. During the financial year 2022, the NCC held three regular physical or video meetings. The NCC reports to the Board of Directors at the Board meeting following each NCC meeting, ensuring that the Board of Directors is kept informed in a timely and appropriate manner of all material matters within the NCC's areas of responsibility. In addition, all NCC documents (e.g. agenda, minutes, presentations, etc.) are available to the Board of Directors.

As a general rule, the Chairman of the Board of Directors, the CEO, and the Chief Human Resources Officer attend the NCC meetings. The NCC Chair may invite other executives or external advisors as appropriate. The NCC regularly holds private sessions (i.e. without the presence of members of the executive management, members

of the HR department, or third parties). Furthermore, executives (and the Chairman of the Board of Directors) do not participate during the sections of the meetings where their own performance and/or compensation are discussed.

The following table shows the number and duration of the meetings held in 2022, and the participants:

Overview of NCC meetings

| | Meetings ^{1,2} |
|---|-------------------------|
| Total | 3 |
| Average duration (in hours) | 2:05 |
| Participation | |
| Kyrre Olaf Johansen, Chair ³ | 2 |
| Ines Pöschel, Chair ⁴ | 1 |
| Laurent Vulliet, Member | 3 |
| Martin Fischer, Member | 3 |

¹ The Chairman of the Board of Directors, the CEO as well as the Chief Human Resources and the Head Compensation & Benefits attended all meetings.

² In addition, supplementary and preparatory meetings as well as telephone conferences were held. Some of these meetings were with the full Board of Directors or involved third parties as deemed necessary.

³ Elected as member of the NCC on 29 March 2022 and appointed as Chair by the Board of Directors.

⁴ Resigned from the Board of Directors on 29 March 2022.

Compensation philosophy and governance

2.2 — Shareholders' involvement

Authority for decisions related to the compensation of the members of the Board of Directors and the IEC is governed by Art. 15a of the Articles of Association.

<http://www.implenia.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

The maximum aggregate compensation amounts to be awarded to the Board of Directors and the IEC are subject to an annual binding shareholder vote at the AGM. These binding votes are prospective. Shareholders vote on the maximum total compensation amount for the Board of Directors for the period until the next AGM, and on the maximum total compensation amount for the IEC for the following financial year. In addition, the Compensation Report is submitted annually to a consultative shareholders' vote.

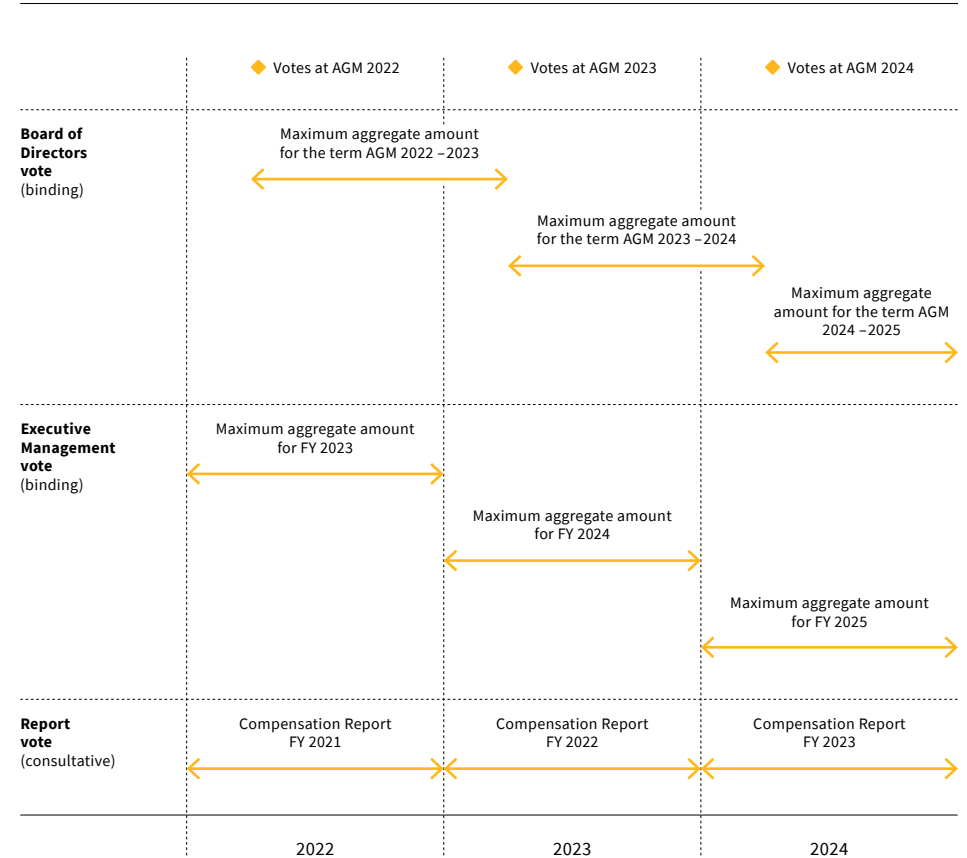
The maximum aggregate compensation amount for the Board of Directors comprises fixed compensation, paid in cash and in equity (blocked shares). The maximum compensation amount for the IEC (including the CEO) comprises fixed compensation components (fixed base salary, other compensation, social security and pension contributions) and variable compensation components – Short-Term Incentive (STI) and Long-Term Incentive plans (LTIP).

The maximum aggregate compensation amount submitted to the shareholders' vote differs from the actual amount of total compensation paid out to the IEC members. The reason is that the actual payouts in terms of STI depend on the performance achieved within the maximum amount. The size of the LTIP award at grant is included in the maximum aggregate compensation amount for the IEC. The number of shares vesting will depend on the achievements against targets at the end of the three-year performance period.

The actual total compensation amount awarded to the IEC will be disclosed in the Compensation Report of the respective financial year, which will be subject to a consultative shareholders' vote at the AGM.

Actual compensation amounts in 2021 and 2022 for the Board of Directors and the IEC as well as reconciliations with the total amounts approved are shown respectively in the chapters "Compensation of the Board of Directors" and "Compensation of the Implenia Executive Committee" of this report.

Votes at the AGM



COMPENSATION OF THE BOARD OF DIRECTORS

1 — STRUCTURE

The compensation structure for the members of the Board of Directors follows the concept outlined under Art. 22a of the Articles of Association.

<http://www.implen.com/goto/corporategovernance/2022/en/articles-of-association-20200324.pdf>

In order to ensure the independence of the Board of Directors in exercising its supervisory duties over the IEC, the members of the Board of Directors receive an annual fixed total compensation and have no entitlement to variable compensation components.

The compensation of the members of the Board of Directors is subject to mandatory social security contributions (AHV/ALV). Due to Swiss legal requirements, Implen paid for two members of the Board of Directors the mandatory contributions to the pension fund. These contributions are paid by Implen and are disclosed in section 2 of this chapter. No other contributions were or are made to insurance or pension institutions. In addition, members of the Board of Directors have their travel expenses reimbursed against receipts. Any other business expenses are out of pocket.

Two-thirds of the compensation of the members of the Board of Directors is paid in cash. To

align with the shareholders' interests and link the Board of Directors compensation with Implen's share performance, one third of their compensation is paid out in shares. These shares are blocked for three years from the date of allocation. This blocking period continues to apply in the event of resignation from the Board of Directors, except in cases of disability or death or compulsory retirement from the Board of Directors on reaching 70 years of age. The number of shares is calculated by taking the average price of Implen shares during the month of December in the relevant term of office. The allocation is made during the first trading day in January.

The individual Board members' compensation depends on their functions and responsibilities within the Board and its committees.

The compensation structure and level of the members of the Board of Directors are regularly benchmarked. The most recent benchmark analysis was performed in October 2021, and showed that the compensation of Implen's Board of Directors is below the market median. No adjustments to the amount or structure of board pay were made as a result of the benchmark analysis.

The compensation structure and fee level for the members of the Board of Directors remained unchanged in the 2022/2023 term of office in comparison to the previous term.

The following table shows the compensation structure for the members of the Board of Directors:

Compensation structure and levels of the Board of Directors

| Function | Total CHF | Thereof in blocked shares of Implen |
|---|-----------|-------------------------------------|
| Chairman | 420,000 | 1/3 |
| Vice-Chairman | 150,000 | 1/3 |
| Chair Audit Committee | 170,000 | 1/3 |
| Chair Nomination and Compensation Committee | 150,000 | 1/3 |
| Other Members of the Board of Directors | 130,000 | 1/3 |

Compensation of the Board of Directors

2 — BOARD OF DIRECTORS' COMPENSATION FOR 2022

The detailed disclosure of compensation to the Board of Directors is as follows:

Board Compensation 2022

| CHF thousand | Total Fee ¹ 2022 | Cash Fee 2022 | Number of shares ^{2,3} 2022 | Share-based compensa- tion ⁴ 2022 | Social security con- tributions ⁵ 2022 | Total 2022 |
|--|--------------------------------|------------------|--|---|--|---------------|
| Hans Ulrich Meister, Chairman of the Board of Directors | 398 | 280 | 4,488 | 118 | 70 | 468 |
| Henner Mahlstedt, Vice-Chairman of the Board of Directors | 142 | 100 | 1,603 | 42 | 16 | 158 |
| Barbara Lambert, Chair of the Audit Committee | 161 | 113 | 1,816 | 48 | 37 | 198 |
| Kyrre Olaf Johansen, Chair of the Nomination and Compensation Committee as of 29.3.2022 | 138 | 97 | 1,516 | 41 | 20 | 158 |
| Laurent Vulliet, Member | 123 | 87 | 1,389 | 36 | 19 | 142 |
| Martin Fischer, Member | 123 | 87 | 1,389 | 36 | 19 | 142 |
| Judith Bischof, Member as of 29.3.2022 | 92 | 65 | 827 | 27 | 14 | 106 |
| Ines Pöschel, Chair of the Nomination and Compensation Committee until 29.3.2022 | 35 | 25 | 649 | 10 | 5 | 40 |
| Total 2022 | 1,212 | 854 | 13,677 | 358 | 200 | 1,412 |

- 1 The total fee is first shown and then the breakdown in cash fee and blocked shares.
- 2 Implenia Ltd. shares, valor number 2386855, par value CHF 1.02.
- 3 The calculation is based on the average share price for December. The shares were transferred on 3.1.2023. They were included as a component of the compensation for the year under review.
- 4 The value of the shares is calculated as follows: average share price in December minus tax discount (16.038 %).
- 5 This refers to mandatory social security contributions (AHV / ALV) as well as pension fund contributions for two members.

Board Compensation 2021

| CHF thousand | Total Fee ¹ 2021 | Cash Fee 2021 | Number of shares ^{2,3} 2021 | Share-based compensa- tion ⁴ 2021 | Social security con- tributions ⁵ 2021 | Total 2021 |
|--|--------------------------------|------------------|--|---|--|---------------|
| Hans Ulrich Meister, Chairman of the Board of Directors | 398 | 280 | 6,970 | 118 | 67 | 465 |
| Henner Mahlstedt, Vice-Chairman of the Board of Directors | 142 | 100 | 2,490 | 42 | 16 | 158 |
| Barbara Lambert, Chair of the Audit Committee | 161 | 113 | 2,822 | 48 | 34 | 195 |
| Ines Pöschel, Chair of the Nomination and Compensation Committee | 142 | 100 | 2,490 | 42 | 21 | 163 |
| Kyrre Olaf Johansen, Member | 123 | 87 | 2,157 | 36 | 19 | 142 |
| Laurent Vulliet, Member | 123 | 87 | 2,157 | 36 | 19 | 142 |
| Martin Fischer, Member | 123 | 87 | 2,157 | 36 | 19 | 142 |
| Total 2021 | 1,212 | 854 | 21,243 | 358 | 195 | 1,407 |

- 1 The total fee is first shown and then the breakdown in cash fee and blocked shares.
- 2 Implenia Ltd. shares, valor number 2386855, par value CHF 1.02.
- 3 The calculation is based on the average share price for December. The shares were transferred on 3.1.2022. They were included as a component of the compensation for the year under review.
- 4 The value of the shares is calculated as follows: average share price in December minus tax discount (16.038 %).
- 5 This refers to mandatory social security contributions (AHV / ALV).

Compensation of the Board of Directors

The total compensation paid to the Board of Directors for the year 2022 was identical to that of the previous year as the compensation structure and fee level for the Board of Directors remained unchanged.

The shareholders approved:

- at the AGM 2022, a maximum aggregate compensation amount of CHF 1,600,000 for the term of office between the AGM 2022 and the AGM 2023;
- at the AGM 2021, a maximum aggregate compensation amount of CHF 1,500,000 for the term of office between the AGM 2021 and the AGM 2022.

The table below reconciles realised compensation of the Board of Directors from AGM to AGM with the amount approved by the shareholders. For the last two completed terms of office, the compensation was within the limits approved at the AGM.

Further details regarding the proposed total compensation of the Board of Directors for the period from the AGM 2023 to the AGM 2024 will be provided in the invitation to the AGM 2023.

Reconciliation between the reported compensation of the Board of Directors and the amount approved by the shareholders at the AGM

| | Compensation paid during financial year as reported (A) | Minus compensation earned from Jan to AGM of financial year (B) | Plus compensation accrued from Jan to AGM of year following financial year (C) | Total compensation earned from period AGM to AGM (A-B+C) | Amount approved by shareholders at respective AGM | Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders |
|-------------------|---|---|--|--|---|---|
| AGM 2022-AGM 2023 | 2022 | 1.1.2022 to 2022 AGM | 1.1.2023 to 2023 AGM | 2022 AGM to 2023 AGM | 2022 AGM | 2022 AGM |
| | 1,412 | 353 | 346 | 1,405 | 1,600 | 87.8 % |
| AGM 2021-AGM 2022 | 2021 | 1.1.2021 to 2021 AGM | 1.1.2022 to 2022 AGM | 2021 AGM to 2022 AGM | 2021 AGM | 2021 AGM |
| | 1,407 | 350 | 353 | 1,410 | 1,600 | 88.1 % |

Compensation of the Board of Directors

3 — SHAREHOLDING AND LOANS

In order to further align the interests of the Board of Directors with those of the shareholders, shareholding guidelines were introduced in 2020. These guidelines expect the members of the Board of Directors to hold shares of Implenia worth the equivalent of at least 100% of their annual fees within three years, starting with the introduction of the guidelines for current members of the Board of Directors or from their initial election to the Board of Directors for future members. To determine whether the minimum shareholding has been complied with, all blocked and unblocked shares received as compensation as well as shares acquired privately, either outright or beneficially, are taken into account. The NCC reviews this share ownership once a year. In the event that the shareholding guidelines are not met by a member of the Board of Directors at the end of the build-up period, such member will be restricted from selling unblocked shares in the near future until the minimum shareholding is fulfilled.

The NCC conducted its regular assessment of share ownership in relation to the shareholding guideline at year-end 2022. Using as a basis the average share price in 2022, six members of the Board of Directors met the guideline. One member who joined the Board of Directors in 2022 has until 2025 to fulfil the requirements.

Neither Implenia Ltd. nor its group companies have granted any collateral, loans, advances, or credit facilities to any members of the Board of Directors or persons linked to them.

The following table shows the number of shares held by the individual members of the Board of Directors and persons linked to them as of

31 December 2022. In total, the members of the Board of Directors held 138,813 shares or 0.7% of the share capital (2021: 130,614 shares or 0.7%).

Board of Directors

| | Date of initial election to the Board | Number of shares, as at | | Shares blocked until | | |
|--------------------------------------|---------------------------------------|--------------------------|--------------------------|----------------------|---------------|---------------|
| | | 31.12.2022 ¹ | 31.12.2021 ² | 2023 | 2024 | 2025 |
| Hans Ulrich Meister, Chairman | 22.3.2016 | 93,324 (96,885) | 86,056 (93,324) | 3,584 | 6,077 | 7,268 |
| Henner Mahlstedt, Vice Chairman | 24.3.2015 | 15,280 (16,552) | 12,684 (15,280) | 1,451 | 2,170 | 2,596 |
| Kyrre Olaf Johansen, Member | 22.3.2016 | 8,313 (9,585) | 6,064 (8,313) | 1,280 | 1,881 | 2,249 |
| Laurent Vulliet, Member | 22.3.2016 | 7,837 (8,939) | 7,088 (9,684) | 1,109 | 1,881 | 2,249 |
| Martin Fischer, Member | 27.3.2018 | 6,548 (7,650) | 4,299 (6,548) | 1,109 | 1,881 | 2,249 |
| Barbara Lambert, Member | 26.3.2019 | 6,511 (7,952) | 3,569 (5,818) | 1,109 | 2,460 | 2,942 |
| Judith Bischof, Member | 29.3.2022 | 1,000 (2,102) | n / a | – | – | – |
| Ines Pöschel, Member until 29.3.2022 | – | n / a | 10,854 (13,796) | 1,280 | 2,170 | 2,596 |
| Total | | 138,813 (149,665) | 130,614 (152,763) | 10,922 | 18,520 | 22,149 |

¹ The shares allocated for the 2022/23 year of office (see table under chapter 2, above) were transferred on 3.1.2023 (in parentheses including shares allocated on 3.1.2023).

² The shares allocated for the 2021/22 year of office (see table under chapter 2, above) were transferred on 3.1.2022 (in parentheses including shares allocated on 3.1.2022).

COMPENSATION OF THE IMPLENIA EXECUTIVE COMMITTEE

The IEC, operational since 1 March 2019, consists of eight executive management positions: the CEO, the four Division Heads for Buildings, Civil Engineering, Real Estate and Specialties and the Global Functions Heads for Finance/Procurement, Human Resources and Legal & Compliance. Until March 2022, the IEC consisted of nine members,

consisting of the Head Country Management in addition to the current eight members.

As a result of the company's transformation initiatives over the past years, it was agreed that the scope of the operations of the country operations no longer necessitated the need for an IEC position coordinating the country activities. The

Head Country Management position was therefore discontinued, with the incumbent member departing the IEC, dedicating his future efforts towards the role of Country President Germany. The compensation mix for executive management has three key components: base salary, a Short-Term Incentive (STI) and a Long-Term Incentive

plan (LTIP), consisting of Performance Share Units. The different compensation components are detailed in this chapter.

1 — COMPENSATION STRUCTURE

As illustrated below, the compensation model for the IEC consists of fixed and variable elements.

Executive management compensation at a glance

| | Annual base salary | Short-Term Incentives (STI) | Long-Term Incentives (LTI) | Benefits and perquisites |
|---------------------------------------|--|---|---|--|
| Purpose | Rewards the scope of the function, the skills required to perform in the role, the experience of the incumbent and current market compensation levels. | Designed to reward financial performance and individual contributions. | Intended to anchor the company's strategy and focus on long-term value creation. | Reflects local market practices in terms of pension and insurance benefits as well as perquisites. Aims to protect against risk. |
| Performance measures | — | Annual financial and individual targets as follows: <ul style="list-style-type: none"> Division Heads EBIT Total (35%): of which Division (20%) and Group (15%) + Net Working Capital (35%): of which Division (20%) and Group (15%), Individual targets incl. ESG targets (30%) Other IEC members EBIT Group (35%), Net Working Capital Group (35%), individual targets incl. ESG targets (30%) Payout range: from 0% to 200% | Performance-related entitlement to receive shares after a performance period of three years. <ul style="list-style-type: none"> Subject to performance of two equally weighted vesting conditions: <ul style="list-style-type: none"> Relative Total Shareholder Return Earnings per Share Number of PSUs: from 0% to 200% | — |
| Link to compensation principle | Market competitiveness | Pay for performance, alignment with business goals | Pay for performance, alignment with shareholders' interests and strategic plans | Market competitiveness, compliance |
| Vehicle | Monthly cash | Annual cash | Performance Share Units with three-year cliff vesting | Pension and other benefits |

Compensation of the Implenia Executive Committee

Compensation mix

The compensation structure applicable since 2019 has placed additional emphasis on compensation at risk, focusing on pay for performance, long-term value creation, and anchoring of the Company strategy. Generally, base pay does not exceed 50% of the total target compensation.

The STI represents, at target, 50% of the CEO's annual base salary and the LTI around 92% of his base salary. For other members of the IEC, starting in 2023 the STI, at target, will be evenly weighted at 50% of the annual base salary (2022: 40%) and the target LTI at 50% of the annual base salary (2022: 60%).

Process of determining compensation

Implenia periodically reviews the total compensation of executive management. The previous benchmarking was done in 2020 when Mercer, an independent benchmarking consultant, was appointed to support a benchmarking exercise at the end of 2020. At the end of 2022, Implenia again appointed Mercer to support a similar benchmarking exercise.

To recap, due to the lack of comparable listed companies in the construction sector in Switzerland, the focus has been on organisations with similar activities – undertaking mid- to long-term projects requiring engineering skills or/and with

an industrial service orientation – and competing for the same talent pools within the industrial sector. As shown in the table below, the size of the comparator group consisted of 15 organisations for the CEO and 14 organisations for all other IEC members.

In terms of revenue, Implenia is situated around the median in all comparator groups. To determine the pay position per IEC member, a one-to-one position matching was performed by Mercer to ensure a high degree of accuracy.

Implenia aims to be positioned around the median in terms of base salary and total direct

compensation. For members of the IEC, the analysis showed that compensation levels for all components were generally situated around the median with opportunity for further growth for certain positions.

In addition, the NCC appointed HCM International Ltd. (HCM), an external independent advisory firm, to advise the NCC and the Board of Directors on specific compensation matters. Mercer and HCM have no further mandates with Implenia Ltd.

Base salary

The base salary is a recurrent monthly payment in cash in equal instalments. When determining the base salary, the following factors are taken into account:

- the scope and complexity of the position,
- the level of education, industry or technical knowledge, seniority, experience and skills brought by the incumbent
- the market benchmark.

Perquisites, pension and benefits

Rules for expenses relevant for all employees as well as additional rules for senior employees are also applicable to the IEC members based in Switzerland. These provide lump-sum compensation for representation and out-of-pocket expenses. Both sets of rules were approved by the responsible tax authorities. For the former IEC member based in Germany, the expense rules in use in the German organisation applied.

Members of the IEC are entitled to either a Company car or a mobility allowance.

Members of the IEC participate in the regular employee pension fund applicable to all employees. Pension and social costs comprise the employer's contribution to social insurance and to the mandatory or supplementary benefit cover applicable in the country of the employment contract.

Benchmarking

| Position | CEO | Other members of the IEC based in Switzerland |
|-------------------------|--|---|
| Comparator Group | Bucher Industries, dormakaba Holding, Georg Fischer, Landis+Gyr, Lonza, OC Oerlikon, Parker Hannifin EMEA, Sika, Schindler, Sulzer Management, Tetra Pak International, PSP Swiss Property, Swiss Prime Site, Hilti, Geberit | dormakaba Holding, Georg Fischer, Landis+Gyr, Lonza, OC Oerlikon, Parker Hannifin EMEA, Schindler, Sulzer Management, Tetra Pak International, Sika, PSP Swiss Property, Swiss Prime Site, Hilti, Geberit |

Compensation of the Implenia Executive Committee

STI

The Short-Term Incentive (STI) is designed to reward financial performance and individual contributions with the objective to incentivise the eligible participants to deliver strong performance and contribute to Implenia's annual business objectives.

The STI is a cash incentive plan, paid annually. For IEC members, it is broken down into financial targets (70%) and individual objectives (30%).

The STI final payout depends on the performance of the Company and of the respective division for divisional roles, as well as on the achievement of the individual objectives defined for the respective financial year.

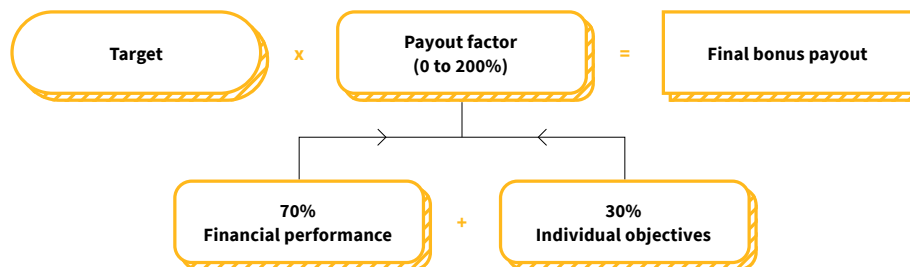
A rigorous approach is followed in order to define the individual objectives for each IEC member. The individual objectives are specific to each Division or Function but all support the Company's strategic initiatives, operational targets as well as people, culture and values' targets (for many years now including Health & Safety targets). As of the 2023 performance year, a dedicated set of metrics rewarding progress in line with Implenia's ESG agenda were introduced. The final objectives are signed off by the CEO and reviewed by the NCC.

The financial targets are determined annually and underpin the strategic priorities and the focus

Individual objectives

| Objective setting | Performance assessment | Compensation determination |
|---|---|--|
| Definition of three individual performance objectives at the beginning of the year. The objectives of the CEO are approved by the Board, upon proposal of the Chairman and recommendation of the NCC. The objectives of other IEC members are proposed by the CEO to the NCC, which has final approval authority. | Progress in line with the individual objectives for Divisions and Group Functions is reviewed throughout the year. At year-end, the performance of each IEC member is assessed by the CEO and recommendations are then made by the CEO to the NCC for final approval. For the CEO, a proposal is made by the Chairman to the NCC. The NCC makes a recommendation to the Board of Directors with which final approval rests. | The individual objectives' achievements are added to the financial KPIs' achievements to calculate the final STI payout. |

Payout calculation



on profitable growth. For the financial year 2022, the Key Performance Indicators (KPIs) were EBIT and Net Working Capital, reflecting the Company's strategic priorities. Both are weighted evenly and both are deemed critical to the long-term success of the Company. EBIT has a strong focus on the holistic performance of the different business areas and incentivises both revenue growth and

cost control. Net Working Capital supports the asset-light strategy followed by Implenia, drives free cash flow and rewards good management of current assets.

Compensation of the Implenia Executive Committee

Design of the Short-Term Incentive 2022

| Category | Weight | Metrics | Rationale | | CEO & IEC members responsible for Global Functions | Divisions Heads & Head Country Management ¹ |
|--------------------------------------|--------|---|--|----------|--|--|
| Financial performance targets | 70% | EBIT | Measures Group and/or Divisional Operational profitability | Group | 35% | 15% |
| | | | | Division | | 20% |
| | | Net Working Capital | Measures the capital required to run operations | Group | 35% | 15% |
| | | | | Division | | 20% |
| Individual objectives | 30% | Three objectives, equally weighted, broken down into milestones, deliverables, or measurable components | <p>The objectives are structured around three dimensions:</p> <ul style="list-style-type: none"> the implementation of strategic initiatives of the Division or Function, including operational excellence, achievements of key milestones, growth and innovation objectives operative business development targets; people, culture and values targets with a focus on health and safety, compliance and talent management (ESG targets) | | 30% | 30% |
| | | | | Total | 100% | 100% |
| Payout range | | | | | 0% to 200% Capped at 200% | 0% to 200% Capped at 200% |

¹ The financial performance of their respective Division applies to the four Division Heads. For the Head Country Management, the financial performance indicators are those of the Buildings Division as the incumbent also leads the Buildings Division in Germany.

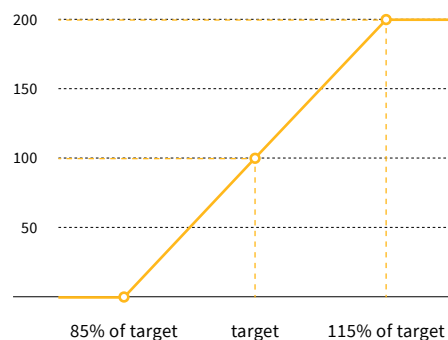
Compensation of the Implenla Executive Committee

Payout mechanism for financial targets

For each financial indicator, a target level of performance is established at the beginning of the performance year. This corresponds to the expected performance, the achievement of which would lead to a payout factor of 100% of the respective financial metric. Financial targets are proposed by the CEO and recommended by the NCC for approval by the Board of Directors. The NCC approves the achievement of the financial targets upon proposal of the CEO.

Financial performance targets are commercially sensitive and as such are not disclosed. A minimum level of performance (threshold) is required to achieve a payout.

EBIT
in % achievement

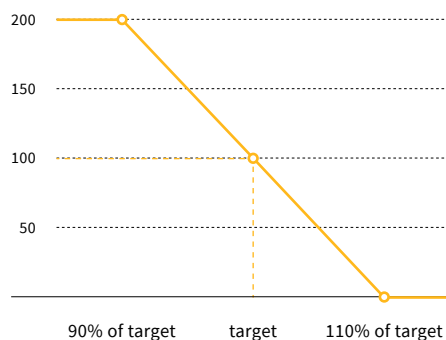


The payout is capped at 200% for performance that reaches or exceeds the performance level shown in the graph.

A percentage achievement is also allocated to each individual objective, which is measured at the end of the year in a predefined process. The weighted average of the resulting payout factors on each performance indicator is multiplied by the bonus target amount to obtain the final bonus payout.

The IEC employment contracts stipulate that all or part of already paid STI may be recouped (“clawback”) within a period of one year after payment and all or part of future STI forfeited (“malus”) in the event of a serious breach of Implenla’s Code of Conduct or legal obligations.

Net Working Capital
in % achievement



LTIP

The Long-Term Incentive plan (LTIP) for members of the IEC, in place since March 2019, consists of Performance Share Units.

The purpose of the plan is to reward long-term value creation, align the interests of the shareholders and the management, and to ensure the long-term retention of talents at Implenla. Each year, an LTIP award is granted to plan participants in the form of Performance Share Units (PSUs).

The number of granted PSUs depends on the individual LTIP award in CHF, determined each year as a percentage of the annual base salary – around 92% for the CEO and 60% for the other IEC members.

The payout under the LTIP is based on the achievement of two equally weighted performance conditions:

- relative TSR (50%)
- earnings per share (EPS) (50%)

The two performance conditions have an overall vesting range of 0% to 200% of the granted PSUs. At 100%, each PSU granted under the plan will vest into one Implenla Ltd. share; at 200% each unit vests into two shares. Failure to reach the minimum thresholds of both performance conditions will cause the units to lapse with no shares being awarded. For performance between 0% and 200%, the vesting of units to shares will be determined based on a straight-line prorated basis.

The relative TSR measure adds a stock market perspective to Implenla’s LTIP and is designed to create alignment with shareholder experience. The earnings per share (EPS) measure provides an internal operating perspective, indicating the portion of Implenla’s net income allocated to each outstanding share and, therefore, is the measurement of the company’s profitability to investors.

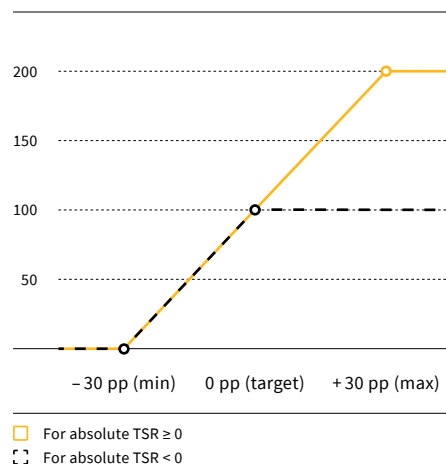
Targets for the LTIP are determined with each grant for a three-year performance period.

Compensation of the Implenla Executive Committee

TSR

TSR is the Total Shareholders' Return, considering the variations of the share price and dividends distributed over the three-year performance period, including the reinvestment of any dividends paid during that period into Implenla Ltd. shares. Relative TSR is the difference between Implenla's TSR and the TSR of the SPI EXTRA® Index, which includes about 195 stocks with small or mid-sized market capitalisation.

Three-year relative TSR
in %



If Implenla Ltd.'s TSR equals the SPI EXTRA®, the vesting will be 100%. The threshold for a payout is at -30 percentage points, while the cap for a 200% payout is at +30 percentage points. As shown in the graph, vesting between threshold and maximum is defined on a straight line. However, in the

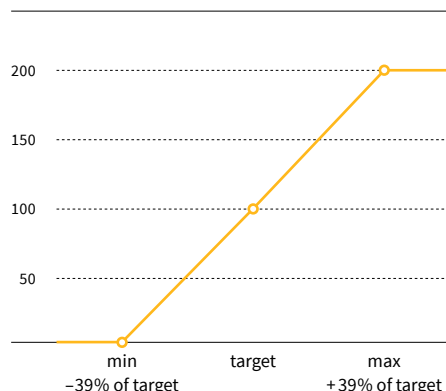
event that Implenla Ltd.'s TSR is negative over the performance period but still outperforms the SPI EXTRA® Index, the vesting will be capped at 100%.

The payout curve provides for stretching and, at the same time, sets statistically reasonable performance corridors, and therewith supports symmetrical performance and payout situations below and above the target. In doing so, potential excessive risk-taking around the kink of payout curves is avoided.

EPS

EPS are the fully diluted earnings per share as disclosed by Implenla Ltd., attributable to shareholders. The final vesting for the performance period is calculated by taking the simple average of Implenla's EPS for each of the financial years 2021, 2022 and 2023, measured against the targets. The payout curve is shown below.

Three-year average EPS
in %



Operational financial targets, with the exception of relative TSR, are considered sensitive information and are therefore not disclosed. EPS targets will be disclosed at the end of the performance period.

To determine the final results, the achievements of both performance conditions are added. However, the combined vesting multiple will never exceed 200%. If the performance of each of the two KPIs lies below the respective minimum performance requirement, the resulting combined vesting multiple is 0% and consequently no PSUs will vest into shares.

Termination of employment under the LTIP

In the case of death, disability, or retirement, the unvested PSUs will vest immediately with an over-all vesting factor of 100%.

In the case of termination of employment by Implenla for cause or for breach of the non-compete clause, all unvested PSUs will be forfeited. In the case of a termination of employment by a plan participant or by Implenla (except in cases of termination for cause), the number of PSUs granted will be adjusted pro-rata. The vesting at the end of the performance period will be based on the achievement of the targets.

In the event of change of control, the number of PSUs granted will also be adjusted pro-rata. The vesting factor of the share-price-related performance indicator is calculated as if the vesting period terminates as of the date of the change

of control while the other performance indicator shall be assumed to vest at 100%.

Additionally, the Board of Directors may recoup all or part of the vested shares ("clawback") or forfeit all or part of any unvested PSUs ("malus") in the event of a serious breach of Implenla's Code of Conduct or legal obligations within a period of three years after vesting.

Overview on 2020, 2021 and 2022 LTI Grants

2020 Grant vesting in summer 2023

The LTI grant 2020 intentionally took place on 30 June 2020, after the spin-off Ina Invest Holding Ltd. on 12 June 2020. For this LTIP cycle, the award will therefore vest on 29 June 2023.

To determine the targets, different target options and their corresponding vesting curves were assessed. An external independent advisor supported the NCC in the target setting process, providing, in particular, a thorough outside-in approach. The targets set were subject to the final approval of the Board of Directors, following a proposal by the NCC.

For the rTSR component, these targets are identical to those described in the section "TSR". The three-year average EPS target was CHF 2.96, with a performance threshold of CHF 1.81 and maximum vesting achieved for an EPS result over CHF 4.11.

Despite considerable strides in EPS in 2021 and 2022, the three-year average EPS result of

Compensation of the Implenla Executive Committee

CHF 0.44 was below the threshold required for vesting. Accordingly, no PSUs will vest into shares for this KPI. Despite share price volatility during the period, Implenla's impressive share price performance in the second half of 2022 ensured that Implenla Ltd.'s TSR was higher than that of the SPI Extra during that same period. The total vesting factor for the 2020 grant amounted to 55.27% of the target value.

2021 Grant vesting in spring 2024

The plan design of the 2021 grant remained essentially unchanged: both EPS and relative TSR as two equal KPIs with unchanged features were applied. However, to reward management efforts

in terms of strategy implementation and driving the transformation forward, the Board of Directors has decided to supplement the 2021 LTIP grant with an additional share matching scheme that would increase the vesting potential from 200% to 300%. The additional share matching is conditional on the achievement of an absolute TSR of 7% until the end of 2023. If the challenging TSR target is not met, no matching shares will vest.

2022 Grant vesting in spring 2025

The plan design of the 2022 grant was identical in design to the preceding LTI grants, without the share matching applied to the 2021 grant. Due to the finalization of the company's transformation

initiatives, no modifications were added to the vesting conditions of the plan.

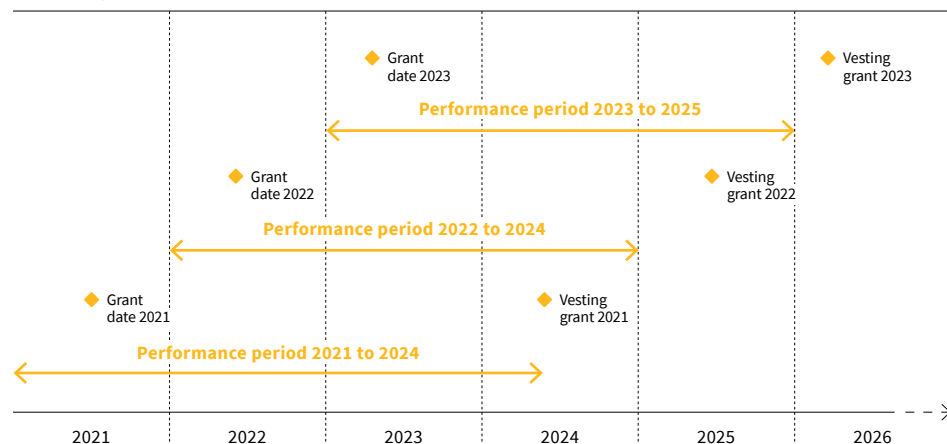
Contracts of employment

The employment contracts of the IEC are of unlimited duration and have a notice period of six months. Members of the IEC are not contractually entitled to joining or leaving payments such as "golden hellos", "golden parachutes", "golden handshakes" etc.

Employment contracts include non-compete clauses of up to 12 months, which cover the countries in which Implenla is active.

LTIP – performance periods and grant dates

The LTIP is granted each year.



Compensation of the Implenia Executive Committee

2 — IMPLENIA EXECUTIVE COMMITTEE COMPENSATION

For the year under review, the IEC comprises eight members: the CEO, the four Division Heads and the Function Heads of Human Resources, Finance/Procurement, and Legal & Compliance. One former member of the IEC, who left in 2022, was still on notice period until 30 September 2022.

Another member left the IEC after 28 February 2022 yet remained with Implenia in a different, non-IEC capacity. The CEO received the highest compensation. The detailed disclosure of compensation of the IEC is as follows:

Compensation awarded in 2022 Implenia Executive Committee

| | Annual base salary | Short-Term Incentive ^{4,5} | Long-Term Incentive PSU 2022–2025 cycle ⁶ | | Other 2022 compensation ⁷ | Social security expenses ⁸ | Total Compensation ⁹ |
|--|--------------------|-------------------------------------|--|--------------|--------------------------------------|---------------------------------------|---------------------------------|
| 2022 | CHF thousand | CHF thousand | Number of PSUs allocated | CHF thousand | CHF thousand | CHF thousand | CHF thousand |
| André Wyss, CEO ¹ | 1,200 | 1,080 | 37,853 | 1,100 | - | 576 | 3,956 |
| Other members of the IEC ² | 2,367 | 1,566 | 48,869 | 1,420 | 120 | 1,332 | 6,805 |
| Total IEC | 3,567 | 2,646 | 86,722 | 2,520 | 120 | 1,908 | 10,761 |
| Former members of the IEC ³ | 306 | 140 | 2,051 | 60 | 14 | 120 | 640 |
| Grand total 2022 | 3,873 | 2,786 | 88,773 | 2,580 | 134 | 2,028 | 11,401 |

1 This is the highest compensation for an IEC member.

2 Anita Eckardt, German Grüniger, Christian Späth, Jens Vollmar, Adrian Wyss, and Claudia Bidwell were part of the IEC for the full year. Marco Dirren left the IEC on 30 April 2022 and Matthias Jacob on 28 February 2022. Stefan Baumgärtner became a member of the IEC on 1 May 2022 and his compensation is included pro-rata.

3 Included in this table are two former members of the IEC: Marco Dirren left the IEC on 30 April 2022 and his executive management employment contract expired on 30 September 2022. Matthias Jacob left the IEC on 28 February 2022. Their compensation are included pro-rata. Amounts in EUR for Matthias Jacob were converted at a rate of EUR 1 = CHF 1.044, which is the average exchange rate for the months January and February 2022.

4 Short-term incentive for the performance year 2022, which is paid in the subsequent year.

5 Short-term incentives for former members of the IEC: The short-term incentive payment for Marco Dirren and Matthias Jacob are included pro-rata until the expiration of the respective executive management employment contracts, until 30 September 2022 respectively 28 February 2022.

6 The number of PSUs is calculated by dividing the LTI award amount by the fair value per PSU. The fair value at time of grant was CHF 29.06. For Matthias Jacob the LTI award in EUR was converted at a rate of EUR 1 = CHF 1.0296 (the currency exchange rate on grant date).

7 Other compensation includes perquisites such as mobility allowance, car lease financed by the Company, child benefit or accumulated vacation paid to members of IEC leaving Implenia.

8 Social security expenses include mandatory employer social security expenses and pension contributions as per governmental requirements and market practice.

9 No additional fees or compensation were invoiced by members of the IEC for the year under review (2021: CHF 0).

Compensation of the Implenia Executive Committee

Compensation awarded in 2021 Implenia Executive Committee

| | Annual base salary | Short-Term Incentive ^{4,5} | Long-Term Incentive PSU 2021–2024 cycle ⁶ | | Retention award ⁷ Restricted shares (70 %) / Cash (30 %) | Other 2021 compensation ⁸ | Social security expenses ⁹ | Total Compensation ¹⁰ |
|--|--------------------|-------------------------------------|--|--------------|--|--------------------------------------|---------------------------------------|----------------------------------|
| | TCHF | CHF thousand | Number of PSUs allocated | CHF thousand | CHF thousand | CHF thousand | CHF thousand | CHF thousand |
| 2021 | | | | | | | | |
| André Wyss, CEO ¹ | 1,200 | 1,146 | 29,017 | 1,100 | – | – | 582 | 4,028 |
| Other members of the IEC ² | 2,802 | 1,949 | 45,069 | 1,708 | 700 | 119 | 1,414 | 8,692 |
| Total IEC | 4,002 | 3,095 | 74,086 | 2,808 | 700 | 119 | 1,996 | 12,720 |
| Former members of the IEC ³ | 75 | 51 | – | – | – | 73 | 51 | 250 |
| Grand total 2021 | 4,077 | 3,146 | 74,086 | 2,808 | 700 | 192 | 2,047 | 12,970 |

1 This is the highest compensation for an IEC member.

2 Marco Dirren, Anita Eckardt, German Grüniger, Matthias Jacob, Christian Späth, Jens Vollmar, Adrian Wyss, and Claudia Bidwell were part of the IEC for the full year. Amounts in EUR for Matthias Jacob, Head Country Management, were converted at a rate of EUR 1 = CHF 1.08157, which is the average yearly exchange rate used in Implenia 2021 consolidated financial statements.

3 Included in this table is one former member of the IEC: Christelle Beneteau left the IEC on 30 November 2020 and her executive management employment contract expired on 31 March 2021. Her compensation is included pro-rata.

4 Short-term incentive for the performance year 2021, which is paid in the subsequent year.

5 Short-term Incentives for former members of the IEC: the Short-Term Incentive payment for Christelle Beneteau is included pro-rata until the expiration of her executive management employment contract, respectively until 31 March 2021.

6 The number of PSUs is calculated by dividing the LTI award amount by the fair value per PSU. The fair value at time of grant was CHF 37.91. The potential matching shares described in detail under the section “Overview on 2019, 2020 and 2021 LTI Grants” have been considered in this fair value. For Matthias Jacob, Head Country Management, the LTI award in EUR was converted at a rate of EUR 1 = CHF 1.1036 (the currency exchange rate on grant date).

7 The total reported value of the retention awards is composed of restricted shares with a three-year blocking period (CHF 490,068.18 respectively 25,551 shares using the closing price at grant, CHF 19.18) and a cash payment (CHF 209,941.82). Six members of the IEC received a retention award, with total individual payouts ranging from CHF 100,000 to CHF 155,000.

8 Other compensation includes perquisites such as mobility allowance, car lease financed by the Company, child benefit or accumulated vacation paid to members of the IEC leaving Implenia.

9 Social security expenses include mandatory employer social security expenses and pension contributions as per governmental requirements and market practice.

10 No additional fees or compensation were invoiced by members of the IEC for the year under review (2020: CHF 0).

At the AGM 2021, the shareholders approved a maximum compensation amount of CHF 13 million for the financial year 2022. In 2022, executive management total compensation amounted to CHF 11.4 million. The Company is therefore within the approved limits.

At the AGM 2022, the shareholders approved a maximum compensation amount of CHF 13 million for the financial year 2023. The Company expects to be within the approved limits.

Compensation of the Implenia Executive Committee

3 — SHAREHOLDING AND LOANS

In order to further align the long-term commitment of the IEC and to reconcile its interests even more closely with those of the Implenia shareholders, shareholding guidelines have been in place since 2019. The shareholding guidelines expect the members of the IEC to hold shares of Implenia Ltd. worth the equivalent of at least 300% (CEO) or at least 150% (other members of the IEC) of their base salary within five years, starting at the introduction of the guidelines for current members of the IEC or from the beginning of their tenure for future members. To determine whether the minimum shareholding has been complied with, all blocked and unblocked shares received as compensation and shares acquired privately, either outright or beneficially, are taken into account. The NCC reviews this share ownership once a year.

In the event that the shareholding guidelines are not met by an IEC member at the end of the build-up period, such IEC members will be restricted from selling up to 50% of their unblocked shares, including shares vesting from possible compensation equity plans, in the near future until the minimum shareholding is fulfilled.

The following table shows the equity of the individual members of the IEC and persons closely linked to them. As of 31 December 2022, the members of the IEC held 165,728 shares or 0.9% of the share capital (2021: 142,577 shares or 0.8%).

Compensation of the Implenia Executive Committee

Implenia Executive Committee

| | Date of joining or leaving executive management | Number of shares as at | | Number of PSUs, as at | | Shares blocked until | | |
|---|---|------------------------|----------------|-----------------------|--|----------------------|---------------|----------|
| | | 31.12.2022 | 31.12.2021 | 31.12.2022 | | 2023 | 2024 | 2025 |
| André Wyss, CEO | as of 1.10.2018 | 102,448 | 102,448 | 98,480 | | – | – | – |
| Stefan Baumgärtner, CFO | as of 1.5.2022 | 5,000 | n / a | ¹ | | – | – | – |
| Adrian Wyss, Division Head Real Estate | as of 1.3.2019 | 15,653 | 12,455 | 19,283 | | – | 4,198 | – |
| Jens Vollmar, Division Head Buildings | as of 1.3.2019 | 11,248 | 5,591 | 23,312 | | – | 5,657 | – |
| Christian Späth, Division Head Civil Engineering | as of 1.1.2020 | 9,679 | 3,481 | 20,625 | | 1,133 | 4,598 | – |
| Anita Eckardt, Division Head Specialties | as of 1.9.2019 | 4,458 | 260 | 17,460 | | – | 4,198 | – |
| German Grüniger, General Counsel | as of 1.3.2019 | 10,291 | 6,641 | 15,290 | | 186 | 3,650 | – |
| Claudia Bidwell, Chief Human Resources Officer | as of 1.12.2020 | 6,951 | 3,301 | 10,944 | | 322 | 5,076 | – |
| Matthias Jacob, Head Country Management | until 28.2.2022 | n / a | 2,400 | n / a | | – | – | – |
| Marco Dirren, CFO | until 30.4.2022 | n / a | 6,000 | n / a | | – | – | – |
| Total | | 165,728 | 142,577 | 205,394 | | 1,641 | 27,377 | – |

¹ The Number of PSUs allocated will be disclosed in the 2023 compensation report.

All members of the IEC are in compliance with the requirements of the shareholding guidelines. At the end of December 2022, based on the average share price in 2022, seven members of the IEC already meet the guidelines. One member who joined the IEC in 2022 has until 2027 to fulfil the requirements.

Neither Implenia Ltd. nor its group companies have granted any collateral, loans, advances, or credit facilities to any members of the IEC or persons linked to them.

REPORT ON THE AUDIT OF THE COMPENSATION REPORT

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF IMPLENIA LTD., OPMIKON

Opinion

We have audited the compensation report of Implen AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) contained in the tables on page 89 and pages 99/100 and also the paragraphs related to loans on pages 91/101 of the compensation report.

In our opinion, the information on remuneration, loans and advances in the compensation report (pages as referenced above) complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the compensation report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables mentioned above in the compensation report, the consolidated financial statements, the financial statements and our auditor’s reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor’s responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

Report on the audit of the compensation report

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have

complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Dr. Michael Abresch
Licensed audit expert
Auditor in charge

Astrit Mehmeti
Licensed audit expert

Zurich, 28 February 2023

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zurich
Phone: +41 58 792 44 00, www.pwc.ch

6 FINANCIAL REPORT

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CONSOLIDATED INCOME STATEMENT

| in TCHF | Notes | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|------------------------------------|-------|-----------------|-----------------|
| Group revenue | 6 | 3,563,266 | 3,764,670 |
| Materials and third party services | 7 | (2,125,762) | (2,258,492) |
| Personnel expenses | 8 | (961,667) | (1,025,377) |
| Other operating expenses | 10 | (256,017) | (280,153) |
| Income from associates | | 13,253 | 24,137 |
| EBITDA | | 233,073 | 224,785 |
| Depreciation and amortisation | | (94,212) | (109,959) |
| EBIT | | 138,861 | 114,826 |
| Financial expenses | 11 | (27,173) | (30,532) |
| Financial income | 11 | 11,495 | 6,194 |
| Result before tax | | 123,183 | 90,488 |
| Tax | 12 | (17,220) | (26,532) |
| Consolidated result | | 105,963 | 63,956 |
| Attributable to: | | | |
| Shareholders of Implenia Ltd. | | 104,751 | 61,157 |
| Non-controlling interests | | 1,212 | 2,799 |
| Earnings per share (CHF) | | | |
| Basic earnings per share | 27 | 5.68 | 3.31 |
| Diluted earnings per share | 27 | 5.59 | 3.04 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| in TCHF | Notes | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|--|-------|-----------------|-----------------|
| Consolidated result | | 105,963 | 63,956 |
| Remeasurement of post-employment benefits | 24 | (4,026) | (3,169) |
| Fair value adjustments on financial instruments | | 1,023 | 543 |
| Fair value adjustments on property, plant and equipment with revaluation model | 18 | 56,298 | – |
| Income tax on items that will not be reclassified to income statement | | (10,144) | 725 |
| Total items that will not be reclassified to income statement in the future | | 43,151 | (1,901) |
| Changes from net investment hedges | | 2,207 | 2,500 |
| Foreign exchange differences | | (12,794) | (6,418) |
| Total items that will be reclassified to income statement in the future | | (10,587) | (3,918) |
| Other comprehensive income | | 32,564 | (5,819) |
| Attributable to: | | | |
| Shareholders of Implenia Ltd. | | 32,573 | (5,810) |
| Non-controlling interests | | (9) | (9) |
| Total comprehensive income | | 138,527 | 58,137 |
| Attributable to: | | | |
| Shareholders of Implenia Ltd. | | 137,324 | 55,347 |
| Non-controlling interests | | 1,203 | 2,790 |

CONSOLIDATED BALANCE SHEET

Assets

| in TCHF | Notes | 31.12.2022 | 31.12.2021 |
|---|-------|------------------|------------------|
| Cash and cash equivalents | | 608,775 | 621,913 |
| Fixed short-term deposits | | 265 | 174,982 |
| Trade receivables | 13 | 568,329 | 551,540 |
| Contract assets | 14 | 313,482 | 396,267 |
| Joint ventures (equity method) | 15 | 30,964 | 37,540 |
| Other current assets | 16 | 85,944 | 72,326 |
| Raw materials and supplies | | 82,808 | 78,861 |
| Real estate transactions | 17 | 141,026 | 149,269 |
| Non-current Assets Held for Sale | 18 | 2,997 | – |
| Total current assets | | 1,834,590 | 2,082,698 |
| Property, plant and equipment with revaluation model ¹ | 18 | 75,695 | 23,849 |
| Property, plant and equipment | 18 | 178,815 | 195,607 |
| Rights of use from leases | 19 | 156,657 | 148,929 |
| Investment property | 5.8 | 5,323 | 5,415 |
| Investments in associates | 20 | 195,161 | 194,699 |
| Other financial assets | 5.8 | 15,027 | 12,767 |
| Pension assets | 24 | 444 | 444 |
| Intangible assets | 21 | 240,615 | 253,344 |
| Deferred tax assets | 25 | 51,099 | 70,084 |
| Total non-current assets | | 918,836 | 905,138 |
| Total assets | | 2,753,426 | 2,987,836 |

1 The previous year's figures for property, plant and equipment with revaluation model still correspond to amortized cost as the revaluation took place for the first time as of June 30, 2022.

Equity and liabilities

| in TCHF | Notes | 31.12.2022 | 31.12.2021 |
|--|-------|------------------|------------------|
| Financial liabilities | 22 | 72,660 | 236,513 |
| Trade payables | | 625,713 | 679,361 |
| Contract liabilities | 14 | 454,392 | 518,220 |
| Joint ventures (equity method) | 15 | 69,968 | 61,566 |
| Other current liabilities | 16 | 134,393 | 144,790 |
| Prepaid income and accrued expenses | | 126,674 | 131,321 |
| Provisions | 23 | 116,211 | 117,317 |
| Total current liabilities | | 1,600,011 | 1,889,088 |
| Financial liabilities | 22 | 581,819 | 651,940 |
| Deferred tax liabilities | 25 | 54,036 | 57,328 |
| Pension liabilities | 24 | 9,903 | 15,626 |
| Provisions | 23 | 24,987 | 27,936 |
| Total non-current liabilities | | 670,745 | 752,830 |
| Share capital | 26 | 18,841 | 18,841 |
| Treasury shares | 26 | (1,863) | (1,246) |
| Reserves | | 354,469 | 255,204 |
| Consolidated profit attributable to shareholders | | 104,751 | 61,157 |
| Equity attributable to shareholders | | 476,198 | 333,956 |
| Non-controlling interests | | 6,472 | 11,962 |
| Total equity | | 482,670 | 345,918 |
| Total equity and liabilities | | 2,753,426 | 2,987,836 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| in TCHF | Share capital | Treasury shares | Reserves | | | | Total shareholders' equity | Non-controlling interests | Total equity |
|--------------------------------------|---------------|-----------------|------------------|------------------------------|---------------------|-------------------|----------------------------|---------------------------|--------------|
| | | | Capital reserves | Foreign exchange differences | Revaluation reserve | Retained earnings | | | |
| Equity as at 1.1.2022 | 18,841 | (1,246) | 87,834 | (56,542) | – | 285,068 | 333,955 | 11,963 | 345,918 |
| Consolidated result | – | – | – | – | – | 104,751 | 104,751 | 1,212 | 105,963 |
| Other comprehensive income | – | – | – | (10,577) | 45,601 | (2,451) | 32,573 | (9) | 32,564 |
| Total comprehensive income | – | – | – | (10,577) | 45,601 | 102,300 | 137,324 | 1,203 | 138,527 |
| Dividends | – | – | – | – | – | – | – | (100) | (100) |
| Change in treasury shares | – | (617) | (200) | – | – | – | (817) | – | (817) |
| Share-based payments | – | – | – | – | – | 4,175 | 4,175 | – | 4,175 |
| Change in scope of consolidation | – | – | – | (872) | – | 2,433 | 1,561 | (6,594) | (5,033) |
| Total other changes in equity | – | (617) | (200) | (872) | – | 6,608 | 4,919 | (6,694) | (1,775) |
| Total equity as at 31.12.2022 | 18,841 | (1,863) | 87,634 | (67,991) | 45,601 | 393,976 | 476,198 | 6,472 | 482,670 |
| Equity as at 1.1.2021 | 18,841 | (955) | 88,105 | (58,592) | – | 231,343 | 278,742 | 24,285 | 303,027 |
| Consolidated result | – | – | – | – | – | 61,157 | 61,157 | 2,799 | 63,956 |
| Other comprehensive income | – | – | – | 2,050 | – | (7,860) | (5,810) | (9) | (5,819) |
| Total comprehensive income | – | – | – | 2,050 | – | 53,297 | 55,347 | 2,790 | 58,137 |
| Dividends | – | – | – | – | – | – | – | (10,153) | (10,153) |
| Change in treasury shares | – | (291) | (271) | – | – | – | (562) | – | (562) |
| Share-based payments | – | – | – | – | – | 1,924 | 1,924 | – | 1,924 |
| Change in scope of consolidation | – | – | – | – | – | (1,496) | (1,496) | (4,959) | (6,455) |
| Total other changes in equity | – | (291) | (271) | – | – | 428 | (134) | (15,112) | (15,246) |
| Total equity as at 31.12.2021 | 18,841 | (1,246) | 87,834 | (56,542) | – | 285,068 | 333,955 | 11,963 | 345,918 |

CONSOLIDATED CASH FLOW STATEMENT

| in TCHF | Notes | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|---|-------|-----------------|-----------------|
| Consolidated profit | | 105,963 | 63,956 |
| Tax | 12 | 17,220 | 26,532 |
| Financial result | 11 | 15,678 | 24,338 |
| Depreciation and amortisation | | 94,212 | 109,959 |
| Result from sales of non-current assets and subsidiaries | | (17,725) | (62,865) |
| Income from associates | 20 | (13,253) | (8,809) |
| Distributions from associates and investments received | 20 | 2,197 | 4,111 |
| Change in provisions | | (3,496) | (121,219) |
| Change in pension assets and liabilities | | (5,310) | (8,096) |
| Change in net working capital | | | |
| Change in trade and other receivables | | (51,146) | 73,778 |
| Change in contract assets and liabilities (net), raw materials and supplies | | 37,002 | 120,039 |
| Change in real estate transactions | | 7,691 | (12,727) |
| Change in trade payables and other liabilities | | (56,330) | (243,859) |
| Change in accruals and joint ventures (equity method) | | 20,682 | (8,301) |
| Other expenses / income not affecting liquidity | | 578 | (12,620) |
| Interest paid | | (18,199) | (12,801) |
| Interest received | | 1,714 | 1,388 |
| Tax paid | | (9,352) | (2,050) |
| Cash flow from operating activities | | 128,126 | (69,246) |

| in TCHF | Notes | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|--|-------|------------------|-----------------|
| Investments in property, plant and equipment | | (37,145) | (42,653) |
| Disposals of property, plant and equipment | | 20,039 | 30,152 |
| Investments in other financial assets and associates | | (4,123) | (177,307) |
| Disposals of other financial assets and associates | | 179,303 | 23,910 |
| Investments in intangible assets | | (1,570) | (4,440) |
| Proceeds from sale of intangible assets | | 50 | – |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired | | – | 6,657 |
| Sale of subsidiaries | | 14,317 | 40,433 |
| Cash flow from investing activities | | 170,871 | (123,248) |
| Increase in financial liabilities | 22 | (0) | 212,003 |
| Repayment of financial liabilities | 22 | (291,518) | (93,919) |
| Purchase of treasury shares | | (5,283) | (3,276) |
| Sale of treasury shares | | 4,466 | 2,770 |
| Cash flow with non-controlling interests | | (2,000) | (10,153) |
| Cash flow from financing activities | | (294,335) | 107,425 |
| Foreign exchange differences on cash and cash equivalents | | (17,800) | (13,008) |
| Change in cash and cash equivalents | | (13,138) | (98,077) |
| Cash and cash equivalents at the beginning of the period | | 621,913 | 719,990 |
| Cash and cash equivalents at the end of the period | | 608,775 | 621,913 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF IMPLENIA

1 — GENERAL INFORMATION

Implenia Ltd. is a Swiss public limited company incorporated in Opfikon, Zurich. The shares of Implenia Ltd. are listed on the SIX Swiss Exchange (ISIN CH002 386 8554, IMPN).

The German version of the financial report is the authoritative version. The English version is a non-binding translation.

The consolidated financial statements as at 31 December 2022 were approved by the Board of Directors of Implenia Ltd. on 28 February 2023 for submission to the Annual General Meeting. In accordance with Art. 698 of the Swiss Code of Obligations, the Annual General Meeting must approve the consolidated financial reports. The consolidated financial statements were audited by the statutory auditor PricewaterhouseCoopers Ltd., Zurich.

Unless otherwise stated, the figures in the financial report are given in thousands of Swiss francs.

The consolidated financial statements of Implenia Ltd. ("Implenia") have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). With the exception of balance sheet items measured at fair value, the consolidated financial statements are based on historical cost.

Management estimates and judgements for the purposes of financial reporting affect the

values of reported assets and liabilities, contingent assets and liabilities on the balance sheet date, and income and expenses during the reporting period. Actual values may differ from these estimates. Material judgements are presented in note 4.

Implenia's business activities are described in note 6.

2 — CHANGE TO ACCOUNTING POLICIES

The accounting policies applied to the 2022 consolidated financial statements are identical to those applied to and described in the financial report 2021, apart from the first application of the revaluation model for the yards owned by the company described in the next section.

The IASB has adopted additional standards and amendments that are applicable to annual financial statements beginning after 1 January 2023, which may be applied before this date, and the IFRS Interpretations Committee has also published additional interpretations. On the basis of an initial assessment, Implenia assumes that the application of these standards, amendments and interpretations will not have a material impact on the consolidated financial statements. Implenia does not plan to early adopt new standards. The following amendment to the IFRS affects key issues for Implenia:

| Standard and name | Effective date | Impact | Planned first-time application |
|---|----------------|--------|--------------------------------|
| IFRS 17: Insurance contracts | 01.01.2023 | 1) | 01.01.2023 |
| Amendments to IAS 1: Classification of liabilities as current or non-current | 01.01.2024 | 2) | 01.01.2024 |
| Amendments to IAS 8: Definition of accounting estimates | 01.01.2023 | 1) | 01.01.2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies | 01.01.2023 | 1) | 01.01.2023 |
| Amendments to IFRS 1 and IAS 12: Deferred tax related to assets and liabilities arising from a single transaction | 01.01.2023 | 1) | 01.01.2023 |
| Amendments to IFRS 16: Lease Liability in a Sale and Leaseback | 01.01.2024 | 2) | 01.01.2024 |
| Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture | – | 3) | – |

1) No material impact expected.

2) Initial analysis shows no material impact, detailed assessment in progress.

3) Detailed clarifications will be made as soon as the entry into force has been clarified. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments specify the regulations for classifying debts as current or non-current. They make clear that classification is based on the rights existing at the end of the reporting period and must be independent of management's expectations or possible events. Implenia is currently examining the impact of the amendments on current reporting practice.

Notes to the consolidated financial statements of Implenia

3 — MATERIAL EVENTS

Repayment of the CHF 175 million subordinated convertible bond

As at 30 June 2022, the subordinated convertible bond issued on 30 June 2015 was repaid in full at the issue price of CHF 175 million. The conversion right was not exercised. The fixed deposit invested from the proceeds of the CHF 175 million bond, which was issued on 26 November 2021, was used to repay the subordinated convertible bond.

First application of the revaluation model for the yards owned by Implenia

Following completion of the transformation and achievement of the target status of geographical presence, the aim is to increase transparency with regard to Implenia Group's non-current assets.

As a first step, the asset categories were reassessed and the new category of storage yards was created. According to an internal analysis, the asset category "storage yards" has the best cost-benefit ratio for the application of the revaluation model of IAS 16. Accordingly, Implenia Group will measure its own storage yards at fair value from 30 June 2022.

The market values of the storage yards are reliably assessed by an external, independent third party on a regular basis, meaning that the actual values of these assets are published transparently and new, more relevant values are presented and disclosed.

Revaluation takes place directly in equity via the statement of comprehensive income less deferred tax effects. As the revaluation takes place purely in IFRS financial statements, the equity item is not available for distributions.

According to IAS 8.17, the first application of the revaluation model is prospective, i.e. the previous years' disclosures regarding property, plant and equipment are not restated. Additional information regarding property, plant and equipment including revaluation model is disclosed in note 18.

4 — KEY MANAGEMENT DECISIONS AND ESTIMATES

When preparing the consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and related disclosures. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These are used as the basis for measuring those assets and liabilities whose carrying amounts are not readily apparent from other sources. Actual values may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Changes to estimates may be necessary if the circumstances on which they were based have changed or new information or additional insights have become available. Such changes are recognised in the reporting period in which the estimate was revised.

The key assumptions about the future and the key sources of estimation uncertainty which may require material adjustments to the carrying amounts of assets and liabilities within the next twelve months are explained below.

4.1 — Revenue and cost recognition for projects

The order amount is contractually agreed. Variable considerations and contract modifications (claims) are recognised on the basis of judgments. If it is highly probable that these components are recoverable, they must be added to the transaction price. The decision is based on an assessment of various criteria. In principle, if claims are approved in writing by the client, they must always be taken into account in the transaction price. In cases that are less clear, the amount which is highly probable to be paid by the client will be recognised. This minimises the risk of revenue having to be reversed subsequently. The judgement is based on the project documentation, the legal assessment and, if applicable, external expert opinions. Experience from similar projects or with the same customer are also taken into consideration.

Notes to the consolidated financial statements of Implenla

If the client has not agreed to a claim and if there is no enforceable right to payment, it may not be recognised.

In case of technically demanding construction projects, the estimated costs to complete may deviate from the future cost development, since consideration of future events is fraught with uncertainty. This can lead to results being adjusted as the project progresses.

Revenue is shown in note 6. Costs for material and third party services are shown in note 7.

4.2 — Litigation cases involving projects

Implenia relies on the professional expertise of internal and external lawyers to assess existing legal risks when appraising projects. Judicial rulings may lead to deviations from management estimates. The assessment of financial repercussions may therefore change in the following year depending on the future development of ongoing legal proceedings, which may lead under certain circumstances to the project assessment being adjusted.

4.3 — Inclusion of joint ventures

The Group engages in construction projects that can lead to control, joint control or significant influence over the joint venture. This includes the acquisition of all or part of the equity of other companies, the purchase of certain non-current assets and the assumption of certain liabilities or contingent liabilities. In all these cases, management makes an assessment as to whether the Group has control, joint control or significant influence over the joint venture. Based on this assessment, the company is either fully consolidated, proportionately consolidated or accounted for under the equity method. This assessment is based on the underlying economic substance of the transaction as well as the respective rights and obligations in the respective country and not only on the contractual terms. Information on joint ventures is shown in notes 15 and 34.

4.4 — Goodwill impairment

Goodwill is tested for impairment annually. To assess whether any impairment exists, estimates are made of future cash flows expected to arise from the use of these assets and their possible disposal. Actual cash flows may differ significantly from the future discounted cash flows based on these estimates. Changes in discount rates, EBIT margins and growth rates used may lead to impairments. More information is shown in note 21.

4.5 — Capitalisation of tax loss carryforwards

Capitalisation of tax loss carryforwards requires material decisions and estimates by management on whether tax loss carryforwards can be offset against future taxable profits of the respective companies. The estimate is based on the business plans updated each year, and on whether sufficient taxable profits will be available in future to be able to utilise capitalised tax loss carryforwards. The actual results of the companies in question may differ significantly from the estimates. If the planned profits are not achieved, there is a risk that capitalised tax loss carryforwards will not be recoverable and must be derecognised through profit or loss. Information on tax loss carryforwards can be found in note 25.

Notes to the consolidated financial statements of Implenla

4.6 — Employee benefit schemes

Group employees are members of employee benefit schemes which are treated as defined benefit or defined contribution plans under IAS 19. The calculation of the recognised assets and liabilities from these plans is based on statistical and actuarial calculations performed by actuaries. The present value of defined benefit liabilities in particular is heavily dependent on assumptions such as the discount rate used to calculate the present value of future pension liabilities, future salary increases and increases in employee benefits. In addition, the Group's independent actuaries use statistical data such as probability of withdrawals of members from the plan and life expectancy in their assumptions.

Implenla's assumptions may differ substantially from actual results owing to changes in market conditions and the economic environment, higher or lower withdrawal rates, longer or shorter lifespans among members and other estimated factors. These differences may affect the values of the assets and liabilities from employee benefit schemes recognised in the balance sheet in future reporting periods. Information on employee benefits can be found in note 24.

4.7 — Leases

In principle, lease terms are stipulated by contract. Assessments regarding the exercise of extension, cancellation and purchase options are based on material judgements. In doing so, the management takes all facts and circumstances into account to assess how certain it is that options will be exercised.

Options are only taken into account if their exercise is assessed as sufficiently certain. The further in the future the assessment date for these options lies, the more uncertain their exercise will be. For most agreements, an assessment was made that an exercise of the options after five years can no longer be considered reasonably certain. The exercise of options is reassessed when an option is actually exercised. Re-evaluations as to whether there is sufficient certainty of the option being exercised are only carried out in response to material events or material changes in circumstances.

If the exercise of options is incorrectly assessed, there is a risk that rights of use and lease liabilities will not be correctly recognised. Disclosures regarding leasing are shown in notes 10, 19 and 22.

Notes to the consolidated financial statements of Implenla

5 — RISK ASSESSMENT

The risk to which the Implenla Group is exposed is assessed at least once a year by the Implenla Executive Committee (IEC) and the Board of Directors. In doing so, the key Group risks are defined and measured in terms of implications and probability. The implementation and impact of defined measures are monitored continuously by the IEC.

When assessing the operational risks, current or impending legal actions are taken into account, as well as major scope changes in construction projects. The relevant reports present these risks and opportunities at Group and divisional level and are assessed continuously by the managers with operational responsibility in collaboration with the legal and finance department to initiate measures and monitor their effectiveness. The opportunities and risks consolidated by divisions and the Implenla Group are presented to the Audit Committee and commented on twice a year.

The value assurance process is managed for all the divisions' projects and the selection of joint venture partners with the Value Assurance Committee (VAC) as the steering body. The VAC was set up on four levels: Group (class 1), global division/Business Unit (class 2); BU Country (class 3) and BU Region (class 4). As part of the VAC reporting, class 1–VAC reports on the results of its tasks and the adequacy and effectiveness of project management to the Audit Committee at least every six months.

5.1 — Financial risk management

The principles used for financial risk management are defined at Group level and apply to all Group entities. They include rules about holding and investing cash and cash equivalents, taking on debt, and hedging against foreign currency, price and interest rate risks. Compliance with the rules is monitored centrally on a continuous basis. Overall, the Group follows a conservative, risk-averse approach.

The Group's main financial instruments are cash and cash equivalents, trade receivables, contract assets, financial and other receivables, current and non-current financial liabilities, trade payables and contract liabilities. Trade receivables and trade payables as well as contract assets and liabilities are generated in the course of normal business activities. Financial liabilities are mainly used to finance operating activities as well as strategic decisions such as the acquisition of a business. Financial investments serve mainly to finance associates.

Within the Group, derivative financial instruments are used to hedge operating cash flows and intercompany loans in foreign currency.

The main risks for the Group resulting from financial instruments are credit risk, liquidity risk, market risk and foreign currency risk.

5.2 — Credit risk

The credit risk consists mainly of the risk of default on trade receivables and cash and cash equivalents.

5.2.1 — Trade receivables

Agreements with customers generally stipulate payment terms between 30 and 90 days. The creditworthiness of customers is verified prior to any contract being signed. Revenue is generated largely through transactions with public-sector bodies and high-quality debtors (banks, insurance companies, pension funds, etc.). Generally, no collateral is obtained. However, for services relating to real estate, it is legally possible to have a lien on the real estate (right of lien of tradesmen and building contractors). Notice of payments outstanding is given as part of a standardised reminder procedure. Regular reports are made monitoring the progress of receivables, particularly those that are overdue. Due to the customer structure, provisions in the statutory mortgage of contractor as well as significant prefinancing for construction services, irrecoverable debts are negligible in relation to Group revenue.

Age structure of trade receivables: see note 13.

5.2.2 — Cash and cash equivalents and other financial assets

The credit risk relating to cash and cash equivalents and other financial assets resides in the non-payment of receivables due to debtor insolvency. Debtors are subject to regular creditworthiness checks by means of a review of their financial situation. In the case of cash and cash equivalents, the counterparty must also have an investment grade rating (S & P / Moody's), a direct state guarantee or at least be classified as systemically important by the competent regulatory bodies. The exposure per counterparty is limited to a maximum amount. Creditworthiness is monitored regularly using market-based information (e.g. CDS spreads), and appropriate measures are taken if necessary.

The three largest counterparty exposures under cash and cash equivalents total CHF 383.6 million (2021: CHF 412.7 million). This is the equivalent of 63.0% of the carrying amount of total cash and cash equivalents (2021: 66.4%).

The maximum credit risk corresponds to the amount of individual receivables in the event of default.

Notes to the consolidated financial statements of Implenla

The following table shows the receivables from the largest financial institutions on the balance sheet date:

| in TCHF | Rating ¹ | Balance |
|--|---------------------|----------------|
| AS at 31.12.2022 | | |
| Cash and other financial assets | | 383,600 |
| Financial institution | A- | 149,126 |
| Financial institution | BBB+ | 134,463 |
| Financial institution | A2 | 100,011 |
| As at 31.12.2021 | | |
| Cash and other financial assets | | 412,680 |
| Financial institution | A- | 128,836 |
| Financial institution | BBB+ | 185,053 |
| Financial institution | BBB+ | 98,791 |

1 Standard & Poor's Rating

5.3 — Liquidity risk

The liquidity risk derives mainly from the eventuality that liabilities cannot be settled on the due date. Future liquidity forecast is based on a variety of rolling planning horizons. The Group aims to have sufficient lines of credit to cover its planned funding requirements at any time. As at 31 December 2022, the Group had cash and cash equivalents of CHF 608.8 million (2021: CHF 621.9 million) and unused credit lines of CHF 319.7 million (2021: CHF 180.3 million). The Group seeks to maintain appropriate minimum liquidity (consisting of cash

and cash equivalents and confirmed unused credit lines).

Liquidity in the broader sense also includes the constant availability of unused guaranteed credit lines. The issue of guarantees or sureties to guarantee contractual services is of major importance in the operational construction business. A distinction is made between tender guarantees, advance payment bonds, performance bonds and retention guarantees or sureties in advance. The Group has numerous guarantee lines

| in TCHF | Short-term | | | Long-term | |
|-------------------------------|----------------------------|------------------|------------------|------------------|-----------------|
| | not specified ¹ | 0–3 mo. | 4–12 mo. | 2–5 years | over 5 years |
| As at 31.12.2022 | | | | | |
| Trade payables | (357,529) | (229,538) | (38,645) | – | – |
| Other liabilities | (1,729) | (90,046) | (20,242) | – | – |
| Bond issues | – | (1,695) | (5,086) | (436,214) | – |
| Promissory note loans | – | (196) | (20,244) | (30,466) | – |
| Liabilities to banks | – | (4,222) | (2,113) | – | – |
| Lease liabilities | – | (13,101) | (36,524) | (130,242) | (10,667) |
| Other financial liabilities | – | (2,602) | (4,265) | (7,485) | – |
| Total | (359,258) | (341,400) | (127,119) | (604,407) | (10,667) |
| As at 31.12.2021 | | | | | |
| Trade payables | (347,497) | (247,479) | (84,385) | – | – |
| Other liabilities | – | (91,482) | (36,434) | – | – |
| Bond issues | – | (1,250) | (5,531) | (434,063) | – |
| Subordinated convertible bond | – | – | (175,875) | – | – |
| Promissory note loans | – | – | (846) | (53,655) | – |
| Liabilities to banks | – | – | (7,000) | (13,578) | (53,988) |
| Lease liabilities | – | (13,564) | (37,304) | (119,144) | (15,121) |
| Other financial liabilities | – | – | – | (8,207) | – |
| Total | (347,497) | (353,775) | (347,376) | (628,647) | (69,109) |

1 This category contains contractual cash outflows from accruals for which the due date is not specified. Usually, the cash outflow of these liabilities is within the next twelve months.

Notes to the consolidated financial statements of Implenla

covering various terms with Swiss and European banks and insurance companies totalling CHF 2,552.3 million (2021: CHF 2,476.5 million).

5.4 — Market risk/ interest rate risk

The Group has very few non-current interest-bearing assets. Consequently, the Group's interest risk results from the structure and volume of its financing. Because the Group has primarily financed its operations with fixed-rate bond issues and promissory note loans, the risk associated

Of this figure, CHF 1,617.1 million had been used as at 31 December 2022 (2021: CHF 1,658.8 million).

with changes in interest rates is minimal. Interest rate increases generally have no negative impact on consolidated result.

The maturity structure of interest-bearing financial instruments as at 31 December 2022 is as follows:

| in TCHF | Up to 1 year | 2–5 years | Over 5 years | Total |
|----------------------------------|--------------|-----------|--------------|-----------|
| Variable rate | | | | |
| Cash and cash equivalents | 608,775 | – | – | 608,775 |
| Loans and other financial assets | 1 | – | – | 1 |
| Financial liabilities | (5,826) | (10,885) | – | (16,711) |
| Total | 602,950 | (10,885) | – | 592,065 |
| Fixed rate | | | | |
| Loans and other financial assets | 645 | 4,809 | 128 | 5,582 |
| Financial liabilities | (66,834) | (565,828) | (5,106) | (637,768) |
| Total | (66,189) | (561,019) | (4,978) | (632,186) |
| Overall total | 536,761 | (571,904) | (4,978) | (40,121) |

Maturity structure as at 31 December 2021:

| in TCHF | Up to 1 year | 2–5 years | Over 5 years | Total |
|----------------------------------|--------------|-----------|--------------|-----------|
| Variable rate | | | | |
| Cash and cash equivalents | 621,913 | – | – | 621,913 |
| Loans and other financial assets | 175,027 | 262 | – | 175,289 |
| Financial liabilities | (9,079) | (7,507) | – | (16,586) |
| Total | 787,861 | (7,245) | – | 780,616 |
| Fixed rate | | | | |
| Loans and other financial assets | – | 4,332 | 100 | 4,432 |
| Financial liabilities | (227,434) | (633,562) | (10,871) | (871,867) |
| Total | (227,434) | (629,230) | (10,771) | (867,435) |
| Overall total | 560,427 | (636,475) | (10,771) | (86,819) |

If the interest rates on the average total assets in 2022 were 0.5 percentage points higher or lower, the profit before tax, provided that all other variables remained constant, would have been CHF 2.2 million (2021: CHF 1.9 million) higher or lower for the year as a whole. This would be largely due to higher or lower interest income on cash and cash equivalents.

Notes to the consolidated financial statements of Implenla

5.5 — Foreign currency risks

At Implenla, there are currency risks from future business transactions or assets and liabilities recognised in the balance sheet in currencies other than the functional currency of the company in question (transaction risk). Significant foreign currency positions are hedged with currency derivatives. Implenla is mainly exposed to risks from the euro and to a lesser extent from the Norwegian and the Swedish krona.

If the Swiss franc had been 15% stronger against the euro on 31 December 2022, this would have had a positive impact on profit before tax of CHF 22.1 million (2021: CHF 2.5 million positive). Equity would have been CHF 11.2 million lower (2021: CHF 5.0 million lower). This effect is largely attributable to net investments in foreign businesses.

5.6 — Hedge accounting

Major projects at Implenla may lead to foreign currency positions in the Group company performing the work, if a portion of the cash flows does not accrue in the functional currency of the respective company. Material risks are hedged using currency derivatives based on cash flow planning figures (cash flow hedges). Given Implenla's local business in the construction sector and its entrepreneurial coverage on location, the foreign currency risk with projects is limited. As at the reporting date, there were no material hedges of cash flows in foreign currency.

In addition, part of the foreign currency risk on net investments in foreign businesses was hedged (net investment hedges). The promissory note loans totalling EUR 60.0 million placed in 2017 were used to hedge euro loans to subsidiaries. A compensating effect of CHF 2.2 million (2021: CHF 2.5 million) was posted in other comprehensive income in the reporting period. A repayment of EUR 10.0 million was made in 2021.

5.7 — Policy regarding capital structure/indebtedness

The Group targets an equity ratio of > 20%. At the reporting date, the equity ratio amounted to 17.5%; as at 31 December 2021: 11.6%.

The aim is for current assets to be financed through current debt. Non-current assets should be financed through non-current liabilities and equity. Investments as part of ordinary business activities are to be financed through ongoing cash flows wherever possible.

The syndicated loan contains two financial covenants, which must be complied with every six months.

The provisions (including financial covenant) stipulated in the financing agreements were met in the financial year. More information is shown in note 22.

5.8 — Fair value measurement

Fair value hierarchy:

LEVEL 1 The inputs used are unadjusted listed prices on active markets for identical assets and liabilities as at the reporting date. The fair value of bonds recognised at amortised cost reflects the closing price on the SIX Swiss Exchange.

LEVEL 2 The measurement is based on inputs (other than the listed prices included in level 1) that are either directly or indirectly observable for the asset or liability. The fair values of currency derivatives (forward contracts) are determined on the basis of the difference between contractually fixed forward prices and the current forward prices applicable on the balance sheet date. The convertible bond issued on 30 June 2015 and repaid on 30 June 2022 was reported at a carrying amount of CHF 173.6 million in debt capital and a carrying amount of CHF 15.2 million in equity in 2021. The fair value of the liability component of the convertible bond and the fair value of the promissory note loans are calculated on the basis of the contractually agreed interest and amortisation payments discounted at market interest rates.

LEVEL 3 The inputs are not based on observable market data. They reflect the Group's best estimate of the criteria that market participants would use to determine the price of the asset or liability on the reporting date. Allowance is made for the inherent risks in the valuation procedure and the model inputs. Assets in this category are generally securities not traded on active markets, investment property and property, plant and

equipment including revaluation model (storage yards). Implenla owns a portfolio of unlisted domestic interests. These are revalued each year on the basis of the financial statements of the individual unlisted interests. Implenla's investment property as well as property, plant and equipment including revaluation property is also assigned to fair value level 3. The fair values of investment property are determined by an internal valuation team, those of storage yards (property, plant and equipment including revaluation model) by an external expert opinion.

Notes to the consolidated financial statements of Implenia

Disclosures on carrying amounts and fair values

| | | Carrying amounts | | Fair values | |
|--|-------|------------------|------------|-------------|------------|
| in TCHF | Level | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| FINANCIAL ASSETS | | | | | |
| Fair value through profit or loss | | | | | |
| Currency derivatives | 2 | 1,128 | 368 | 1,128 | 368 |
| Marketable securities | 1 | 561 | 88 | 561 | 88 |
| Fair value through other comprehensive income | | | | | |
| Unlisted participations | 3 | 9,251 | 8,043 | 9,251 | 8,043 |
| At amortised cost | | | | | |
| Fixed short-term deposits | * | 265 | 174,982 | 265 | 174,982 |
| Trade receivables | * | 568,329 | 551,540 | 568,329 | 551,540 |
| Other receivables | * | 58,638 | 34,436 | 58,638 | 34,436 |
| Other financial assets | * | 5,318 | 4,636 | 5,318 | 4,636 |
| Investment property | 3 | 5,323 | 5,415 | 5,323 | 5,415 |
| PROPERTY, PLANT AND EQUIPMENT WITH REVALUATION MODEL | 3 | 75,695 | 23,849 | 75,695 | n/a |

* The carrying amounts of these financial instruments roughly correspond to their fair value.

| | | Carrying amounts | | Fair values | |
|-----------------------------------|-------|------------------|------------|-------------|------------|
| in TCHF | Level | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| FINANCIAL LIABILITIES | | | | | |
| Fair value through profit or loss | | | | | |
| Currency derivatives | 2 | – | 1,261 | – | 1,261 |
| At amortised cost | | | | | |
| Trade payables | * | 625,713 | 679,361 | 625,713 | 679,361 |
| Promissory note loans | 2 | 49,429 | 51,610 | 47,357 | 52,577 |
| Bonds | 1 | 424,411 | 424,141 | 415,925 | 417,073 |
| Convertible bond | 2 | – | 173,573 | – | 172,605 |
| Other liabilities | * | 112,016 | 127,916 | 112,016 | 127,916 |
| Other financial liabilities¹ | * | 14,864 | 80,252 | 14,864 | 80,252 |

¹ Carrying amounts and fair values do not contain any liabilities from leases.

* The carrying amounts of these financial instruments roughly correspond to their fair value.

Fair value estimates for additional non-financial items are provided in the relevant notes.

Notes to the consolidated financial statements of Implenia

6 — SEGMENT REPORTING

The Group's business segments are based on the organisational units, about which the Implenia Executive Committee (IEC) and the Group Board of Directors are presented a report. The Board of Directors takes on the role of chief operating decision maker. It receives regular internal reports in order to assess the Group's performance and resource allocation.

The Group consists of the following divisions:

- Real Estate
- Buildings
- Civil Engineering
- Specialties

There is also the "Corporate & Other" unit (renamed from previously "Functions"). This unit relates to costs that cannot be assigned to any other division. It also includes Group companies with no activities.

The activities of the divisions are described on page 24.

Notes to the consolidated financial statements of Implen

Segment reporting, as reported to the Board of Directors as at 31 December 2022:

| in TCHF | Real Estate | Buildings | Civil Engineering | Specialties | Total of divisions | Corporate & Other ¹ | Total |
|--|-------------|-----------|-------------------|-------------|--------------------|--------------------------------|-------------|
| Revenue unconsolidated | 144,818 | 1,743,332 | 1,920,749 | 163,977 | 3,972,876 | 50,866 | 4,023,742 |
| Intra-Group revenue | (14,850) | (144,384) | (230,922) | (27,048) | (417,204) | (43,272) | (460,476) |
| Group revenue | 129,968 | 1,598,948 | 1,689,827 | 136,929 | 3,555,672 | 7,594 | 3,563,266 |
| EBIT excl. IFRS 16 ² | 81,064 | 34,898 | 31,872 | 4,168 | 152,002 | (19,335) | 132,667 |
| EBIT | 81,069 | 35,372 | 35,751 | 4,412 | 156,604 | (17,743) | 138,861 |
| Current assets (excl. cash and cash equivalents and fixed short-term deposits) | 158,715 | 261,580 | 686,402 | 72,214 | 1,178,911 | 46,639 | 1,225,550 |
| Non-current assets (excl. pension assets and rights of use from leases) | 159,296 | 150,610 | 362,974 | 52,245 | 725,125 | 36,610 | 761,735 |
| Debt capital (excl. financial and pension liabilities) | (72,610) | (631,946) | (745,295) | (57,249) | (1,507,100) | (99,275) | (1,606,375) |
| Total invested capital excl. rights of use from leases | 245,401 | (219,756) | 304,081 | 67,210 | 396,936 | (16,026) | 380,910 |
| Rights of use from leases | 760 | 27,798 | 80,864 | 6,772 | 116,194 | 40,463 | 156,657 |
| Total invested capital | 246,161 | (191,958) | 384,945 | 73,982 | 513,130 | 24,437 | 537,567 |
| Investments in property, plant and equipment and intangible assets | – | 267 | 36,381 | 4,503 | 41,151 | 4,657 | 45,808 |

¹ Including eliminations.

² EBIT as reported to the chief operating decision maker (EBIT before adjustments due to the application of IFRS 16).

Notes to the consolidated financial statements of Implen

Segment reporting, as reported to the Board of Directors as at 31 December 2021:

| in TCHF | Real Estate | Buildings | Civil Engineering | Specialties | Total of divisions | Corporate & Other ¹ | Total |
|--|-------------|-----------|-------------------|-------------|--------------------|--------------------------------|-------------|
| Revenue unconsolidated | 82,120 | 1,818,760 | 2,060,672 | 208,583 | 4,170,134 | 91,561 | 4,261,695 |
| Intra-Group revenue | (25,915) | (115,155) | (232,448) | (37,210) | (410,728) | (86,297) | (497,025) |
| Group revenue | 56,206 | 1,703,605 | 1,828,223 | 171,373 | 3,759,406 | 5,264 | 3,764,670 |
| EBIT excl. IFRS 16 ² | 42,125 | 31,411 | 49,295 | 8,325 | 131,155 | (17,304) | 113,851 |
| EBIT | 42,133 | 32,352 | 51,776 | 8,764 | 135,025 | (20,200) | 114,826 |
| Current assets (excl. cash and cash equivalents and fixed short-term deposits) | 181,645 | 376,570 | 635,438 | 68,533 | 1,262,186 | 23,618 | 1,285,803 |
| Non-current assets (excl. pension assets and rights of use from leases) | 155,159 | 157,229 | 316,613 | 61,757 | 690,759 | 65,006 | 755,765 |
| Debt capital (excl. financial and pension liabilities) ³ | (110,653) | (775,267) | (679,126) | (63,301) | (1,628,347) | (111,405) | (1,739,752) |
| Total invested capital excl. rights of use from leases | 226,151 | (241,467) | 272,925 | 66,989 | 324,598 | (22,781) | 301,817 |
| Rights of use from leases | (105) | 24,824 | 75,945 | 7,008 | 107,673 | 41,257 | 148,929 |
| Total invested capital³ | 226,046 | (216,643) | 348,870 | 73,997 | 432,271 | 20,388 | 452,658 |
| Investments in property, plant and equipment and intangible assets | 570 | 644 | 25,164 | 5,441 | 31,819 | 15,274 | 47,093 |

¹ Including eliminations.

² EBIT as reported to the chief operating decision maker (EBIT before adjustments due to the application of IFRS 16).

³ Debt capital without financial and pension liabilities excl. rights of use from leasing includes provisions for onerous lease contracts that under IFRS 16 are reflected as impairment of right of use assets.

Notes to the consolidated financial statements of Implenia

Notes

The reconciliation to invested capital is as follows:

| in TCHF | 31.12.2022 | 31.12.2021 |
|---|------------------|------------------|
| Total assets | 2,753,426 | 2,987,836 |
| Minus cash and cash equivalents and fixed short-term deposits | (609,040) | (796,895) |
| Minus pension assets | (444) | (444) |
| Assets of invested capital | 2,143,942 | 2,190,497 |
| Total equity and liabilities | 2,753,426 | 2,987,836 |
| Minus equity | (482,670) | (345,918) |
| Minus financial liabilities | (654,478) | (888,453) |
| Minus pension liabilities | (9,903) | (15,626) |
| Liabilities of invested capital | 1,606,375 | 1,737,839 |
| Total invested capital | 537,567 | 452,658 |

Non-current assets (excluding financial assets, investments in associates, pension assets and deferred tax assets) are distributed geographically as follows:

| in TCHF | 31.12.2022 | 31.12.2021 |
|-----------------------------------|----------------|----------------|
| Switzerland | 335,836 | 282,334 |
| Germany | 202,869 | 219,855 |
| Austria | 12,597 | 21,406 |
| Norway | 67,414 | 56,267 |
| Sweden | 16,089 | 24,393 |
| France | 3,210 | 4,034 |
| Other countries | 19,090 | 18,855 |
| Total as at reporting date | 657,105 | 627,144 |

Notes to the consolidated financial statements of Implenia

Revenue from contracts with customers was distributed geographically as follows in the reporting period from 1 January 2022 to 31 December 2022:

| in TCHF | Real Estate | Buildings | Civil Engineering | Specialties | Corporate & Other | Total |
|--|-------------|-----------|-------------------|-------------|-------------------|-----------|
| Switzerland | 126,057 | 1,065,738 | 586,211 | 17,421 | 3,931 | 1,799,358 |
| Germany | 47 | 529,832 | 367,445 | 88,251 | 2,050 | 987,625 |
| Austria | – | 2,015 | 66,271 | 19 | 59 | 68,364 |
| Norway | – | – | 278,582 | – | – | 278,582 |
| Sweden | – | – | 280,975 | – | – | 280,975 |
| France | 1,956 | – | 87,825 | – | – | 89,781 |
| Other countries | – | – | – | 26,074 | 1,253 | 27,327 |
| Revenue from contracts with customers | 128,060 | 1,597,585 | 1,667,309 | 131,765 | 7,293 | 3,532,012 |
| Other income | 1,908 | 1,364 | 22,516 | 5,165 | 301 | 31,254 |
| Group revenue | 129,968 | 1,598,949 | 1,689,825 | 136,930 | 7,594 | 3,563,266 |

Revenue from contracts with customers was distributed geographically as follows from 1 January 2021 to 31 December 2021:

| in TCHF | Real Estate | Buildings | Civil Engineering | Specialties | Corporate & Other | Total |
|--|-------------|-----------|-------------------|-------------|-------------------|-----------|
| Switzerland | 55,048 | 1,202,384 | 620,806 | 33,563 | 57 | 1,911,858 |
| Germany | 91 | 463,941 | 368,991 | 94,767 | 3,292 | 931,081 |
| Austria | – | 36,017 | 121,479 | 16 | 542 | 158,054 |
| Norway | – | – | 194,892 | – | 15 | 194,907 |
| Sweden | – | – | 328,165 | – | (603) | 327,562 |
| France | 33 | – | 151,511 | – | – | 151,544 |
| Other countries | – | – | 130 | 27,716 | 1,212 | 29,058 |
| Revenue from contracts with customers | 55,172 | 1,702,342 | 1,785,974 | 156,061 | 4,514 | 3,704,063 |
| Other income | 1,034 | 1,263 | 42,250 | 15,311 | 749 | 60,607 |
| Group revenue | 56,206 | 1,703,605 | 1,828,223 | 171,373 | 5,264 | 3,764,670 |

Revenue is usually recognised over time. The sale of land in the Real Estate Division, where revenue is recognised at a certain date, constitutes an exception to this rule. Other income is largely the result of leasing income and income

from the disposal of assets, including sale of subsidiaries. In December 2022, Division Specialties sold its share in Implenia Schalungsbau GmbH, Germany. This resulted in a gain on disposal of CHF 4.9 million.

Notes to the consolidated financial statements of Implenla

Accounting policies

Revenue from contracts with customers contains all revenues from Implenla's various business activities. Depending on the type of service, revenue is recognised over a certain time or at a certain point in time. Subcontractors are usually commissioned to carry out construction projects. However, only Implenla has a relationship with the client. Therefore, only Implenla is exposed to any risk and can benefit from any opportunities from commissioning. Accordingly, Implenla recognises revenue for the transfer of services to the client equal to the consideration expected.

The anticipated order amount for the respective project is based on the contractual agreements and on amendments to the contract such as claims and order variations. Contract modifications are usual in the construction industry. Inclusion thereof in the transaction price depends on the assessment of their recoverability. Contract modifications are added to the transaction price if it is highly probable that a significant part will not have to be reversed again at a later date. Variable considerations in the form of performance bonuses and contractual penalties are also subject to these guidelines.

Future expected losses from contracts are taken into consideration when measuring the value of contracts and provided for immediately as a provision for impending losses. If a project margin is expected to be negative (taking account of all

directly and indirectly attributable costs), losses are recognised.

If the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of the contract costs incurred that will probably be recoverable, while the contract costs incurred are also recognised as an expense in the same period. If it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately as an expense.

As a practical expedient, Implenla does not adjust the transaction price by financing components if, when the contract starts, the period between fulfilment of the performance obligation and payment by the customer is not expected to exceed twelve months.

The following comments specify how revenue is recognised in Implenla's key revenue streams:

In General Contracting and Construction Works, the work to be supplied equates in principle to a single performance obligation. This is fulfilled when the customer accepts the work. In general, revenue is recognised over the term of the construction activities. Both cost and performance-based methods are used to determine construction progress. The cost-based method is based on the order costs incurred compared with the estimated order costs contained in the final forecast. Cost overruns and still unused material are not taken into consideration in the

calculation. With performance-based methods, the performance reached is compared with the total performance owed. For example, factors such as the amount of soil extracted in cubic metres or concrete poured are used to measure performance. The method is chosen on the basis of an analysis of which method reflects construction progress more accurately. The process is applied consistently for projects of the same type.

For joint venture contracts, only the service actually performed by Implenla in the joint venture and its share of the profits of the joint venture are recognised as revenue (equity method). The results of joint ventures are determined in principle in accordance with the same criteria as for Implenla's own construction projects.

Usually several performance obligations must be fulfilled in Real Estate. In principle, the sale of land, project development and construction work on the customer's land are separate performance obligations. The transaction price is allocated to the respective performance obligations using individual sales prices.

For the sale of land, revenue is recognised at the time it is transferred to the customer. This is usually the date on which title is transferred. The recognition of revenue for the project development depends on the structure of the contract. Usually revenue is recorded over the term in which this performance obligation is fulfilled. The actual construction work on land that has already been

sold takes place in accordance with the specific explanations under "Revenue recognition in General Contracting and Construction Works".

Generally, construction does not start on condominium projects until at least 50% of the properties have been sold. Unsold apartments are accounted for within "Real estate transactions" at the cost of production. Revenue is recognised when these apartments are sold.

Besides its actual core business, Implenla also operates as a lessor. It mainly leases machinery and site equipment as well as office space which it does not use itself. Without exception, these are operating leases.

Notes to the consolidated financial statements of Implenla

7 — MATERIALS AND THIRD PARTY SERVICES

| in TCHF | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|----------------------|------------------|------------------|
| Material expenses | 639,547 | 572,003 |
| Third party services | 1,486,215 | 1,686,489 |
| Total | 2,125,762 | 2,258,492 |

8 — STAFF COSTS

| in TCHF | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|---|-----------------|------------------|
| Wages, salaries and fees | 700,881 | 724,272 |
| Social security contributions | 109,867 | 121,818 |
| Expenses for defined benefit pension plans | 25,661 | 29,721 |
| Expenses for defined contribution pension plans | 9,557 | 6,726 |
| Expenses for the foundation for flexible retirement | 8,882 | 10,325 |
| Temporary staff | 76,818 | 94,970 |
| Other personnel expenses | 30,001 | 37,545 |
| Total | 961,667 | 1,025,377 |

9 — EMPLOYEE PARTICIPATION PROGRAMME AND COMPENSATION

9.1 — Employee participation programme

Based on the regulations on the employee participation programme dated 1 April 2021, qualifying persons may subscribe for Implenla Ltd. shares annually in April-June normally in the amount

of one-half of the gross monthly salary. For the 2022 purchase period, the difference between the average market price in March 2022 of CHF 22.77 (previous year: CHF 27.20) and the preferential price of CHF 15.94 (previous year: CHF 19.05) per share was recognised.

| in TCHF | | 2022 | 2021 |
|---|---------|--------|--------|
| Number of shares subscribed | Number | 33,182 | 34,092 |
| Amount recognised in the income statement | in TCHF | 227 | 278 |

The shares cannot be traded for a period of at least three years. During this time, employees are entitled to dividends and may exercise their voting rights. Upon expiry of the retention period, the shares may be freely traded by employees. The Implenla Executive Committee and the Board of Directors are excluded from the employee participation programme.

Notes to the consolidated financial statements of Implenia

9.2 — Share-based compensation for the Implenia Executive Committee

Share-based compensation for the Implenia Executive Committee

Since January 2019, the remuneration for the Implenia Executive Committee has been structured as a “Long-Term Incentive Plan (LTIP)”. The LTI plan corresponds to a fixed percentage of base salary per function level, which at the beginning of the performance period is translated into a specific number of future subscription rights in the form of Performance Share Units (PSU). The PSUs are subject to a three-year vesting period.

They are only paid out if the performance indicators set at the time of allocation (relative total shareholder return and diluted earnings per share) are achieved. Depending on the level of target achievement, the PSUs will be settled in shares of Implenia Ltd. at a conversion rate of between 0% and 200%. The fair value at the date the shares were granted was determined in each case by using a Monte Carlo simulation. Anticipated dividends are included in the model. Additional information on the functionality of the LTI plan is provided in the Remuneration Report.

| LTI plan | Grant-date fair value in CHF | Granted PSUs Number | Vested PSUs Number | Forfeited PSUs Number | Amount recognised in the income statement | |
|--------------|---------------------------------|------------------------|-----------------------|--------------------------|---|-----------------|
| | | | | | 2022 in TCHF | 2021 in TCHF |
| 2020–2022 | 34.80 | 77,885 | – | 2,730 | 436 | 436 |
| 2021–2023 | 37.91 | 74,068 | – | – | 2,458 | 1,404 |
| 2022–2024 | 29.06 | 88,773 | – | – | 1,345 | – |
| Total | | 240,726 | – | 2,730 | 4,238 | 2,098 |

88,773 PSUs were granted in 2022. The expenses for the LTI plans are spread over the three-year vesting period.

9.3 — Share-based compensation for the Board of Directors

Members of the Board of Directors receive two-thirds of their annual remuneration in cash and one-third in shares. The average price of the shares of Implenia Ltd. in the month of December of the year of office is decisive for calculating the number of shares. The expenditure is calculated

from the average price in December less a tax deduction and is expensed on an accrual basis in the current financial year. The Group may either buy shares on the market or draw from its treasury shares.

For the financial year 2022, the shares were allocated at an average price of CHF 26.19 per share (2021: CHF 16.87 per share).

| | | 2022 | 2021 |
|---|---------|--------|--------|
| Entitlement and allocated shares | Number | 13,677 | 21,243 |
| Amount recognised in the income statement | in TCHF | 358 | 358 |

9.4 — Compensation paid to key persons

Members of the Board of Directors of Implenia Ltd. receive annual compensation for their activities according to their function. The Group pays social security contributions on these compensations.

The remuneration of members of the Implenia Executive Committee consists of various parts: a fixed basic salary in cash, a variable performance-related salary in cash and a share-based payment. The Group pays social security contributions associated therewith as well as pension fund contributions.

Notes to the consolidated financial statements of Implenla

The following table shows the compensation paid to management in key positions recognised as expenditure in the reporting period since they were appointed to their current position.

| in TCHF | 2022 | 2021 |
|--|---------------|---------------|
| Short-term benefits | 7,661 | 8,428 |
| Pension expenses | 889 | 883 |
| Share-based payments – LTIP | 4,238 | 2,098 |
| Share-based payments – Board of Directors | 358 | 358 |
| Total Implenla Executive Committee and Board of Directors | 13,146 | 11,767 |
| Former members of the Implenla Executive Committee ¹ | 640 | 250 |
| Total | 13,786 | 12,017 |

1 This position includes annual base salary, short-term incentive, share-based payments, social security expenses and other compensation.

The members of the Implenla Executive Committee have been awarded, as part of the variable salary in 2021, 25,551 shares with a fair value of CHF 19.18. The corresponding staff costs amounting to CHF 0.5 million were recognised in the profit and loss statement in 2021 accordingly. In 2022 no such awards have been granted.

Accounting policies

The payments under share-based compensation are reported as staff costs. Costs in relation to shares that are not distributed until the following year are recognised fully in the year in which service is rendered. Shares received as compensation and as part of the employee participation programme cannot be traded for three years and are not tied to any exercise conditions. Costs are recognised fully in the year in which service is rendered even if the shares are not transferred until the following year. The expenses for the LTI plan are recognised on a straight-line basis over the three-year vesting period. Non-market conditions are remeasured at each reporting date. Adjustments from the remeasurement are recognised prospectively. Market conditions are already included in the fair value at the time they are granted and are not recalculated.

Notes to the consolidated financial statements of Implenla

10 — OTHER OPERATING EXPENSES

| in TCHF | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|--|-----------------|-----------------|
| Rental expenses | 105,929 | 112,635 |
| Infrastructure expenses | 28,780 | 24,530 |
| Maintenance and repairs | 32,574 | 39,243 |
| Insurance | 8,839 | 9,739 |
| Administration and consultants | 18,000 | 31,605 |
| Office, IT and communication costs | 36,410 | 44,882 |
| Taxes and fees | 9,853 | 11,062 |
| Marketing, advertising and other administration expenses | 15,632 | 6,457 |
| Total | 256,017 | 280,153 |

Notes

Rental expenses include:

| in TCHF | 2022 | 2021 |
|---|----------------|----------------|
| Rental expense for short term leasings | 73,573 | 80,337 |
| Rental expense for low-value leasings | 14,035 | 13,869 |
| Expense for utilities and service costs | 18,321 | 18,429 |
| Total | 105,929 | 112,635 |

11 — FINANCIAL EXPENSES AND INCOME

| in TCHF | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|-------------------------------|-----------------|-----------------|
| Financial expenses | | |
| Interest expenses | 15,252 | 11,105 |
| Interest expenses from leases | 4,149 | 4,376 |
| Bank charges | 1,501 | 1,396 |
| Costs of financial guarantees | 1,059 | 2,608 |
| Other financial expenses | 2,097 | 5,391 |
| Foreign currency losses | 3,115 | 5,656 |
| Total | 27,173 | 30,532 |
| Financial income | | |
| Interest income | 1,719 | 1,388 |
| Income from investments | 217 | 54 |
| Other financial income | – | 152 |
| Foreign currency gains | 9,559 | 4,600 |
| Total | 11,495 | 6,194 |
| Financial result | (15,678) | (24,338) |

Notes to the consolidated financial statements of Implenla

12 — TAX

| in TCHF | 2022 | 2021 |
|---------------------------------|-----------------|-----------------|
| Profit before tax | | |
| Switzerland | 66,468 | 62,605 |
| Abroad | 56,715 | 27,883 |
| Total profit before tax | 123,183 | 90,488 |
| Current and deferred tax | | |
| Switzerland | (13,307) | (6,198) |
| Abroad | (1,654) | (788) |
| Total current tax | (14,961) | (6,987) |
| Switzerland | (323) | (4,910) |
| Abroad | (1,936) | (14,636) |
| Total deferred tax | (2,259) | (19,546) |
| Total tax | (17,220) | (26,532) |

Accounting policies

Income taxes are recognised in the same period as the income and expenses to which they relate. Income taxes also contain property gains tax. Several Swiss cantons levy a separate tax on the sale of land and real estate from business assets that is usually deductible from the ordinary cantonal taxes on profits. The taxable gains on the sale of property are calculated in accordance with the applicable cantonal laws. The applicable tax rate on the sale of property is dependent on the

length of ownership and the amount of the taxable gain on the sale of the property. The immovable property gains tax is calculated as at the date of sale. Deferred taxes are recognised in accordance with the balance sheet liability method. Taxes not dependent on income such as capital taxes are recognised in other operating expenses.

| in TCHF | 2022 | 2021 |
|--|-----------------|-----------------|
| Profit before tax | 123,183 | 90,488 |
| Expected income tax rate in % | 23.6 | 23.9 |
| Tax at the expected income tax rate | (29,020) | (21,662) |
| Reconciliation to tax at the effective tax rate | | |
| Effect of non-taxable items | 322 | 281 |
| Effect of non-deductible items | (430) | (169) |
| Effect of non-capitalised tax losses incurred in the year | (5,433) | (3,239) |
| Effect of changes in the applicable tax rates | — | 4 |
| Effect of the use of non-capitalised tax loss carryforwards | 693 | 239 |
| Subsequent capitalization of losses incurred in previous years | 13,666 | — |
| Prior years' taxes | (2,007) | (443) |
| Income components with different tax rates | 5,278 | (865) |
| Other effects | (289) | (678) |
| Tax at the effective income tax rate | (17,220) | (26,532) |
| Effective tax rate in % | 14.0 | 29.3 |

Notes

The elements above explain in essence the differences between the expected Group tax rate and the effective tax rate.

The subsequent capitalisation of loss carry-forwards from previous years mainly concerns subsidiaries abroad for which utilisation is now expected.

Notes to the consolidated financial statements of Implenia

13 — TRADE RECEIVABLES

| in TCHF | 31.12.2022 | 31.12.2021 |
|---|----------------|----------------|
| Third parties | 525,224 | 505,392 |
| Contract costs in relation to future services by suppliers and subcontractors | 13,207 | 3,641 |
| Joint ventures (equity method) | 28,499 | 31,623 |
| Associates | 6,794 | 15,530 |
| Related parties | 1,459 | 92 |
| Allowance for expected credit losses | (6,854) | (4,738) |
| Total | 568,329 | 551,540 |

Notes

The allowance for expected credit losses has changed as follows:

| in TCHF | 31.12.2022 | 31.12.2021 |
|-----------------------------------|--------------|--------------|
| As at 1.1. | 4,738 | 8,620 |
| Increase | 3,063 | 1,185 |
| Used | (137) | (299) |
| Reversed | (584) | (4,630) |
| Change in scope of consolidation | (24) | – |
| Foreign exchange differences | (202) | (138) |
| Total as at reporting date | 6,854 | 4,738 |

Agreements with customers generally stipulate payment terms between 30 and 90 days. As at 31 December 2022, the total amount of due receivables amounted to CHF 335.9 million (2021: CHF 358.0 million). Of the allowance for expected credit losses, CHF 6.8 million is attributable to receivables outstanding for more than 90 days

(2021: CHF 4.7 million). Credit losses related to trade receivables in the amount of CHF 3.1 million were recorded in the income statement (2021: CHF 1.2 million).

Notes to the consolidated financial statements of Implenla

| in TCHF | Total 31.12.2022 | Due within | | | | |
|---|---------------------|----------------|---------------|---------------|---------------|----------------|
| | | Not due | 1–30 days | 31–60 days | 61–90 days | >90 days |
| Third parties | 525,224 | 207,828 | 53,770 | 19,053 | 22,397 | 222,176 |
| Contract costs in relation to future services by suppliers and subcontractors | 13,207 | 13,207 | – | – | – | – |
| Joint ventures (equity method) | 28,499 | 10,756 | 4,042 | 1,978 | 1,699 | 10,024 |
| Associates | 6,794 | 6,079 | 56 | 597 | – | 62 |
| Related parties | 1,459 | 1,457 | – | – | – | 2 |
| Sub-total | 575,183 | 239,327 | 57,868 | 21,628 | 24,096 | 232,264 |
| Allowance for expected credit losses | (6,854) | | | | | |
| Total | 568,329 | | | | | |

| in TCHF | Total 31.12.2021 | Due within | | | | |
|---|---------------------|----------------|---------------|---------------|--------------|----------------|
| | | Not due | 1–30 days | 31–60 days | 61–90 days | >90 days |
| Third parties | 505,392 | 171,359 | 29,688 | 38,332 | 4,372 | 261,641 |
| Contract costs in relation to future services by suppliers and subcontractors | 3,641 | 3,641 | – | – | – | – |
| Joint ventures (equity method) | 31,623 | 7,689 | 9,207 | 2,571 | 1,846 | 10,310 |
| Associates | 15,530 | 15,418 | 112 | – | – | – |
| Related parties | 92 | 92 | – | – | – | – |
| Sub-total | 556,278 | 198,199 | 39,007 | 40,903 | 6,218 | 271,951 |
| Allowance for expected credit losses | (4,738) | | | | | |
| Total | 551,540 | | | | | |

Accounting policies

Trade receivables are classified as such if they are unconditional receivables. “Unconditional” means that Implenla has a right to payment as soon as the payment period expires.

Trade receivables are recognised at the amounts invoiced less allowances for estimated shortfalls in receipts, e.g. due to rebates, refunds and discounts. They are subsequently measured at amortised cost.

For trade receivables, allowances are calculated in the amount of the expected credit losses over the term. Regarding this, Implenla periodically analyses the credit losses incurred in the past and also estimates expected credit losses based on economic conditions. Due to the customer structure, provisions in the statutory mortgage of contractor and significant prefinancing for construction services, no material credit losses are expected.

Notes to the consolidated financial statements of Implenla

14 — CONTRACT ASSETS AND LIABILITIES

| in TCHF | 31.12.2022 | 31.12.2021 |
|-----------------------------|------------------|------------|
| Contract assets | 313,482 | 396,267 |
| Contract liabilities | (454,392) | (518,220) |

Notes

As at 31 December 2022, contracts with a positive balance from advance payment plans reported under contract liabilities amounted to CHF 454.4 million (2021: CHF 518.2 million).

Accounting policies

Contract assets include conditional claims to consideration. “Conditional” means that Implenla has supplied construction services but these have not yet been invoiced. Invoicing is often dependent on achieving milestones, contractually agreed payment plans or the work being accepted by the client. Contract liabilities mainly contain prepayments received from customers.

For contract assets, allowances are calculated in the amount of the expected credit losses over the term. Regarding this, Implenla periodically analyses the credit losses incurred in the past and also estimates expected credit losses based on economic conditions. Due to the customer structure, relevant provisions in the statutory mortgage of contractor and significant prefinancing for construction services, no material credit losses are expected.

Notes to the consolidated financial statements of Implenla

15 — JOINT VENTURES

There have been the following changes to joint ventures accounted for under the equity method:

| in TCHF | 31.12.2022 | 31.12.2021 |
|-----------------------------------|-----------------|-----------------|
| As at 1.1. | (24,026) | (44,271) |
| Share of results | 24,922 | (3,066) |
| Additions (net) ¹ | 876 | 37,630 |
| Deductions (net) ¹ | (41,239) | (14,632) |
| Foreign exchange differences | 463 | 313 |
| Total as at reporting date | (39,004) | (24,026) |
| of which net asset | 30,964 | 37,540 |
| of which net liability | (69,968) | (61,566) |

1 Additions and deductions concern both joint ventures with net assets and net liabilities, depending on the respective project and its development. Accordingly, year by year and project by project, there may be more additions/ deductions for joint ventures with net asset or net liabilities and the reported value may fluctuate.

The carrying amount of total receivables (payables) from joint ventures accounted for under the equity method amounted to:

| in TCHF | 31.12.2022 | 31.12.2021 |
|---|-----------------|--------------|
| Joint ventures, assets | 30,964 | 37,540 |
| Joint ventures, liabilities | (69,968) | (61,566) |
| Receivables from joint ventures (equity method) | 28,499 | 31,623 |
| Liabilities to joint ventures (equity method) | (6) | (27) |
| Total | (10,511) | 7,570 |

Implenia's share of the balance sheets and income statements of the joint ventures accounted for under the equity method is:

| in TCHF | 31.12.2022 | 31.12.2021 |
|-------------------|-----------------|-----------------|
| Total assets | 229,985 | 325,101 |
| Total liabilities | (268,989) | (349,127) |
| Net assets | (39,004) | (24,026) |

| in TCHF | 2022 | 2021 |
|-----------------------------------|---------------|----------------|
| Net revenue | 300,252 | 225,580 |
| Expenses | (275,330) | (228,646) |
| Income from joint ventures | 24,922 | (3,066) |

Notes to the consolidated financial statements of Implenia

The proportionately and fully consolidated joint ventures have the following effect on the consolidated balance sheet and income statement:

| in TCHF | 31.12.2022 | 31.12.2021 |
|-------------------|---------------|---------------|
| Total assets | 180,273 | 165,671 |
| Total liabilities | (110,868) | (106,345) |
| Net assets | 69,405 | 59,326 |

| in TCHF | 2022 | 2021 |
|-------------|---------------|---------------|
| Revenue | 351,176 | 296,062 |
| Expenses | (328,124) | (270,722) |
| EBIT | 23,052 | 25,340 |

Notes

Services invoiced to joint ventures (included in Implenia's revenue) are disclosed in note 29.

There are no joint ventures accounted for under the equity method that on their own are material to the consolidated financial statements.

The non-controlling interests in equity are amended for completed fully consolidated joint ventures by CHF 4.1 million (2021: CHF 0.8 million).

Selected joint ventures recognised under the equity method, recognised proportionately and fully consolidated are listed in note 34.

Accounting policies

Joint ventures are established to implement short-term projects with other construction companies. Work is assumed when a joint agreement has been concluded with the contractual partners. Joint ventures are usually organised as simple partnerships; the partnership agreements govern the relationships between the individual parties.

Joint ventures that meet the criteria for control are fully consolidated like subsidiaries. A joint venture with joint control is accounted for differently taking account of the actual rights and obligations in the respective country. Here, a distinction is made between joint operations and joint ventures. For joint operations, assets, liabilities, income

and expenses are recognised in the consolidated financial statements proportionately to the share-ownership ratio. Joint operation is given if the parties have rights to the assets and obligations for the liabilities of the jointly managed activity. If the parties manage the joint venture jointly and, according to local legislation, only have rights to net assets, it is classified as a joint venture and recognised according to the equity method. If Implenia exercises significant influence over the joint venture, the company is also accounted for under the equity method pursuant to IAS 28 (investments in associates and joint ventures). Significant influence is presumed if Implenia directly or indirectly holds 20% or more of the voting rights in a joint venture or if Implenia is represented on the governing body (such as the building commission) of the joint venture.

Liquidity contributions and disbursements increase or reduce the carrying amount without affecting profit or loss. The resulting asset or liability is recognised in the balance sheet. The receivables and payables of Implenia in respect of joint ventures are disclosed separately in the corresponding receivables and payables items. Income from joint ventures is reported as a component of EBIT as the execution of customer orders qualifies as an operating activity, and because the profit or loss of the joint venture excludes the results of the internal service charge.

If the joint ventures accounted for under the equity method are not already applying IFRS, their results are adjusted accordingly. If there is no

current financial data available when Implenia's consolidated financial statements are prepared, the net profit and Implenia's share of the profit are based on estimates by management. Any deviations between the actual results and these estimates are corrected in the consolidated financial statements of the following year.

Notes to the consolidated financial statements of Implenla

16 — OTHER CURRENT ASSETS AND OTHER CURRENT LIABILITIES

| in TCHF | 31.12.2022 | 31.12.2021 |
|--|----------------|----------------|
| Derivative financial instruments | 1,231 | 368 |
| Income tax receivables | 2,990 | 1,813 |
| Other receivables | 58,638 | 34,436 |
| Accrued income and prepaid expenses | 23,085 | 35,709 |
| Total other current assets | 85,944 | 72,326 |
| Derivative financial instruments | - | 1,261 |
| Income tax liabilities | 22,377 | 15,613 |
| Other liabilities | 112,016 | 127,916 |
| Total other current liabilities | 134,393 | 144,790 |

17 — REAL ESTATE TRANSACTIONS

| in TCHF | 31.12.2022 | 31.12.2021 |
|--|----------------|----------------|
| Acquisition costs as at 1.1. | 152,915 | 140,836 |
| Additions | 19,915 | 41,078 |
| Disposals | (26,655) | (28,351) |
| Foreign exchange differences | (609) | (648) |
| Acquisition costs as at reporting date | 145,566 | 152,915 |
| Cumulative value adjustments as at 1.1. | (3,646) | (3,705) |
| Additions | (1,000) | - |
| Disposals | 50 | - |
| Foreign exchange differences | 56 | 59 |
| Cumulative value adjustments as at reporting date | (4,540) | (3,646) |
| Net carrying amount as at reporting date | 141,026 | 149,269 |

Accounting policies

The real estate reported (real estate and land) are held for sale and are measured in accordance with IAS 2 "Inventories". Completed properties not yet sold may temporarily generate rental income; however, they are still reported under this item as they are held for sale.

These properties are measured separately. Each property is measured at the lower of cost, including work by the company, or the net realisable value.

Write-downs arising from impairments determined on the basis of the measurement principles

mentioned are charged directly to the item real estate transactions. Sales proceeds from real estate transactions are reported as revenue. Changes to the portfolio and movements in write-downs on real estate transactions are recognised as expenses.

Notes to the consolidated financial statements of Implenla

18 — PROPERTY, PLANT AND EQUIPMENT

| in TCHF | Business premises ¹ | Property, plant and equipment with revaluation model | Production facilities ¹ | Machinery, furniture, IT | Assets under construction | Total |
|---|--------------------------------|--|------------------------------------|--------------------------|---------------------------|----------|
| 31.12.2022 | | | | | | |
| Acquisition costs as at 1.1. ² | 47,270 | 74,757 | 63,878 | 259,069 | 9,438 | 454,412 |
| Additions | 1,990 | – | 5,997 | 24,727 | 11,524 | 44,238 |
| Disposals | (6,513) | (142) | (603) | (44,338) | – | (51,596) |
| Reclassifications | – | – | – | 5,934 | (6,021) | (87) |
| Assets classified as held for sale ⁴ | – | (11,247) | – | – | – | (11,247) |
| Change in scope of consolidation | – | – | (2,339) | (16,550) | – | (18,889) |
| Foreign exchange differences | (207) | – | (833) | (7,662) | (240) | (8,942) |
| Acquisition costs as at reporting date | 42,540 | 63,368 | 66,100 | 221,180 | 14,701 | 407,889 |
| Revaluation (increase / appreciation) | – | 17,088 | – | – | – | 17,088 |
| Acquisition costs as at reporting date incl. revaluation model | 42,540 | 80,456 | 66,100 | 221,180 | 14,701 | 424,977 |

- 1 Restated from the figures presented in the annual report 2021 due to the reclassification and revaluation of property, plant and equipment with revaluation model, considering footnote 2.
- 2 The acquisition costs and cumulated depreciation as at 1.1. of the category business premises include error corrections of TCHF 47,755 each. The acquisition costs and cumulated depreciation as at 1.1. of the category machinery, furniture, IT include error corrections of TCHF 11,323 each. Reason: Acquisition costs have been offset against accumulated depreciation in previous years. As the necessity of these offsets cannot be proven, a retrospective correction is made which only affects the disclosure within the statement of changes in property, plant and equipment. These adjustments do not affect the net carrying amount in the notes or in the balance sheet and have no impact on other figures in reports published by Implenla.
- 3 Revaluation adjustments are recognized directly in equity through other comprehensive income.
- 4 As of June 30, 2022, before revaluation, there are three assets for which sales negotiations are in progress and which are expected to be sold within the next twelve months. The assets belong to the Civil Engineering division and the reclassification has no effect on the consolidated income statement.

| in TCHF | Business premises ¹ | Property, plant and equipment with revaluation model | Production facilities ¹ | Machinery, furniture, IT | Assets under construction | Total |
|--|--------------------------------|--|------------------------------------|--------------------------|---------------------------|-----------|
| 31.12.2022 | | | | | | |
| Cumulative depreciations as at 1.1. ² | (23,290) | (50,908) | (36,405) | (124,353) | – | (234,956) |
| Additions | (1,688) | (1,032) | (3,035) | (33,110) | – | (38,865) |
| Disposals | 1,451 | – | 356 | 37,751 | – | 39,558 |
| Assets classified as held for sale | – | 8,250 | – | – | – | 8,250 |
| Change in scope of consolidation | – | – | 354 | 10,666 | – | 11,020 |
| Foreign exchange differences | 47 | – | 433 | 5,117 | – | 5,597 |
| Cumulative depreciations as at reporting date | (23,480) | (43,690) | (38,297) | (103,929) | – | (209,396) |
| Additions revaluation model | – | (281) | – | – | – | (281) |
| Revaluation (net method according to IAS 16.35b) ³ | – | 39,210 | – | – | – | 39,210 |
| Cumulative depreciations as at reporting date incl. revaluation model | (23,480) | (4,761) | (38,297) | (103,929) | – | (170,467) |
| Net carrying amount as at reporting date | 19,060 | 19,678 | 27,803 | 117,251 | 14,701 | 198,493 |
| of which pledged | – | – | – | – | – | – |
| Net carrying amount as at reporting date incl. revaluation model | 19,060 | 75,695 | 27,803 | 117,251 | 14,701 | 254,510 |

Notes to the consolidated financial statements of Implen

| in TCHF | Business premises ¹ | Property, plant and equipment with revaluation model | Production facilities ¹ | Machinery, furniture, IT | Assets under construction | Total |
|---|--------------------------------|--|------------------------------------|--------------------------|---------------------------|----------------|
| 31.12.2021 | | | | | | |
| Acquisition costs as at 1.1. ² | 48,643 | 87,520 | 83,293 | 323,117 | 2,343 | 544,916 |
| Additions | 12,574 | – | 447 | 22,123 | 7,509 | 42,653 |
| Disposals | (2,015) | (12,763) | (1,293) | (69,567) | (79) | (85,717) |
| Reclassifications | – | – | – | 67 | (67) | – |
| Change in scope of consolidation | (11,567) | – | (17,008) | (8,318) | – | (36,893) |
| Foreign exchange differences | (365) | – | (1,561) | (8,353) | (268) | (10,547) |
| Acquisition costs as at reporting date | 47,270 | 74,757 | 63,878 | 259,069 | 9,438 | 454,412 |

1 Restated from the figures presented in the annual report 2021 due to the reclassification and revaluation of property, plant and equipment with revaluation model

2 The acquisition costs and cumulated depreciation as at 1.1. of the category business premises include error corrections of TCHF 47,755 each. The acquisition costs and cumulated depreciation as at 1.1. of the category machinery, furniture, IT include error corrections of TCHF 11,323 each. Reason: Acquisition costs have been offset against accumulated depreciation in previous years. As the necessity of these offsets cannot be proven, a retrospective correction is made which only affects the disclosure within the statement of changes in property, plant and equipment. These adjustments do not affect the net carrying amount in the notes or in the balance sheet and have no impact on other figures in reports published by Implen.

| in TCHF | Business premises ¹ | Property, plant and equipment with revaluation model | Production facilities ¹ | Machinery, furniture, IT | Assets under construction | Total |
|--|--------------------------------|--|------------------------------------|--------------------------|---------------------------|------------------|
| 31.12.2021 | | | | | | |
| Cumulative depreciations as at 1.1. ² | (28,294) | (57,551) | (47,423) | (150,448) | – | (283,716) |
| Additions | (1,705) | (1,076) | (3,874) | (47,335) | – | (53,990) |
| Disposals | 521 | 7,719 | 450 | 61,135 | – | 69,825 |
| Reclassifications | (529) | – | 529 | – | – | – |
| Change in scope of consolidation | 6,605 | – | 13,116 | 6,883 | – | 26,604 |
| Foreign exchange differences | 112 | – | 797 | 5,412 | – | 6,321 |
| Cumulative depreciations as at reporting date | (23,290) | (50,908) | (36,405) | (124,353) | – | (234,956) |
| Cumulative depreciations as at reporting date incl. revaluation model | (23,290) | (50,908) | (36,405) | (124,353) | – | (234,956) |
| Net carrying amount as at reporting date | 23,980 | 23,849 | 27,473 | 134,716 | 9,438 | 219,456 |
| of which pledged | 7,000 | – | – | – | – | 7,000 |

Notes to the consolidated financial statements of Implenla

Valuation details of property, plant and equipment with revaluation model

| Parameter | Bandwidths of the individual valuations |
|---------------------------------|---|
| Reference date valuations | 30.6.2022 |
| Gross yield (real) | 5,1 % - 23,8 % |
| Net yield (real) | 4,2 % - 22,2 % |
| Discount rate, net (real) | 3,7 % - 5,4 % |
| Discount rate, net (nominal) | 5.2 % - 7 % |
| Inflation | 1.5 % |
| Total fair values (TCHF) | 76,416 |

Sensitivity of the material unobservable inputs of the valuations as of 30.6.2022

| | Real sensitivity of the discount rate, net (real) | | | |
|----------------------|---|------------------|---------|------------------|
| | Change | +10 basis points | +/- | -10 basis points |
| Target rental income | (5.0 %) | (8.3 %) | (7.0 %) | (5.6 %) |
| | 0.0 % | (1.5 %) | 0.0 % | 1.5 % |
| | 5.0 % | 5.4 % | 7.0 % | 8.6 % |
| Vacancy rate | 50 % | (3.0 %) | (1.6 %) | (0.1 %) |
| | 0 % | (1.5 %) | 0.0 % | 1.5 % |
| | (50 %) | 0.1 % | 1.6 % | 3.1 % |
| Restoration | 5 % | (2.4 %) | (0.9 %) | 0.6 % |
| | 0 % | (1.5 %) | 0.0 % | 1.5 % |
| | (5 %) | (0.5 %) | 2.1 % | 2.5 % |

Notes

The “property, plant and equipment including revaluation model” category, i.e. its own storage yards, were valued by the external independent expert Fahrländer Partner Ltd. for the first time on 30 June 2022. They were revalued solely under IFRS; accordingly, the relevant revaluation reserve is not available for distribution. They were valued on the basis of the “income / cost approach”, where the market rental income, vacancies and repairs are discounted to the reporting date using a DCF calculation. It is assumed that this valuation, based on the assets’ actual condition, equates to the “highest and best use”. The relevant material parameters that are not directly observable in the market and the sensitivity of the valuation are shown on the left.

Target rental income, vacancies and the costs of repairs are estimated on the basis of the transactions observed on the market by the expert. However, these do not represent constant values, but change over time and in response to market developments. They must, therefore, be regularly adjusted. The sensitivity shown on the left demonstrates the effect that a change in the target rental income, vacancy or costs of repairs would have in percentage terms on the assets’ market values with or without any change to the rate used for discounting, based on the average of all individual expert opinions.

Notes to the consolidated financial statements of Implenia

Accounting policies

Property, plant and equipment are measured at cost and depreciated over their estimated useful life on a straight line basis, with the expense charged to the income statement:

| | |
|--------------------------|-------------|
| ■ Business premises | 25–50 years |
| ■ Production facilities | 5–20 years |
| ■ Machinery and vehicles | 6–15 years |
| ■ Furniture | 5–10 years |
| ■ IT | 3–5 years |

If the economic useful life is outside the ranges shown, they shall not apply. In particular, project-related property, plant and equipment such as tunnel boring machines may have shorter useful lives. Costs, which extend economic useful lives, are capitalised separately. The value of property, plant and equipment is reviewed when events or changes in circumstances indicate that the carrying amount might be impaired.

Implenia uses the IAS 16 revaluation model to value its own yards in the “property, plant and equipment” category. This expects the relevant assets to be revalued at regular intervals. Implenia has each asset categorised as property, plant and equipment valued at least every three years (rolling valuation of all assets) by an external, independent valuation company using the revaluation model. Positive value adjustments are recognised in equity via the revaluation reserve (in other comprehensive income), unless they are reversals of previous impairments that have been recognised via the income statement. Negative value adjustments are first netted off against existing revaluation reserves (after deducting the deferred tax portions) and impairments are subsequently recognised via the income statement.

The revaluation is undertaken on a net basis in accordance with IAS 16.35b, meaning that existing value adjustments are reversed and the acquisition costs are subsequently revalued. The revalued assets are still amortised through profit or loss over their underlying useful life (25–80 years). The revaluation reserves are not transferred into retained earnings until the asset is disposed of. This is to avoid the net result being distorted by any impairments to market value adjustments in the form of value impairments. Deferred tax effects are either recognised in the revaluation reserves in equity or in the income statement (as is the case for amortisation) in the same way as the underlying transaction.

Notes to the consolidated financial statements of Implen

19 — RIGHTS OF USE FROM LEASES

| in TCHF | Business premises | Production facilities | Machinery, vehicles, furniture, IT | Total |
|--|-------------------|-----------------------|------------------------------------|------------------|
| 31.12.2022 | | | | |
| Acquisition costs as at 1.1. | 118,901 | 1,115 | 137,120 | 257,136 |
| Additions | 33,653 | – | 38,281 | 71,934 |
| Disposals | (7,906) | – | (26,403) | (34,309) |
| Foreign exchange differences | (2,289) | (135) | (9,842) | (12,266) |
| Acquisition costs as at reporting date | 142,359 | 980 | 139,156 | 282,495 |
| Cumulative depreciations as at 1.1. | (47,997) | (619) | (59,591) | (108,207) |
| Additions | (20,126) | (231) | (28,482) | (48,839) |
| Disposals | 5,342 | – | 21,348 | 26,690 |
| Impairment | (1,213) | – | – | (1,213) |
| Foreign exchange differences | 1,064 | 89 | 4,578 | 5,731 |
| Cumulative depreciations as at reporting date | (62,930) | (761) | (62,147) | (125,838) |
| Net carrying amount as at reporting date | 79,429 | 219 | 77,009 | 156,657 |

| in TCHF | Business premises | Production facilities | Machinery, vehicles, furniture, IT | Total |
|--|-------------------|-----------------------|------------------------------------|------------------|
| 31.12.2022 | | | | |
| Acquisition costs as at 1.1. | 123,252 | 1,194 | 128,939 | 253,385 |
| Additions | 12,567 | – | 31,803 | 44,370 |
| Disposals | (15,213) | – | (19,447) | (34,660) |
| Foreign exchange differences | (1,705) | (79) | (4,175) | (5,959) |
| Acquisition costs as at reporting date | 118,901 | 1,115 | 137,120 | 257,136 |
| Cumulative depreciations as at 1.1. | (36,311) | (398) | (49,370) | (86,079) |
| Additions | (22,018) | (262) | (27,144) | (49,424) |
| Disposals | 11,543 | – | 15,339 | 26,882 |
| Impairment | (1,913) | – | – | (1,913) |
| Foreign exchange differences | 702 | 41 | 1,584 | 2,327 |
| Cumulative depreciations as at reporting date | (47,997) | (619) | (59,591) | (108,207) |
| Net carrying amount as at reporting date | 70,904 | 496 | 77,529 | 148,929 |

Amendments to existing leases resulted in a change in rights of use of CHF 20.2 million (2021: CHF 2.7 million) and liabilities from leases of CHF 20.2 million (2021: CHF 2.3 million) at the reporting date. The impairment of CHF 1.2 million results from leasing agreements for business premises in Switzerland that are no longer used. The outflow of cash and cash equivalents arising

from leases totalled CHF 142.2 million in the financial year (2021: CHF 151.2 million).

Information on liabilities arising from leases is presented in note 22.

Notes to the consolidated financial statements of Implenla

Notes

Implenla has material leases for real estate, large-scale equipment, vehicles and small machinery as well as site equipment. Leases are negotiated individually in most cases. The term may vary significantly. Vehicles are usually leased for three to five years. Small machinery and site equipment often have a term of less than one year and are therefore not posted on the balance sheet. An overview of the remaining rental expense is presented in note 10.

Where there is insufficient certainty that options will be exercised, they are not recognised in the right of use and in the lease liability. This mainly relates to business premises. Accordingly, potential future outflows of CHF 49.6 million (undiscounted) were not taken into account at the reporting date (2021: CHF 52.9 million).

Accounting policies

Under IFRS 16, all assets and liabilities arising from leases must be recognised in the balance sheet unless the lease term is not more than twelve months or the asset is of minor value.

Extension and cancellation options with respect to the lease period are taken into account if the exercise or non-exercise of such options is assessed as reasonably certain. The further in the future the assessment date for these options lies, the more uncertain their exercise will be. For most agreements, an assessment was made that an exercise of the options after five years can no longer be considered reasonably certain. Due to the counterparty's right of termination, the term of certain agreements is limited to the enforceable lease period.

Rights of use are valued for the first time at the value of the lease liability, adjusted for any advance payments, initial direct costs and reinstatement costs.

Rights of use are depreciated on a straight line basis over the lease term, or, if shorter, over their useful life. If there is sufficient certainty that a purchase option will be exercised, the useful life remaining after the lease will be added to the depreciation period.

Leases may include other costs in addition to the actual lease payments, such as insurance premiums or maintenance costs. Costs of this kind are deducted from the lease amount and posted separately in the income statement.

Lease payments for short term leases and leases of low value are recognised on a straight line basis over the term of the lease and posted in the income statement. Leases of low value mostly comprise office machinery, IT equipment, small machinery and site equipment.

Notes to the consolidated financial statements of Implenla

20 — INVESTMENTS IN ASSOCIATES

| in TCHF | 31.12.2022 | 31.12.2021 |
|-----------------------------------|----------------|----------------|
| As at 1.1. | 194,699 | 196,084 |
| Additions | 1,493 | 797 |
| Disposals | (3,213) | (3,978) |
| Change in scope of consolidation | – | (2,860) |
| Share of results | 12,453 | 8,808 |
| Dividends received | (10,216) | (4,111) |
| Foreign exchange differences | (55) | (41) |
| Total as at reporting date | 195,161 | 194,699 |

Notes

The investment in Ina Invest Ltd. of 42.5% is held as an investment in associates.

Ina Invest Ltd. is a Swiss public limited company incorporated in Zurich. The purpose of the company comprises developing and implementing real estate and construction projects of different kinds and uses, planning and constructing new buildings and conversions of properties held by Ina Invest, and holding, managing, letting and brokering properties. During 2022, Ina Invest AG acquired subsidiaries, as a result of which it represents a sub-group.

In addition, Ina Invest AG resolved a dividend of CHF 8.6 million to Implenla in 2022. This will be converted into a loan as of 1 January 2023 which will be increased by additional CHF 5.8 million.

There are no additional investments in associates that on their own are material to the consolidated financial statements.

Additional selected associates are listed in note 33.

Summarised financial information relating to Ina Invest Ltd. is shown hereafter.

The income statement of Ina Invest Ltd. is as follows:

| in TCHF | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|--|-----------------|-----------------|
| Income | 31,749 | 36,969 |
| Other operating costs | (15,734) | (22,156) |
| EBITDA | 16,015 | 14,813 |
| Depreciation and amortisation | (47) | – |
| EBIT | 15,968 | 14,813 |
| Financial expenses | 5,044 | (289) |
| Profit before tax | 21,012 | 14,524 |
| Income tax | (2,253) | (2,616) |
| Profit | 18,759 | 11,908 |
| of which attributable to shareholders of Ina Invest Ltd. | 16,045 | 11,908 |
| of which attributable to minority interests | 2,714 | – |
| Share of 42.5% of shareholder's profit of Ina Invest Ltd. | 6,819 | 5,061 |

Notes to the consolidated financial statements of Implenia

The balance sheet of Ina Invest Ltd. is as follows:

Assets

| in TCHF | 31.12.2022 | 31.12.2021 |
|---------------------------------|----------------|----------------|
| Cash and cash equivalents | 12,181 | 10,372 |
| Other current assets | 39,825 | 88,512 |
| Total current assets | 52,006 | 98,884 |
| Total non-current assets | 811,249 | 351,837 |
| Total assets | 863,255 | 450,721 |

Equity and liabilities

| in TCHF | 31.12.2022 | 31.12.2021 |
|--|----------------|----------------|
| Total current liabilities | 353,292 | 7,371 |
| Total non-current liabilities | 130,353 | 93,669 |
| Equity attributable to shareholders Ina Invest Ltd. | 343,062 | 349,681 |
| Minority interests | 36,548 | – |
| Total equity Ina Invest Ltd. | 379,610 | 349,681 |
| Total equity and liabilities | 863,255 | 450,721 |

The reconciliation of the summarised financial information relating to Ina Invest Ltd. to the carrying amounts of investments in associates is as follows:

| in TCHF | 31.12.2022 | 31.12.2021 |
|---|----------------|----------------|
| Share of 42.5 % of shareholder's equity attributable to shareholders of Ina Invest Ltd. | 145,802 | 148,614 |
| Total of carrying amount on Ina Invest Ltd. | 145,802 | 148,614 |

Accounting policies

Associates are companies over which the Group exercises significant influence but does not have control. As a rule, these are companies in which Implenia holds a stake of between 20 and 50%. These companies are accounted for under the equity method and are reported separately in the consolidated balance sheet. If associates are not already applying IFRS, their results are adjusted accordingly. If there is no current financial data available when Implenia's consolidated financial statements are prepared, the net profit and Implenia's share of the profit are based on estimates by management or on figures from previous periods respectively. Any deviations between the actual results and these estimates are corrected in the consolidated financial

statements of the following year. In case of an investment in a parent company, the share attributable to shareholders is considered, without taking into account non-controlling interests.

The current figures of Ina Invest Ltd. were available at the time Implenia's 2022 consolidated financial statements were prepared. Income from associates as well as gains and losses on the disposal of investments in associates are reported in a separate financial statement line item within EBIT as the execution of customer orders qualifies as an operating activity.

Notes to the consolidated financial statements of Implenla

21 — INTANGIBLE ASSETS

| in TCHF | Licences and software | Customer relationships and order book | Goodwill | Total |
|--|-----------------------|---------------------------------------|-----------------|-----------------|
| 31.12.2022 | | | | |
| Acquisition costs as at 1.1. | 28,520 | 3,904 | 277,921 | 310,345 |
| Additions | 1,657 | – | – | 1,657 |
| Disposals | (238) | – | – | (238) |
| Change in scope of consolidation | (143) | – | (1,741) | (1,884) |
| Foreign exchange differences | (242) | (347) | (9,600) | (10,189) |
| Acquisition costs as at reporting date | 29,554 | 3,557 | 266,580 | 299,691 |
| Cumulative amortisations as at 1.1. | (13,820) | (3,904) | (39,277) | (57,001) |
| Additions | (4,921) | – | – | (4,921) |
| Disposals | 71 | – | – | 71 |
| Change in scope of consolidation | 40 | – | – | 40 |
| Foreign exchange differences | 197 | 347 | 2,191 | 2,735 |
| Cumulative amortisations as at reporting date | (18,433) | (3,557) | (37,086) | (59,076) |
| Net carrying amount as at reporting date | 11,121 | – | 229,494 | 240,615 |
| of which with indefinite useful life | – | – | 229,494 | 229,494 |

| in TCHF | Licences and software | Customer relationships and order book | Goodwill | Total |
|--|-----------------------|---------------------------------------|-----------------|-----------------|
| 31.12.2021 | | | | |
| Acquisition costs as at 1.1. | 26,958 | 3,896 | 292,377 | 323,231 |
| Additions | 4,440 | – | – | 4,440 |
| Disposals | (1,774) | – | – | (1,774) |
| Change in scope of consolidation | (847) | – | (5,178) | (6,025) |
| Foreign exchange differences | (257) | 8 | (9,278) | (9,527) |
| Acquisition costs as at reporting date | 28,520 | 3,904 | 277,921 | 310,345 |
| Cumulative amortisations as at 1.1. | (12,148) | (3,853) | (40,554) | (56,555) |
| Additions | (4,495) | (45) | – | (4,540) |
| Disposals | 1,766 | – | – | 1,766 |
| Change in scope of consolidation | 847 | – | – | 847 |
| Foreign exchange differences | 210 | (6) | 1,277 | 1,481 |
| Cumulative amortisations as at reporting date | (13,820) | (3,904) | (39,277) | (57,001) |
| Net carrying amount as at reporting date | 14,700 | – | 238,644 | 253,344 |
| of which with indefinite useful life | – | – | 238,644 | 238,644 |

Notes to the consolidated financial statements of Implenla

Notes

Goodwill is allocated to the Group's relevant groups of cash generating units (CGUs), which correspond to the business segments.

The recoverable amount of a group of CGUs is determined by calculating its value in use by means of the discounted cash flow method. These calculations are based on projected cash flows derived from the business plan for three planning years approved by management. Subsequent years' cash flows are estimated based on the growth rates shown below.

The change in goodwill resulted from foreign exchange differences in all divisions. Only division Specialties shows a decrease in goodwill due to the sale of a company (CHF 1.7 million).

Management has defined the EBIT for the planning years based on historical trends and expectations of future market development. The resulting EBIT margins are calculated on the basis of the IFRS revenue of the individual groups of CGUs.

The CGUs are treated as independent areas and intra-Group relationships are also taken into account accordingly. In 2022, the cost allocation process for Group costs to the CGUs was revised

and the new concept was taken into account in the business plan.

Discount rates applied are before tax and reflect the specific risks faced by the CGUs concerned. Weighted average growth rates correspond to the International Monetary Fund's country-specific expectations regarding inflation.

Goodwill is distributed between the groups of CGUs as follows:

| in TCHF | 31.12.2022 | Change | 31.12.2021 |
|-------------------|----------------|----------------|----------------|
| Buildings | 140,997 | (4,149) | 145,146 |
| Civil Engineering | 70,539 | (2,018) | 72,557 |
| Specialties | 17,958 | (2,983) | 20,941 |
| Total | 229,494 | (9,150) | 238,644 |

Assumptions for the calculation of value in use:

| in % | Buildings | Civil Engineering | Specialties |
|--|-----------|-------------------|-------------|
| Test 2022 | | | |
| Average EBIT margin in the planning years (excl. IFRS 16) in relation to production output | 2.47 | 2.02 | 4.40 |
| Average EBIT margin in the planning years (excl. IFRS 16) in relation to IFRS revenue | 2.83 | 2.60 | 5.26 |
| Discount rate, pre-tax | 11.57 | 12.70 | 13.52 |
| Post-business plan growth rate | 1.37 | 1.37 | 1.35 |
| Test 2021 | | | |
| Average EBIT margin in the planning years (excl. IFRS 16) in relation to production output | 2.35 | 1.67 | 5.46 |
| Average EBIT margin in the planning years (excl. IFRS 16) in relation to IFRS revenue | 2.70 | 2.07 | 6.59 |
| Discount rate, pre-tax | 8.99 | 8.99 | 11.21 |
| Post-business plan growth rate | 1.16 | 1.40 | 1.47 |

Notes to the consolidated financial statements of Implen

The goodwill positions were verified by sensitivity analysis for possible changes in key assumptions which could lead to an impairment.

The sensitivity analysis showed that the recoverable amount of the Specialties Division would equate to the carrying amount of the CGU if the pre-tax discount rate were 0.19 percentage points higher, average EBIT were reduced by 1.4% in the planning period, the average EBIT margin for the planning years were reduced by 0.06 percentage points or the post-business plan growth rate were reduced by 0.21 percentage points. The recoverable amount of the Specialties CGU exceeds the present carrying amount by CHF 1.3 million (by CHF 17.0 million in the previous year).

The sensitivity analysis also showed that the recoverable amount of the Division Civil Engineering would equate to the carrying amount of the Division if the pre-tax discount rate were 1.10 percentage points higher, average EBIT were reduced by 7.67% in the planning period or the average EBIT margin for the planning years were reduced by 0.16 percentage points. The recoverable amount of the Division exceeds the present carrying amount by CHF 31.3 million (by CHF 27.6 million in the previous year).

The sensitivity analysis of the Division Buildings shows that no reasonably possible change to key assumptions would lead to the difference

between the recoverable amount and the carrying amount of the Division being completely reduced.

The impairment tests for goodwill did not lead to any need for impairment in the current financial year (previous year: no need for impairment).

Accounting policies

Business combinations are accounted for using the purchase method.

Goodwill is the excess of the costs of acquisition over the Group's interest in the fair value of the net assets acquired. The non-controlling interests are recognised in proportion to their share of the fair value of the net assets acquired. Goodwill is not amortised, but is tested for impairment at least annually.

When testing goodwill for impairment, the realisable value is computed on the basis of a group of CGUs to which the goodwill is allocated. Realisable value is the value in use. If the carrying amount exceeds the realisable value, the difference is recorded as an impairment. The estimates of future discounted cash flows, the corresponding discount rates and the growth rates are largely based on management estimates and assumptions. The actual cash flows and values generated may deviate significantly from the expected future cash flows and the related amounts determined using discounting methodology.

Additions of licences, software and IT development costs are recognised at cost. All identifiable intangible assets, such as brands, order book and customer relationships, acquired in the course of a business combination are initially recognised at fair value. Intangible assets are amortised in

equal instalments over their economic life from the initial date on which the Group can use them. Order book is reduced in line with progress on the acquired contracts. The estimated economic life of intangible assets is regularly reviewed.

Other intangible assets are measured at cost and amortised over their estimated useful life, with the expense charged to the income statement:

| | |
|--------------------------|-------------|
| ■ Customer relationships | 10–15 years |
| ■ Licences and software | 3–5 years |
| ■ Order book | 2–5 years |

Notes to the consolidated financial statements of Implenla

22 — CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

| in TCHF | 31.12.2022 | 31.12.2021 |
|-----------------------------------|----------------|----------------|
| Bond issues | 424,411 | 424,141 |
| Subordinated convertible bond | – | 173,573 |
| Promissory note loans | 49,429 | 51,610 |
| Liabilities to banks | 6,335 | 72,046 |
| Lease liabilities | 165,775 | 158,876 |
| Other financial liabilities | 8,529 | 8,207 |
| Total as at reporting date | 654,479 | 888,453 |
| Maturity | | |
| Less than 1 year | 72,660 | 236,513 |
| Between 2 and 5 years | 576,712 | 641,069 |
| Over 5 years | 5,107 | 10,871 |
| Total as at reporting date | 654,479 | 888,453 |

Bonds and promissory note loans comprise the following:

| in TCHF | Term | Effective interest rate | 31.12.2022 | 31.12.2021 |
|--|-----------|-------------------------|----------------|----------------|
| Bond issues / ISIN | | | | |
| 1,625 % Bond issue CHF 125 million / CH025 359 2767 | 2014–2024 | 1.624 % | 125,000 | 125,000 |
| 1,000 % Bond issue CHF 125 million / CH031 699 4661 | 2016–2026 | 0.964 % | 125,153 | 125,185 |
| 2,000 % Bond issue CHF 175 million / CH114 509 6173 | 2021–2025 | 2.161 % | 174,258 | 173,956 |
| 0,500 % Subordinated convertible bond CHF 175 million / CH028 550 9359 | 2015–2022 | 2.158 % | – | 173,573 |
| Total as at reporting date | | | 424,411 | 597,714 |
| Promissory note loans | | | | |
| Promissory note loan EUR 20 million | 2017–2023 | 1.349 % | 19,782 | 20,652 |
| Promissory note loan EUR 30 million | 2017–2025 | 1.792 % | 29,647 | 30,958 |
| Total as at reporting date | | | 49,429 | 51,610 |

Notes to the consolidated financial statements of Implenia

There have been the following changes to financial liabilities:

| in TCHF | 1.1.2022 | Affecting liquidity | | Not affecting liquidity | | | 31.12.2022 |
|-----------------------------|----------------|---------------------|------------------|------------------------------|-----------------------|---------------|----------------|
| | | Increase | Repayments | Foreign Exchange Differences | Unwinding of discount | Other changes | |
| Bond issues | 597,714 | – | (175,000) | – | 1,697 | – | 424,411 |
| Promissory note loans | 51,610 | – | – | (2,206) | 25 | – | 49,429 |
| Liabilities to banks | 72,046 | – | (65,267) | (444) | – | – | 6,335 |
| Lease liabilities | 158,876 | – | (50,404) | (6,452) | 4,149 | 59,606 | 165,775 |
| Other financial liabilities | 8,207 | – | (847) | (243) | – | 1,412 | 8,529 |
| Total | 888,453 | – | (291,518) | (9,345) | 5,871 | 61,018 | 654,479 |

| in TCHF | 1.1.2021 | Affecting liquidity | | Not affecting liquidity | | | 31.12.2021 |
|-----------------------------|----------------|---------------------|-----------------|------------------------------|-----------------------|-------------------|----------------|
| | | Increase | Repayments | Foreign Exchange Differences | Unwinding of discount | Change in Leasing | |
| Bond issues | 420,991 | 173,932 | – | – | 2,791 | – | 597,714 |
| Promissory note loans | 64,768 | – | (10,684) | (2,500) | 26 | – | 51,610 |
| Liabilities to banks | 73,404 | 28,848 | (29,591) | (619) | 5 | – | 72,046 |
| Lease liabilities | 173,373 | – | (52,590) | (3,618) | 4,376 | 37,335 | 158,876 |
| Other financial liabilities | 301 | 9,224 | (1,054) | (264) | – | – | 8,207 |
| Total | 732,837 | 212,003 | (93,919) | (7,001) | 7,197 | 37,335 | 888,453 |

Notes to the consolidated financial statements of Implenia

Notes

The convertible bond repaid on 30 June 2022 included a conversion premium of 32.5% and a conversion price of CHF 66.15. No conversion took place on repayment.

The promissory note loans were designated as net investment hedges in foreign businesses.

Implenia signed a syndicated loan agreement on 22 March 2021, which it renewed on 10 November 2022 and extended until 31 December 2027. As previously, the syndicated loan agreement comprises a tranche worth CHF 100 million (facility A) as a revolving cash line, a guarantee line of CHF 450 million (facility B) as well as a cash and/or guarantee line of CHF 100 million (facility C).

The provisions (including financing covenant) stipulated in the financing agreements were met in the reporting year.

While the cash credit line is used as a backup liquidity, the immediate availability of guarantee lines in order to assure contractual obligations is of high importance for the continuation of the operating business.

Implenia also has bilateral loan agreements with various banks for an amount of CHF 126 million (2021: CHF 161 million).

Accounting policies

Financial liabilities are initially recognised at fair value and subsequently at amortised cost. Any difference between the net proceeds received and the net amount repayable at maturity is amortised over the term of the instrument and charged to financial income or expense.

Transaction costs paid to capital providers (generally banks) are amortised over the term of the underlying financial instrument using the amortised cost method.

Liabilities arising from leases are measured for the first time at the present value of the minimum lease payments. The implicit interest rates in the leases are used to discount the lease payments. If the interest rates cannot be determined, company-specific interest rates are used, which would be used when raising a loan to purchase the leased item. Calculation thereof depends on the currency and term of the lease. In determining the lease term, extension, cancellation and purchase options are also taken into account if there is sufficient certainty that they can be exercised. For purchase options where there is sufficient certainty that they will be exercised, the exercise price of the option is added to the lease liability. Liabilities arising from leases are subsequently measured at amortised cost.

Notes to the consolidated financial statements of Implenla

23 — CURRENT AND NON-CURRENT PROVISIONS

| in TCHF | Service guarantees | Litigation | Restructu- ring | Ongoing projects | Others | Total |
|-------------------------------------|-----------------------|------------|--------------------|---------------------|---------|-----------|
| 31.12.2022 | | | | | | |
| As at 1.1. | 10,930 | 23,662 | 4,104 | 87,985 | 18,573 | 145,254 |
| Increase | 3,287 | 6,530 | 90 | 32,469 | 1,702 | 44,078 |
| Used | – | (1,864) | (1,049) | (11,583) | (3,506) | (18,002) |
| Reversed | (5,759) | (9,411) | (2,083) | (8,221) | (1,503) | (26,977) |
| Change in scope of consolidation | – | – | – | – | (122) | (122) |
| Foreign exchange differences | (186) | (1,274) | (102) | (1,155) | (316) | (3,033) |
| Total as at reporting date | 8,272 | 17,643 | 960 | 99,495 | 14,828 | 141,198 |
| of which current | 4,793 | 8,218 | 960 | 99,495 | 2,744 | 116,210 |
| 31.12.2021 | | | | | | |
| As at 1.1. | 7,146 | 51,491 | 35,943 | 152,207 | 15,163 | 261,950 |
| Increase | 1,178 | 19,985 | – | 21,848 | 5,412 | 48,423 |
| Used | (4,533) | (37,079) | (16,957) | (76,763) | (760) | (136,092) |
| Reversed | – | (9,148) | (14,906) | (7,601) | (1,753) | (33,408) |
| Change in scope of consolidation | 7,161 | (182) | – | – | 916 | 7,895 |
| Foreign exchange differences | (22) | (1,405) | 24 | (1,708) | (405) | (3,516) |
| Total as at reporting date | 10,930 | 23,662 | 4,104 | 87,985 | 18,573 | 145,252 |
| of which current | 2,426 | 20,618 | 2,939 | 87,985 | 3,348 | 117,316 |

Notes

The provisions for service guarantees concern completed projects. Related costs tend to be payable within two to five years.

Provisions for litigation mainly relate to pending judicial rulings from completed projects.

The provisions for restructuring mainly relate to provisions associated with personnel expenses.

The provisions for current projects include provisions for impending losses arising from current projects and provisions for litigation associated with current projects. The provisions for current projects also included provisions for projects associated with the Ina Invest transaction of CHF 33.2 million (2021: CHF 35.2 million). Other provisions relate to contractual risks, personnel-related provisions and the rehabilitation costs of contaminated sites.

Accounting policies

Provisions are recognised if a legal or constructive obligation exists that makes it probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, Implenla determines the probability that an outflow will be required by considering the class of obligations as a whole.

Possible obligations whose occurrence cannot be assessed on the balance sheet date or obligations whose amount cannot be reliably estimated are disclosed as contingent liabilities.

Where the effect of the time value of money is material, the present value of the expected expenditure is recognised.

Notes to the consolidated financial statements of Implenla

24 — DEFINED BENEFIT PENSION PLAN

Swiss pension system

In Switzerland, the company insures its employees against the financial consequences of old age, disability and death with the independent Implenla Pension Fund. It also manages a Welfare Fund (employer-funded foundation). The board of trustees of the Implenla Pension Fund consists of an equal number of employer and employee representatives. Under IAS 19, the Pension Fund is classified as a defined benefit pension plan. The employer and employee contributions are defined as a percentage of the pensionable salary. The retirement pension is derived from the accrued retirement assets at the time of retirement, multiplied by the conversion rates applicable on the retirement date. Employees can also withdraw their retirement benefits as a one-off lump sum.

Disability and surviving spouse's pensions are defined as a percentage of the projected retirement pension from the Implenla Pension Fund. The assets are managed by the Implenla Pension Fund itself.

The Implenla Pension Fund can change its financing system (contributions and future benefits). If the Pension Fund is underfunded and other measures do not achieve the desired purpose, the foundation can levy restructuring contributions from the employer.

The Implenla Pension Fund bears its own actuarial and investment risks. The board of trustees as the Pension Fund's governing body is responsible for the investment of the assets. The investment strategy has been defined to ensure that all benefits can be paid when they fall due.

German pension system

As a rule, as part of their pension plans, employees of the subsidiaries in Germany are entitled to payment of an annual contribution, which depends on their wage or salary group or individual contractual arrangements, to an individual pension account based on the company agreement applicable in each case. Interest is paid on the employee's respective credit balance each year depending on the return achieved on the plan assets. The company guarantees minimum interest of 2% per year in any case.

Depending on the amount of benefits to which the employee is entitled, benefits are paid as a single payment, as an annual instalment over a limited period or as a lifelong pension. Payment can occur as soon as the employee reaches their 60th or 62nd birthday (for employees who joined in 2012 or subsequently) and their employment relationship with the company ends. It may not be paid before this date. Employees' rights are partly secured against insolvency via a Contractual Trust Arrangement.

Notes to the consolidated financial statements of Implenia

| in TCHF | Defined benefit obligations | Market value of plan assets | Adjustment to asset ceiling | Pension asset / (Pension liabilities) |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|
| As at 1.1.2022 | (1,205,641) | 1,660,375 | (469,916) | (15,182) |
| Current service cost | (25,040) | – | – | (25,040) |
| Past service (cost) / gain | 40 | – | – | 40 |
| (Interest expense) / Interest income | (4,976) | 6,771 | (1,880) | (85) |
| Administration cost (excl. cost for managing plan assets) | (576) | – | – | (576) |
| Income / (expenses) recognised in the income statement | (30,552) | 6,771 | (1,880) | (25,661) |
| Return on plan assets (excl. interest income) | – | (138,098) | – | (138,098) |
| Gain / (loss) arising from changes in financial assumptions | 140,546 | – | – | 140,546 |
| Gain / (loss) arising from changes in demographical assumptions | – | – | – | – |
| Gain / (loss) arising from experience adjustments | (8,707) | – | – | (8,707) |
| Change in effect of asset ceiling | – | – | 2,233 | 2,233 |
| Income / (expenses) recognised in other comprehensive income | 131,839 | (138,098) | 2,233 | (4,026) |
| Employer contributions | – | 30,971 | – | 30,971 |
| Employee contributions | (27,804) | 27,804 | – | – |
| Benefits deposited / (paid) | 92,040 | (89,180) | – | 2,860 |
| Change in scope of consolidation | (2,175) | 3,140 | – | 965 |
| Foreign exchange differences | 2,340 | (1,726) | – | 614 |
| Contributions and other effects | 64,401 | (28,991) | – | 35,410 |
| As at 31.12.2022 | (1,039,953) | 1,500,057 | (469,563) | (9,459) |

| in TCHF | Defined benefit obligations | Market value of plan assets | Adjustment to asset ceiling | Pension asset / (Pension liabilities) |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|
| As at 1.1.2021 | (1,328,789) | 1,632,205 | (324,291) | (20,875) |
| Current service cost | (29,187) | – | – | (29,187) |
| Past service (cost) / gain | 197 | – | – | 197 |
| (Interest expense) / Interest income | (2,840) | 3,392 | (649) | (97) |
| Administration cost (excl. cost for managing plan assets) | (634) | – | – | (634) |
| Income / (expenses) recognised in the income statement | (32,464) | 3,392 | (649) | (29,721) |
| Return on plan assets (excl. interest income) | – | 86,488 | – | 86,488 |
| Gain / (loss) arising from changes in financial assumptions | 21,636 | – | – | 21,636 |
| Gain / (loss) arising from changes in demographical assumptions | 26,069 | – | – | 26,069 |
| Gain / (loss) arising from experience adjustments | 7,614 | – | – | 7,614 |
| Change in effect of asset ceiling | – | – | (144,976) | (144,976) |
| Income / (expenses) recognised in other comprehensive income | 55,319 | 86,488 | (144,976) | (3,169) |
| Employer contributions | – | 33,965 | – | 33,965 |
| Employee contributions | (28,978) | 28,978 | – | – |
| Benefits deposited / (paid) | 125,558 | (122,601) | – | 2,957 |
| Change in scope of consolidation | 362 | (116) | – | 246 |
| Foreign exchange differences | 3,351 | (1,936) | – | 1,415 |
| Contributions and other effects | 100,293 | (61,710) | – | 38,583 |
| As at 31.12.2021 | (1,205,641) | 1,660,375 | (469,916) | (15,182) |

Notes to the consolidated financial statements of Implenla

Notes

Plan assets comprise the following:

| | 31.12.2022 | | 31.12.2021 | |
|--|------------------|--------------|------------------|--------------|
| | in TCHF | % | in TCHF | % |
| Quoted | | | | |
| Cash and cash equivalents | 45,860 | 3.1 | 49,964 | 3.0 |
| Equity instruments | 3,397 | 0.2 | 3,345 | 0.2 |
| Debt instruments | 639,250 | 42.6 | 736,870 | 44.4 |
| Investment funds | 367,710 | 24.5 | 433,820 | 26.1 |
| Other | 47,396 | 3.2 | 47,558 | 2.9 |
| Unquoted | | | | |
| Cash and cash equivalents | 1,056 | 0.1 | 1,133 | 0.1 |
| Debt instruments | – | 0.0 | 4,768 | 0.3 |
| Real estate | 387,752 | 25.9 | 374,151 | 22.5 |
| Other | 7,636 | 0.5 | 8,766 | 0.5 |
| Total | 1,500,057 | 100.0 | 1,660,375 | 100.0 |
| of which debt instruments of Implenla Ltd. | – | 0.0 | – | 0.0 |
| of which real estate used by Implenla | 66,840 | 4.5 | 47,654 | 2.9 |

The pension liability was calculated on the basis of the following actuarial assumptions:

| | Switzerland | | Germany | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Discount rate | 2.20 % | 0.40 % | 3.55 % | 0.85 % |
| Expected salary increase | 1.25 % | 1.25 % | 0.00 % | 0.00 % |
| Future pension increase | 0.00 % | 0.00 % | 1.50 % | 1.50 % |
| Mortality table | BVG 2020-CMI | BVG 2020-CMI | Heubeck 2018 | Heubeck 2018 |

The following sensitivity analyses were prepared for the key assumptions underlying the defined benefit obligations calculations. The discount factor and assumption regarding the expected salary increase were increased/reduced by fixed percentage points. The mortality sensitivity was calculated by reducing/increasing mortality by an

all-in factor, so that life expectancy was increased/reduced by around one year for most age brackets.

The following table shows the effects of an increase or a reduction in the respective input parameter on the amount of the defined benefit obligation.

| in TCHF | Increase | | Reduction | |
|--|------------|------------|------------|------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Discount rate (0.25 % adjustment) | (23,235) | (33,321) | 24,577 | 35,444 |
| Salary progression (0.25 % adjustment) | 12,054 | 2,914 | 7,679 | (3,778) |
| Life expectancy (1 year adjustment) | 26,953 | 38,939 | (27,640) | (39,393) |

Notes to the consolidated financial statements of Implenia

The actual loss on plan assets for the 2022 financial year was CHF 131.1 million (2021: gain of CHF 89.9 million). The employer contributions in 2023 are estimated at CHF 32.5 million (2022: CHF 33.1 million). The weighted average duration of the obligation is 9.6 years (2021: 11.4 years).

Swiss pension legislation forbids repayment of funds transferred to pension funds to the company. However, the company may benefit economically from any surplus by the reduction in future contributions. An economic benefit of this kind equates to the present value of the amount by which the future service cost exceeds the employer's anticipated contributions but at least to the employer contribution reserves paid in.

The asset ceiling disclosed relates to the Swiss pension fund and the economic benefit as at 31 December 2022 is limited to the amount of employer contribution reserves paid in of CHF 0.4 million (2021: CHF 0.4 million). In the reporting period, no employer contribution reserves were released (previous year: none).

Implenia's industrial staff covered by the collective employment agreement may voluntarily take early retirement from the age of 60. Bridging benefits are paid between the date of early retirement and normal retirement age by the Foundation for Flexible Retirement in the Construction Industry (FAR), which was established especially for this purpose. FAR, which was created by the SIB and Syna trade unions and also the Société Suisse des Entrepreneurs, is funded by contributions from employers and employees. FAR benefits are funded through a pay-as-you-go system, so do not qualify for treatment as a defined benefit plan under IAS 19. Consequently, FAR is treated as a multi-employer defined contribution scheme. FAR prepares its accounts in accordance with Swiss pension legislation. On this basis and the most recent reporting as at 31 December 2021, FAR had a funding ratio of 85.70% (31 December 2020: 87.05%). In 2022, Implenia paid FAR contributions of CHF 8.1 million (2021: CHF 10.3 million).

Accounting policies

Pension arrangements are shown as defined contribution plans if the Group pays fixed contributions to a separate fund or external financial institution and has no legal or constructive obligations to make any further contributions. In the case of defined contribution pension plans, the employer contributions are recognised directly in profit and loss on an accrual basis. All other pension arrangements are treated as defined benefit plans, even if the Group's potential obligations are small or the probability of occurrence is low. Consequently, most pension arrangements in Switzerland and in Germany are classified as defined benefit plans, since there are corresponding legal or constructive obligations.

Pension liabilities under defined benefit plans are calculated annually by independent actuaries using the projected unit credit method. They correspond to the present value of future expected payments arising from current and past periods of service. The plan assets are measured at fair value. The resulting net amounts are recognised in the balance sheet as pension assets or pension liabilities. The total pension cost comprises the service cost, net interest income and the remeasurement of pension liabilities. The service cost and net interest income form part of the staff costs.

Notes to the consolidated financial statements of Implenla

25 — DEFERRED TAX ASSETS AND LIABILITIES

| | 31.12.2022 | | 31.12.2021 | |
|---|----------------|------------------|----------------|-----------------|
| in TCHF | Assets | Liabilities | Assets | Liabilities |
| Receivables and contract assets/liabilities | - | (42,446) | - | (51,221) |
| Raw materials and supplies and real estate transactions | - | (2,473) | - | (2,117) |
| Property, plant and equipment | - | (1,481) | - | (4,704) |
| Property, plant and equipment with revaluation model | - | (10,697) | - | - |
| Intangible assets | 215 | - | 490 | - |
| Pension | 2,878 | - | 6,294 | - |
| Provisions | - | (9,016) | - | (10,616) |
| Other items | - | (47,966) | - | (21,868) |
| Tax loss carryforwards | 108,049 | - | 96,498 | - |
| Total | 111,142 | (114,079) | 103,282 | (90,526) |
| Mutually offsettable amounts | (60,043) | 60,043 | (33,198) | 33,198 |
| Deferred tax assets | 51,099 | | 70,084 | |
| Deferred tax liabilities | | (54,036) | | (57,328) |

| | 2022 | | 2021 | |
|---|----------------|------------------|----------------|-----------------|
| in TCHF | Assets | Liabilities | Assets | Liabilities |
| Deferred tax as at 1.1. | 103,282 | (90,526) | 79,557 | (49,151) |
| Credited / (debited) to the income statement | 13,454 | (15,712) | 18,211 | (37,757) |
| Credited / (debited) directly to other comprehensive income | 577 | (10,721) | 725 | - |
| Change in scope of consolidation | (73) | 113 | 2,390 | - |
| Foreign exchange differences | (6,098) | 2,767 | 2,399 | (3,618) |
| Deferred tax as at 31.12 | 111,142 | (114,079) | 103,282 | (90,526) |

Accounting policies

Tax loss carryforwards are capitalised if the company in question contains taxable temporary differences of at least the same extent or if, according to planning figures, it is likely to earn taxable profits in future.

Deferred tax assets and liabilities are netted if these items relate to the same legal entity and are levied by the same tax authority.

Notes to the consolidated financial statements of Implenia

Notes

Temporary differences for which no deferred taxes have been recognised:

| in TCHF | 31.12.2022 | 31.12.2021 |
|-------------|------------|------------|
| Investments | 261,898 | 215,570 |
| Goodwill | 229,494 | 238,644 |

Unused tax loss carryforwards by maturity:

| in TCHF | Not capitalised | Capitalised | Total 31.12.2022 | Not capitalised ¹ | Capitalised | Total 31.12.2021 |
|---------------------|-----------------|-------------|---------------------|------------------------------|-------------|---------------------|
| 1–5 years | 28,342 | 72,148 | 100,490 | 22,842 | – | 22,842 |
| 6–10 years | 8,776 | 20,000 | 28,776 | 13,853 | 57,621 | 71,474 |
| Usable indefinitely | 166,673 | 345,880 | 512,553 | 202,514 | 324,676 | 527,190 |
| Total | 203,791 | 438,028 | 641,819 | 239,209 | 382,297 | 621,506 |

¹ Restated from the figures presented in the annual report 2021 due to the presentation of the full amount as being usable indefinitely.

In the reporting period, loss carryforwards were essentially capitalised in the amount of taxable temporary differences available at company level. As in the previous year, tax loss carryforwards from companies where it is likely that they can be offset against future taxable profits and where there is no time limit to utilisation of loss carryforwards were also capitalised. In the

reporting year, tax loss carryforwards from prior years were mainly capitalised in Germany, Norway and Sweden. In the previous year, tax loss carryforwards from companies with negative results in Germany were capitalised.

The remaining non-capitalised tax loss carryforwards mainly affect subsidiaries abroad for which use is not expected at present.

26 — EQUITY

The 2022 Annual General Meeting and the 2021 Annual General Meeting decided not to pay a dividend.

In the course of 2022, a total of 192,499 shares with a carrying amount of CHF 4.9 million (2021: 114,105 shares with a carrying amount of

CHF 3.0 million) were sold or used for employee participation programmes and for the compensation of the Board of Directors. The loss resulting from these transactions of CHF 0.2 million (2021: loss of CHF 0.3 million) is recognised in the capital reserve without affecting profit or loss.

| | 31.12.2020 | Changes 2021 | 31.12.2021 | Changes 2022 | 31.12.2022 |
|---------------------------------|---------------|-----------------|---------------|-----------------|------------------|
| | No. of shares | No. of shares | No. of shares | No. of shares | No. of shares |
| Total shares of Implenia Ltd. | 18,472,000 | – | 18,472,000 | – | 18,472,000 |
| Treasury shares | 29,404 | 34,450 | 63,854 | 1,100 | 64,954 |
| Total shares outstanding | 18,442,596 | (34,450) | 18,408,146 | (1,100) | 18,407,046 |

All shares are subscribed and fully paid up. As at 31 December 2022, all shares with the exception of 64,954 treasury shares (2021: 63,854 treasury shares) have voting rights and qualify for dividends.

The par value of a share remained unchanged at CHF 1.02.

Notes to the consolidated financial statements of Implenla

| | 31.12.2020 | Changes 2021 | 31.12.2021 | Changes 2022 | 31.12.2022 |
|--|---------------|-----------------|---------------|-----------------|---------------|
| Share capital | 18,841 | – | 18,841 | – | 18,841 |
| Treasury shares | (30) | (35) | (65) | (1) | (66) |
| Total share capital outstanding | 18,811 | (35) | 18,776 | (1) | 18,775 |

Accounting policies

Share capital represents the nominal value of the issued shares of Implenla Ltd.

Treasury shares represent shares of Implenla Ltd. that have been reacquired on the market. They are deducted from equity.

Equity comprises additional items, which are reflected in the statement of changes in equity.

The foreign exchange differences include exchange differences relating to net assets and to non-current intra-Group financing transactions in connection with net investments in foreign businesses. Exchange differences relating to financial liabilities are also recorded here, if they were raised in foreign currency and are designated as a net investment hedge in a foreign business. If these companies should cease to fall within the scope of consolidation, the corresponding share of the foreign exchange differences will be recycled through the income statement.

Retained earnings represent the accumulated profits of the Group, most of which are freely available.

Non-controlling interests represent the interests held by third-party shareholders in the equity of subsidiaries as well as the partner shares of fully consolidated joint ventures.

Dividends and par value repayments are reported in the consolidated financial statements in the periods in which they were agreed by the General Meeting of Shareholders.

27 — EARNINGS PER SHARE

| in TCHF | 1.1.–31.12.2022 | 1.1.–31.12.2021 ¹ |
|---|-------------------|------------------------------|
| Data for calculating earnings per share: | | |
| Consolidated profit attributable to shareholders of Implenla Ltd. | 104,751 | 61,157 |
| Adjustment to effect on result due to convertible bond | – | 2,948 |
| Consolidated profit attributable to shareholders of Implenla Ltd. after adjustment | 104,751 | 64,105 |
| Weighted average number of shares outstanding | 18,437,385 | 18,454,206 |
| Adjustment due to diluting effect of convertible bond | – | 2,645,503 |
| Adjustment due to diluting effect of LTIP | 286,264 | 45,430 |
| Weighted average for calculating diluted earnings per share | 18,723,649 | 21,145,139 |
| Basic earnings per share in CHF | 5.68 | 3.31 |
| Diluted earnings per share in CHF | 5.59 | 3.03 |

1 Restated to include the immaterial effects from LTIP

Notes

Both in the financial year and the previous year, dilution resulted from the convertible bond, which was repaid in 2022. Due to the repayment of the convertible bond, the immaterial effects from the LTIP will be disclosed from 2022 (see Remuneration Report) (taking account of the LTIP would not have reduced the diluted profit per share in 2019 and 2020 but would have reduced it by CHF 0.01 or 0.21% in 2021).

Accounting policies

Basic earnings per share (EPS) are calculated by dividing the net income attributable to shareholders

of Implenla Ltd. by the weighted average number of shares outstanding during the period. The average number of treasury shares held and acquired by the Group is deducted from the number of shares outstanding.

The net profit attributable to shareholders of Implenla Ltd. is not adjusted to calculate the diluted earnings per share (EPS) (previous year: it was adjusted to take account of the effect of the convertible bond after tax). This amount is divided by the number of diluting potential shares, whereby the LTIP is analysed and taken account as though the contingency period had ended at the reporting date.

Notes to the consolidated financial statements of Implenla

28 — CONTINGENT LIABILITIES

Guarantees for projects

There are significant numbers of guarantees (tender guarantees, warranties and performance bonds) for projects in joint ventures and parent guarantees for ongoing projects.

The possibility of an outflow is dependent on future events which are not entirely under Implenla's control but are considered unlikely both in total and on an individual basis.

Contractual investment obligations

| in CHF million | 31.12.2022 | 31.12.2021 |
|--------------------------|-------------|-------------|
| Real estate transactions | 37.5 | 41.7 |
| Total | 37.5 | 41.7 |

Ongoing investigation Austria

Government representatives contacted Implenla Baugesellschaft mbH in Vienna on 9 May 2017 in connection with an ongoing investigation in Austria being conducted by the public prosecutor against some 20 civil works companies and over 200 people. This concerned two projects dating from the time of Bilfinger Baugesellschaft mbH, which was integrated in the Implenla Group in 2015 (see media release of 11 May 2017). Implenla is cooperating with the authorities in Vienna and has promised its full support to the ongoing investigations.

Management felt that it was impossible to make a reliable estimate of the outcome or amount of any penalties during the closing. Therefore, no provisions were made.

29 — RELATED PARTY DISCLOSURES

The following transactions took place between the Group and associates, joint ventures accounted

for under the equity method, pension funds and other related parties:

| in TCHF | 2022 | 2021 |
|--|-------------------|-------------------|
| Sales to related parties | | |
| Joint ventures (equity method) | 99,340 | 100,513 |
| Associates | 45,352 | 54,163 |
| Other related parties | 2,958 | 5,802 |
| Purchases from related parties | | |
| Joint ventures (equity method) | — | 414 |
| Associates | 13,034 | 16,577 |
| Other related parties | 1,980 | 4,146 |
| in TCHF | 31.12.2022 | 31.12.2021 |
| Receivables / accruals from related parties | | |
| Joint ventures (equity method) | 28,499 | 31,623 |
| Associates | 13,425 | 15,530 |
| Other related parties | 1,459 | 92 |
| Payables to related parties | | |
| Joint ventures (equity method) | 6 | 27 |
| Associates | 545 | 3,092 |
| Other related parties | 2,930 | 407 |

Notes to the consolidated financial statements of Implenia

Notes

Compensation paid to related parties is shown in note 9.4.

In the financial year, revenue was mainly recognised with Ina Invest Ltd. (including its subsidiaries) in the amount of CHF 37.1 million (previous year: CHF 43.9 million). This is included in sales to associates.

Accounting policies

Related parties include joint ventures accounted for under the equity method, associates and other related parties. Please refer to the relevant sections for information on joint ventures and associates. Other related parties mainly comprise officers and directors of Implenia, members of the IEC (management in key positions), their related parties and the companies at which these persons exercise a senior management function as well as the Implenia Pension Fund.

30 — EVENTS AFTER THE BALANCE SHEET DATE

The Group does not know of any material events after the balance sheet date.

Proposed dividend for the financial year

For the 2022 financial year, the Board of Directors will propose to the Annual General Meeting to be held on 28 March 2023 that a dividend of CHF 0.40 per share is paid.

31 — FOREIGN EXCHANGE RATES

| | | Average rate 1.1.–31.12. | | Closing rate | |
|--------------------|---------|--------------------------|-----------|--------------|------------|
| | | 2022 | 2021 | 31.12.2022 | 31.12.2021 |
| European Union | 1 EUR | CHF 1.00 | CHF 1.08 | CHF 0.99 | CHF 1.03 |
| Ivory Coast / Mali | 100 XOF | CHF 0.15 | CHF 0.17 | CHF 0.15 | CHF 0.16 |
| Norway | 100 NOK | CHF 9.89 | CHF 10.64 | CHF 9.43 | CHF 10.35 |
| Sweden | 100 SEK | CHF 9.41 | CHF 10.66 | CHF 8.85 | CHF 10.08 |

Notes to the consolidated financial statements of Implenla

32 — SELECTED FULLY CONSOLIDATED COMPANIES

| Name | Share-holding | Registered office | Country | Currency | Capital | Division | Held by |
|--|---------------|-------------------|---------|----------|-------------|-------------------|-----------------------------------|
| BBV Systems GmbH | 100 % | Bobenheim | DE | EUR | 520,000 | Specialties | Implenia Specialties GmbH |
| Building Construction Logistics GmbH | 100 % | Raunheim | DE | EUR | 25,000 | Specialties | Implenia Specialties GmbH |
| Implenia Constructii SRL | 100 % | Voluntari | RO | RON | 4,750,100 | Civil Engineering | Implenia Baugesellschaft mbH |
| Implenia Construction GmbH | 100 % | Raunheim | DE | EUR | 10,100,000 | Several Divisions | Implenia Holding GmbH |
| Implenia Fassadentechnik GmbH | 93 % | Hamburg | DE | EUR | 750,000 | Specialties | Implenia Specialties GmbH |
| Implenia France SA | 100 % | Archamps | FR | EUR | 15,059,119 | Civil Engineering | Implenia Switzerland Ltd. |
| Implenia Hochbau GmbH | 100 % | Raunheim | DE | EUR | 20,025,000 | Buildings | Zschokke Holding Deutschland GmbH |
| Implenia Holding GmbH | 100 % | Raunheim | DE | EUR | 3,067,751 | Corporate & Other | Implenia Switzerland Ltd. |
| Implenia Immobilien AG | 100 % | Opfikon | CH | CHF | 30,600,000 | Real Estate | Implenia Ltd. |
| Implenia Immobilien Deutschland GmbH | 100 % | Raunheim | DE | EUR | 300,000 | Real Estate | Implenia Holding GmbH |
| Implenia Norge AS | 100 % | Oslo | NO | NOK | 12,491,068 | Civil Engineering | Implenia Switzerland Ltd. |
| Implenia Österreich GmbH | 100 % | Salzburg | AT | EUR | 35,000 | Civil Engineering | Implenia Ltd. |
| Implenia Real Estate GmbH | 100 % | Raunheim | DE | EUR | 800,000 | Buildings | Implenia Holding GmbH |
| Implenia Real Estate Services AG | 100 % | Opfikon | CH | CHF | 100,000 | Buildings | Implenia Schweiz AG |
| Implenia Switzerland Ltd. | 100 % | Opfikon | CH | CHF | 40,000,000 | Several Divisions | Implenia Ltd. |
| Implenia Specialties GmbH | 100 % | Raunheim | DE | EUR | 25,000 | Specialties | Implenia Holding GmbH |
| Implenia Spezialtiefbau GmbH | 100 % | Langen | DE | EUR | 1,000,000 | Civil Engineering | Implenia Construction GmbH |
| Implenia Sverige AB | 100 % | Stockholm | SE | SEK | 10,000,000 | Civil Engineering | Implenia Switzerland Ltd. |
| Implenia Tesch GmbH | 100 % | Essen | DE | EUR | 255,646 | Buildings | Implenia Hochbau GmbH |
| Reprojet AG | 100 % | Zurich | CH | CHF | 100,000 | Civil Engineering | Implenia Switzerland Ltd. |
| SAPA, Société Anonyme de Produits Asphaltiques | 100 % | Satigny | CH | CHF | 500,000 | Civil Engineering | Implenia Switzerland Ltd. |
| Sisag SA | 100 % | Abidjan | CI | XOF | 492,000,000 | Specialties | Implenia Ltd. |
| Socarco Mali Sàrl | 100 % | Bamako | ML | XOF | 100,000,000 | Specialties | Sisag SA |

Accounting policies

Fully consolidated companies are companies controlled by Implenla Ltd. Control is usually said to

exist if Implenla Ltd. directly or indirectly controls more than 50% of the company's voting rights or of the potential voting rights that can be exercised

at any given time and thereby controls the relevant activities. Consolidation starts from the date on which Implenla Ltd. obtains control over the

company and it is deconsolidated at the date on which Implenla Ltd. loses control.

Notes to the consolidated financial statements of Implenia

33 — SELECTED ASSOCIATES

| Name | Share- holding | Registered office | Country | Currency | Capital |
|---------------------------------------|-------------------|----------------------|---------|----------|-----------|
| ARGE Deponie Schwanental (sp) | 37.0 % | Eglisau | CH | CHF | – |
| Argo Mineral AG | 50.0 % | Aarau | CH | CHF | 300,000 |
| Argobit AG | 20.0 % | Schafisheim | CH | CHF | 1,200,000 |
| BEWO Belagslieferwerk Oberwallis (sp) | 25.0 % | Niedergesteln | CH | CHF | – |
| GU Kies AG | 33.3 % | Schaffhausen | CH | CHF | 450,000 |
| Holcim Betondrance SA | 46.0 % | Martigny | CH | CHF | 300,000 |
| Ina Invest AG | 42.5 % | Zürich | CH | CHF | 202,000 |
| Kieswerk Oldis AG | 26.4 % | Haldenstein | CH | CHF | 1,200,000 |
| Miphalt AG | 26.0 % | Niederbipp | CH | CHF | 1,758,000 |
| MOAG Baustoffe Holding AG | 10.0 % | Mörschwil | CH | CHF | 325,000 |
| Mobival (sp) | 26.0 % | Massongex | CH | CHF | – |
| Prüflabor AG | 20.0 % | Mörschwil | CH | CHF | 250,000 |
| Reproad AG | 33.3 % | Bremgarten | CH | CHF | 1,500,000 |
| Société Coopérative Les Terrasses | 45.1 % | Versoix | CH | CHF | 757,500 |
| Tapidrance (sp) | 60.0 % | Martigny | CH | CHF | – |
| TIB Recycla SA | 50.0 % | Mezzovico-Vira | CH | CHF | 1,000,000 |
| Urner Belagszentrum (UBZ) (sp) | 50.0 % | Flüelen | CH | CHF | – |
| Valver (sp) | 27.9 % | Martigny | CH | CHF | – |

(sp) simple partnership

Accounting policies

Associates are recognised according to the equity method (see note 20).

Although the stakes held in some companies are higher than 50%, these companies are accounted for as associates and the equity method is applied as Implenia does not control these companies. The composition of the executive boards of the companies named does not allow Implenia to control these companies. By contrast, some companies in which Implenia holds a stake of less than 20% are recognised as associates because Implenia exercises significant influence over them.

Notes to the consolidated financial statements of Implenia

34 — SELECTED JOINT VENTURES

| Name | Shareholding | Country | Recognition in consolidated financial statements |
|--------------------------------------|--------------|---------|--|
| ARGE A7 Tunnel Altona | 35.0 % | DE | EM |
| ARGE BBT - H 41 Sillschlucht - Pfons | 30.0 % | AT | EM |
| ARGE BBT - H 41 Sillschlucht - Pfons | 20.0 % | CH | EM |
| ARGE EHS | 27.0 % | CH | EM |
| ARGE FWZ Los 1 + 2 | 50.0 % | CH | EM |
| ARGE GUBRI | 40.0 % | CH | EM |
| ARGE Mythenquai | 50.0 % | CH | FC |
| ARGE Stammstrecke VE41 Marienhof | 50.0 % | DE | EM |
| ARGE STIBU | 50.0 % | CH | EM |
| ARGE Tunnel Fröschnitzgraben | 50.0 % | AT | PC |
| ARGE Tunnel Gloggnitz | 40.0 % | AT | EM |
| ARGE Tunnel Granitztal | 50.0 % | AT | PC |
| Consorzio Dolomiti Webuild Implenia | 49.0 % | IT | EM |
| ARGE ZUGO | 20.0 % | CH | EM |
| CERN HiLumi LHC P5 | 60.0 % | FR | PC |
| Consortium PIC | 30.0 % | CH | EM |
| Consorzio Lotto 301 | 26.0 % | CH | EM |
| Extension Métro Lyon | 50.0 % | FR | PC |
| Grand Paris Express (L11-GC01) | 25.0 % | FR | PC |
| Grand Paris Express (L17.1) | 25.0 % | FR | PC |
| Grand Paris Express (Lot T2C) | 25.0 % | FR | PC |
| Grand Paris Express (Lot 16.3) | 33.0 % | FR | PC |
| JV Hjulsta-S Handelsbolag | 50.0 % | SE | EM |
| MossIA ANS | 55.0 % | NO | PC |

FC = fully consolidated; PC = proportionately consolidated; EM = equity method

Accounting policies

Joint ventures are included in the consolidated financial statements in accordance with note 15.

Although shares of 50 % are held in some joint ventures, these are fully consolidated because Implenia controls them. This is the case if Implenia is the lead manager and has the casting vote based on the contractual arrangements.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF IMPLENIA LTD., OPFIKON

Opinion

We have audited the consolidated financial statements of Implenla Ltd. and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2022, the consolidated balance sheet as at 31 December 2022, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and notes to the consolidated financial statements of Implenla including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 106–162) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach

Overview

Overall Group materiality: CHF 16,500,000

We concluded full scope audits at ten Group companies in five countries. These Group companies contribute 88 % of the Group’s revenue. Additionally, specified audit procedures were concluded at a further two Group companies, which represented an additional 1 % of the Group’s revenue.

As key audit matters, the following areas of focus were identified:

- Recognition of revenue from construction projects, total contracting projects, general contracting projects and development projects
- Recoverability of goodwill

Report on the audit of the consolidated financial statements

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

| | |
|--|---|
| Overall Group materiality | CHF 16,500,000 |
| Benchmark applied | Group revenue |
| Rationale for the materiality benchmark applied | We chose group revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group, among others, is measured, and it is a generally accepted benchmark for materiality considerations. |

We agreed with the Audit Committee that we would report to them misstatements above CHF 825,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the audit of the consolidated financial statements

Recognition of revenue from construction projects, total contracting projects, general contracting projects and development projects

Key audit matter

According to IFRS 15 'Revenue from contracts with customers', revenue can be recognised either at a point in time or over time. Land sales are recognised at the point in time of the transfer of property. Revenue relating to the Group's main operations (construction projects, total contracting projects, general contracting projects and development projects) is recognised over a specific period of time.

We consider the revenue recognition over time from construction projects, total contracting projects, general contracting projects and development projects to be a key audit matter for the following reasons:

Revenue recognition and the appropriate valuation of projects depends significantly on the determination of the stage of completion, the future costs and the assessment of the recoverability of change orders. Determining the stage of completion and the transaction price requires the use of estimates by project managers and Management. Depending on the contractual arrangements, input-based or output-based methods are used to determine the degree of a project's completion. Revenue recognition therefore involves significant Management judgement, which has a material impact on the recognised revenue from construction projects, total contracting projects, general contracting projects and development projects, the associated assets (contract assets of CHF 313.5 million and contract liabilities of CHF 454.4 million) and consolidated profit.

Please refer to notes 4.1 'Revenue and cost recognition for projects' (page 111), 6 'Segment reporting' (page 119) and 14 'Contract assets and liabilities' (page 132) in the notes to the consolidated financial statements.

How our audit addressed the key audit matter

We addressed the identified risks in relation to the recognition of revenue from construction projects, general contracting projects and development projects by performing in particular the following audit procedures:

We tested the design and effectiveness of the key controls over project valuation implemented by the company. We performed inquiries and inspected evidence at Project Review Meetings and reviewed the internal reporting to Management and the Board of Directors. We analysed the accuracy of estimates in connection with project valuation.

We discussed selected projects with Management and the Audit Committee.

For a sample of contracts, we assessed the accounting treatment applied by the company. We made a risk-based selection of projects for sample testing based on our defined criteria, including:

- Amount of and change in the revenue or contribution margin in the year under review
- Material project-related accruals
- Project size
- Additional random selection

For the selected projects, we performed the following audit procedures:

- We discussed and assessed with the project managers and finance managers the stage of completion of the work and the future costs and accruals until completion of the project
- We analysed contracts in terms of their impact on project valuation and the related financial reporting
- During discussions about the projects, we assessed the recoverability of change orders recognised as assets. Further, we obtained confirmations of accounts receivable and lawyers' letters in connection with selected projects
- The projects were assessed in terms of the appropriateness of the project valuation. Any resulting provisions were assessed critically and discussed with Management

On the basis of our audit procedures, we consider the recognition of revenue from construction projects, general contracting projects and development projects to be appropriate.

Report on the audit of the consolidated financial statements

Recoverability of goodwill

Key audit matter

Recoverability of goodwill was deemed a key audit matter for the following reasons:

Goodwill is recognised on the balance sheet in the amount of CHF 229.5 million, which is material.

The disposal of the fully consolidated company Implenja Schalungsbau GmbH resulted in a goodwill disposal of CHF 1.7 million.

Impairment testing of goodwill depends on forecasts of future cash flows. Significant judgement is required to determine the assumptions relating to future business results and the discount rate applied to the forecasted cash flows.

Please refer to notes 6 ‘Segment reporting’ (page 119) and 21 ‘Intangible assets’ (page 144) in the notes to the consolidated financial statements.

How our audit addressed the key audit matter

We addressed the identified risks in relation to the impairment testing of goodwill by performing in particular the following audit procedures:

We validated management’s assumptions regarding the forecasted cash flows for the planning period (2023 to 2025) as well as its intentions and ability to implement the strategic initiatives. We compared the forecasted cash flows with relevant industry and economic forecasts.

We focussed on the plausibility of the applied assumptions, such as development of the EBITDA and EBIT margin throughout the forecast years and the growth of cash flows after that period.

We assessed, with the support of our internal valuation specialists the valuation model, the discount rates applied to future cash flows and the growth rates used to extrapolate beyond the business planning period by performing plausibility checks on market and industry-specific data.

We assessed management’s sensitivity analysis of the key assumptions, such as lower growth, higher discount rates and lower EBITDA and lower EBIT, to quantify potential negative changes in the assumptions that could lead to further impairment of goodwill.

We have performed plausibility checks of the valuations and their key assumptions for the calculations of the determination of the disposal in goodwill from the sales.

On the basis of our audit procedures, we consider that the conclusions drawn by management regarding the recoverability of goodwill are appropriate.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Report on the audit of the consolidated financial statements

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Dr. Michael Abresch
Licensed audit expert
Auditor in charge

Astrit Mehmeti
Licensed audit expert

Zurich, 28 February 2023

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zurich
Phone: +41 58 792 44 00, www.pwc.ch

INCOME STATEMENT OF IMPLENIA LTD.

| in TCHF | Notes | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|---|-------|-----------------|-----------------|
| Income from investments | 3 | 78,585 | 68 |
| Income from sale of investments | | 82 | 3,250 |
| Change in value adjustments and provisions | 3 | – | (9,440) |
| Other operational income | 3 | 10,797 | 20,271 |
| Total operating income | | 89,464 | 14,149 |
| Personnel expenses | | (11,723) | (12,454) |
| Other operational costs | | (13,394) | (11,662) |
| Depreciation and valuation adjustments on fixed asset items | 3 | (6,964) | (190) |
| Operating earnings before interest and taxes | | 57,383 | (10,157) |
| Financial income | | 23,050 | 11,351 |
| Financial expenses | | (37,333) | (18,292) |
| Extraordinary, non-recurring or prior-period costs | 3 | (11,415) | – |
| Operating earnings before taxes | | 31,685 | (17,098) |
| Direct taxes | | 7 | (6) |
| Profit for the year | | 31,692 | (17,104) |

BALANCE SHEET OF IMPLENIA LTD.

Assets

| in TCHF | Notes | 31.12.2022 | 31.12.2021 |
|--|-------|------------------|------------------|
| Cash and cash equivalents and current assets with a stock exchange price | 3 | 144,717 | 132,899 |
| Financial assets from third parties | 3 | – | 174,981 |
| Trade receivables from third parties | | 109 | 76 |
| Trade receivables from Group companies | | 149,223 | 152,586 |
| Other current receivables from third parties | | 371 | 140 |
| Other current receivables from Group companies | | 126,698 | 404,957 |
| Accrued income and prepaid expenses | | 1,816 | 2,411 |
| Total current assets | | 422,934 | 868,050 |
| Financial assets from third parties | 3 | 2,291 | 1,046 |
| Financial assets from Group companies | 3 | 711,320 | 230,557 |
| Investments in Group companies | 3 | 322,542 | 322,542 |
| Investments in associates and other investments | 3 | 70,109 | 70,109 |
| Property, plant and equipment | | 8 | 16 |
| Intangible assets | | 40 | 187 |
| Total non-current assets | | 1,106,309 | 624,457 |
| Total assets | | 1,529,243 | 1,492,507 |

Equity and Liabilities

| in TCHF | Notes | 31.12.2022 | 31.12.2021 |
|---|-------|------------------|------------------|
| Trade payables to third parties | | 411 | 76 |
| Trade payables to Group companies | | 12,323 | 19,318 |
| Current interest-bearing liabilities to third parties | 5 | 19,786 | 225,000 |
| Current interest-bearing liabilities to Group companies | | 223,874 | 273,780 |
| Other current liabilities to third parties | | 1,966 | 2,085 |
| Deferred income and accrued expenses | | 34,326 | 17,157 |
| Total current liabilities | | 292,686 | 537,416 |
| Long-term interest-bearing liabilities to third parties | 5 | 454,912 | 476,610 |
| Long-term interest-bearing liabilities to Group companies | | 316,706 | 44,617 |
| Total non-current liabilities | | 771,618 | 521,227 |
| Share capital | 3 | 18,841 | 18,841 |
| Statutory capital reserves | | | |
| – Reserves from capital contributions | | 77 | 77 |
| Statutory retained earnings | | 16,185 | 16,185 |
| Profit carried forward | | 400,007 | 417,111 |
| Profit for the year | | 31,692 | (17,104) |
| Treasury shares | 3 | (1,863) | (1,246) |
| Total equity | | 464,939 | 433,864 |
| Total equity and liabilities | | 1,529,243 | 1,492,507 |

NOTES TO THE STATUTORY FINANCIAL STATEMENTS OF IMPLENIA LTD.

1 — GENERAL INFORMATION

Implenia Ltd. is a Swiss public limited company incorporated in Opfikon, Zurich. The average number of full-time employees employed by the company was less than 50 (previous year: less than 50).

2 — SIGNIFICANT ACCOUNTING POLICIES

The present annual financial statements have been prepared in accordance with the provisions covering commercial accounting in the Swiss Code of Obligations. The key valuation principles applied, which are not prescribed by law, are described below.

Trade receivables and other current receivables

Trade receivables and other current receivables are accounted for at their nominal values. Specific valuation allowances are applied on an individual basis. A flat rate valuation allowance is applied to the remainder.

Investments

Shares in the capital of another company held long-term are regarded as a stake in a Group company once more than 50% of the voting rights are held. Investments in associates are investments in which between 20% and 50% of the voting rights are held. They are initially recognised in the balance sheet at cost. If there are concrete indications

that the stake is overvalued, an impairment loss will be recognised. Shareholdings are measured separately.

Intangible assets

Intangible assets are mainly licences. They are amortised over their estimated useful life (over four years as a rule) on a straight line basis. Intangible assets, which are amortised on a scheduled basis, are only tested for impairment when the carrying amount no longer seems recoverable. Impairment charges are recognised via the income statement.

Current and non-current interest-bearing liabilities

Bonds and convertible bonds as well as promissory note loans are recognised under interest-bearing liabilities at their nominal value. Issuance costs are capitalised as prepaid income and accrued expenses and depreciated over the term. If the financial liability matures within a year, the item is reported as a current interest-bearing liability.

Liabilities from lease obligations

Lease and tenancy agreements are accounted for in accordance with legal ownership. Accordingly, expenses as lessee or tenant are recognised as expenditure on an accrual basis. However, the leased or rented items themselves are not accounted for on the balance sheet.

3 — BREAKDOWNS AND EXPLANATIONS

Income from investments

In the financial year, the item contained dividend income of CHF 78.5 million from investments in Group companies and associated companies.

Depreciation and valuation adjustments on fixed asset items

In the financial year, the item contained a value adjustment on a financial asset from a Group company of CHF 6.9 million.

Change in value adjustments and provisions

This item did not include any changes to value adjustments or provisions in the financial year (2021: CHF 9.5 million).

Other operating income

In essence, other operating income contains expenses charged to Group companies.

Income relating to other periods

In the financial year, this item includes CHF 11.4 million attributable to the subsequent offsetting of allocations within the Group in 2021, which was classified as relating to other periods.

Cash and cash equivalents

Cash and cash equivalents solely comprise bank deposits at sight.

Financial assets

In the item financial assets from third parties, the item was reversed in the financial year and the CHF 175.0 million bond was repaid. In the previous year, this item consisted of securities without a stock exchange price that are held on a long-term basis of CHF 1.2 million (2021: CHF 0.8 million) as well as derivative financial instruments of CHF 1.1 million (2021: CHF 0.2 million). They are currency derivatives which were concluded to hedge currency risks. The derivative financial instruments are measured at fair value through profit or loss on the balance sheet date. Financial assets from Group companies contain long-term loans.

Investments in Group companies and associates

The item for investments in associates includes an investment of 42.5% in Ina Invest Ltd.

Receivables from and liabilities to Group companies

The receivables from and liabilities to Group companies and associated companies have all been included in the receivables from and liabilities to Group companies.

Liabilities from lease obligations

As in the previous year, there are no material liabilities from lease obligations.

Significant release of hidden reserves

There was no net release of hidden reserves in the financial year (2021: none).

Notes to the Statutory Financial Statements of Implenia Ltd.

Share capital

As at 31 December 2022, Implenia Ltd.'s share capital amounts to CHF 18,841,440, divided into 18,472,000 registered shares with a par value of CHF 1.02 each. The share capital is fully paid up. As at the balance sheet date, Implenia Ltd. also has conditional capital of CHF 3,768,288. Based on this

conditional capital, share capital can be increased in line with the criteria set out in Art. 3b of the Articles of Association by a total of CHF 3,768,288. At the balance sheet date, no shares have been issued from the conditional share capital.

Shareholders holding more than three per cent of the share capital and of the voting rights as at 31 December 2022:

| in % | Share capital participation | |
|----------------------------------|-----------------------------|------------|
| | 31.12.2022 | 31.12.2021 |
| Parmino Holding AG / Max Rössler | 16.5 | 16.5 |
| Norbert Ketterer | 10.0 | 10.0 |
| Rudolf Maag | 5.4 | 5.4 |
| Dimensional Holdings Inc. | 3.0 | 3.0 |
| Credit Suisse Funds AG | n/a | n/a |

The following shares were allocated in the reporting year:

| | Shares definitely allocated | | Amount recognised in the income statement | |
|--------------------|-----------------------------|---------------|---|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Board of Directors | 13,677 | 21,243 | 358 | 358 |
| Managers | 36,097 | 33,576 | 791 | 673 |
| Total | 49,774 | 54,819 | 1,149 | 1,031 |

Treasury shares (as a minus position)

| | 31.12.2022 | | 31.12.2021 | |
|---|---------------|--------------|---------------|--------------|
| | Number | CHF 1000 | Number | CHF 1000 |
| As at 1.1 | 63,854 | 1,246 | 29,404 | 955 |
| Purchase | 193,599 | 5,476 | 148,555 | 3,276 |
| Sale and use for employees and Board of Directors | (192,499) | (4,859) | (114,105) | (2,985) |
| Total as at reporting date | 64,954 | 1,863 | 63,854 | 1,246 |

4 — CONTINGENT LIABILITIES

| in TCHF | 31.12.2022 | 31.12.2021 |
|--|------------|------------|
| Guarantees and contingent liabilities | 183,581 | 157,853 |
| Security for joint liability regarding the levying of VAT for the Implenia-VAT-group | p.m. | p.m. |

Notes to the Statutory Financial Statements of Implenla Ltd.

5 — FINANCIAL LIABILITIES

Implenia Ltd. placed the following three bonds and a subordinated convertible bond:

- CHF 125 million bond, payment under subscription 15 October 2014, interest rate (affecting liquidity) 1.625 %, term 2014 – 2024, issue price 101.063 %, ISIN CH025 359 2767, effective interest rate 1.624 %
- CHF 125 million bond, payment under subscription 21 March 2016, interest rate (affecting liquidity) 1.000 %, term 2016 – 2026, issue price 100.739 %, ISIN CH031 699 4661, effective interest rate 0.964 %
- CHF 175 million subordinated convertible bond, payment under subscription 30 June 2015, interest rate (affecting liquidity) 0.500 %, term 2015 – 2022, issue price 100.000 %, ISIN CH028 550 9359, conversion premium 32.5 %, conversion price CHF 66.15, effective interest rate 2.158 %. This was repaid in the 2022 financial year.
- CHF 175 million bond, payment under subscription 26 November 2021, interest rate (affecting liquidity) 2.000 %, term 2021 – 2025, issue price 100.000 %, ISIN CH114 509 6172, effective interest rate 2.161 %

On 9 June 2017, Implenla Ltd. placed three fixed-rate promissory note loans totalling EUR 60 million:

- EUR 10 million, due in 2021, effective interest rate 0.927 %. This was repaid in the year 2021.
- EUR 20 million, due in 2023, effective interest rate 1.349 %
- EUR 30 million, due in 2025, effective interest rate 1.792 %

6 — SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND IMPLENIA EXECUTIVE COMMITTEE

As at 31 December 2021, the number of shares held by people serving as non-executive Members of the Board of Directors during the year under review, as well as by related persons, totalled

138,813 shares or 0.7% of the share capital (2021: 130,614 shares or 0.7%). This figure includes any shares acquired in a private capacity:

Non-executive Board of Directors

| | Number of shares, as at | | Shares blocked until | | |
|--|-------------------------|----------------|----------------------|---------------|---------------|
| | 31.12.2022 | 31.12.2021 | 2023 | 2024 | 2025 |
| Hans Ulrich Meister, Chairman | 93,324 | 86,056 | 3,584 | 6,077 | 7,268 |
| Henner Mahlstedt, Member | 15,280 | 12,684 | 1,451 | 2,170 | 2,596 |
| Kyrre Olaf Johansen, Vice-Chairman | 8,313 | 6,064 | 1,280 | 1,881 | 2,249 |
| Ines Pöschel, Member | n. a. | 10,854 | 1,280 | 2,170 | 2,596 |
| Laurent Vulliet, Member | 1,000 | n.a. | – | – | – |
| Martin Fischer, Member | 7,837 | 7,088 | 1,109 | 1,881 | 2,249 |
| Barbara Lambert, Member | 6,548 | 4,299 | 1,109 | 1,881 | 2,249 |
| Former members of the Board of Directors | 6,511 | 3,569 | 1,109 | 2,460 | 2,942 |
| Total | 138,813 | 130,614 | 10,922 | 18,520 | 22,149 |

Notes to the Statutory Financial Statements of Implenia Ltd.

As at 31 December 2022, the number of shares held by people serving as members of the Implenia Executive Committee during the year under review, as well as by related persons, totalled

165,728 shares or 0.9% of the share capital (2021: 142,577 shares or 0.8%). This figure includes any shares acquired in a private capacity.

Implenia Executive Committee

| | Number of shares, as at | | Shares blocked until | | |
|--|-------------------------|----------------|----------------------|---------------|----------|
| | 31.12.2022 | 31.12.2021 | 2023 | 2024 | 2025 |
| André Wyss, CEO | 102,448 | 102,448 | – | – | – |
| Marco Dirren, CFO | 5,000 | n.a. | – | – | – |
| Adrian Wyss, Division Head Development | n. a. | 6,000 | – | – | – |
| Jens Vollmar, Division Head Buildings | 15,653 | 12,455 | – | 4,198 | – |
| Christian Späth, Division Head Civil Engineering | 11,248 | 5,591 | – | 5,657 | – |
| Anita Eckardt, Division Head Specialties | 9,679 | 3,481 | 1,133 | 4,598 | – |
| German Grüniger, General Counsel | 4,458 | 260 | – | 4,198 | – |
| Claudia Bidwell, Chief Human Resources Officer | 10,291 | 6,641 | 186 | 3,650 | – |
| Matthias Jacob, Head Country Management | 6,951 | 3,301 | 322 | 5,076 | – |
| Christelle Beneteau (bis 30.11.2020) | n. a. | 2,400 | – | – | – |
| Total | 165,728 | 142,577 | 1,641 | 27,377 | – |

7 — DIRECT SHAREHOLDINGS AND SIGNIFICANT INDIRECT SHAREHOLDINGS

| Name | Registered office | Shareholding | Currency | Capital |
|--|-------------------|--------------|----------|-------------|
| Gebr. Ulmer GmbH | Bruchsal (D) | 100 % | EUR | 25,565 |
| Implenia Construction GmbH | Raunheim (D) | 100 % | EUR | 10,100,000 |
| Implenia Cyprus Ltd. | Nicosia (CY) | 100 % | EUR | 3,001 |
| Implenia France SA | Archamps (F) | 100 % | EUR | 15,059,119 |
| Implenia Holding GmbH | Rümmingen (D) | 100 % | EUR | 3,067,751 |
| Implenia Hochbau GmbH | Raunheim (D) | 100 % | EUR | 20,025,000 |
| Implenia Norge AS | Oslo (N) | 100 % | NOK | 12,491,068 |
| Implenia Österreich GmbH | Salzburg (A) | 100 % | EUR | 35,000 |
| Implenia Real Estate Ltd. | Dietlikon | 100 % | CHF | 30,600,000 |
| Implenia Spezialtiefbau GmbH | Langen (D) | 100 % | EUR | 1,000,000 |
| Implenia Switzerland Ltd. | Dietlikon | 100 % | CHF | 40,000,000 |
| Implenia Sverige AB | Stockholm (SE) | 100 % | SEK | 10,000,000 |
| Implenia Tesch GmbH | Essen (D) | 100 % | EUR | 255,646 |
| Reprojet AG | Zurich | 100 % | CHF | 100,000 |
| SAPA, Société Anonyme de Produits Asphaltiques | Satigny | 75 % | CHF | 500,000 |
| Sisag SA | Abidjan (CI) | 100 % | XOF | 492,000,000 |
| Swiss Overseas Engineering Company | Onex | 100 % | CHF | 200,000 |

Notes to the Statutory Financial Statements of Implenia Ltd.

Proposal of the Board of Directors regarding the appropriation of available earnings

| in TCHF | 2022 |
|--|---------|
| Profit carried forward | 400,007 |
| Profit for the year | 31,692 |
| | 431,699 |
| The Board of Directors proposes to the General Meeting the following appropriation of available earnings and reserves: | |
| Distribution of a dividend of | 7,363 |
| To be carried forward | 424,336 |
| | 431,699 |

Proposed cash dividend for the financial year

For the 2023 financial year, the Board of Directors will propose a cash dividend of CHF 0.40 per share to the Annual General Meeting to be held on 28 March 2023. The proposed cash dividend amounts to approximately CHF 7.4 million. The final amount will be determined on the dividend record date by multiplying the approved dividend by the number of outstanding shares entitled to a dividend payment (record date: 31 March 2023).

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF IMPLENIA LTD.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF IMPLENIA LTD., OPFIKON

Opinion

We have audited the financial statements of Implenia Ltd. (the Company), which comprise the income statement for the year ended 31 December 2022, the balance sheet as at 31 December 2022 and notes to the statutory financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 168–174) as at 31 December 2022 comply with Swiss law and the articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach

Overview

Overall materiality: CHF 8,000,000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter, the following area of focus has been identified:

- Recoverability of investments and financial assets (Group companies)

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope

of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect

of misstatements, both individually and in aggregate, on the financial statements as a whole.

| | |
|--|---|
| Overall materiality | CHF 8,000,000 |
| How we determined it | Total assets |
| Rationale for the materiality benchmark applied | We chose total assets as the benchmark because, in our view, it is an appropriate benchmark for materiality considerations relating to a holding company. |

We agreed with the Audit Committee that we would report to them misstatements above CHF 400,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on the audit of the financial statements of Implenla Ltd.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of investments and financial assets (Group companies)

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>Recoverability of investments and financial assets (Group companies) was deemed a key audit matter for the following reasons:</p> <p>Investments and financial assets (Group companies) recognised on the balance sheet represent a significant portion of total assets, amounting to approximately CHF 322.5 million (21 %) and CHF 711.3 million (47 %), respectively.</p> <p>Investments and financial assets (Group companies) are valued individually at acquisition cost less any necessary impairment charges.</p> <p>The valuations of the Group companies are derived by Implenla on the basis of the value of the underlying assets or by using the discounted cash flow (DCF) method, which involves significant judgement in determining the parameters, such as discount rates.</p> <p>Please refer to note 3 'Breakdowns and explanations' (page 170) and note 7 'Direct shareholdings and significant indirect shareholdings' (page 173) in the notes to the statutory financial statements.</p> | <p>To identify any impairment of investments and financial assets (Group companies), we performed the following main audit procedures:</p> <p>We compared the book values of the investments in the year under review with their pro-rata share of the respective company's equity.</p> <p>Where there was little or no excess of underlying assets over book values, valuations were prepared using the DCF method, which we tested as follows:</p> <ul style="list-style-type: none"> ■ We checked the plausibility of the assumptions used by Management of the holding company concerning revenue growth, costs, long-term growth rates and margins. ■ We compared the discount rate with the cost of capital of the Group, taking into account any country-specific considerations. <p>The results of our audit support the assumptions used by the company when assessing the recoverability of investments and financial assets (Group companies) as at 31 December 2022.</p> |

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on the audit of the financial statements of Implenla Ltd.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTSuisse website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements

PricewaterhouseCoopers AG

Dr. Michael Abresch
Licensed audit expert, Auditor in charge

Zurich, 28 February 2023

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zurich
Phone: +41 58 792 44 00, www.pwc.ch

according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Astrit Mehmeti
Licensed audit expert



7 FURTHER INFORMATION

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ALTERNATIVE PERFORMANCE MEASURES

In addition to those prescribed by IFRS, Implenia uses alternative measures to help it manage its business. The following overview explains the alternative performance measures (APMs) used

in this report. The aim is to clarify the reasons for using these measures and to improve transparency and comprehensibility.

Definitions of alternative performance measures

| APM | Definition |
|--------------------------|---|
| Order book | The order book is defined as services that have been contractually agreed but not yet performed, valued by contract amount on the balance sheet date. Approved contractual changes are also included in the book. The order book increases when orders are secured, and decreases by the level of production output during the period. This measure helps predict the future development of Implenia's construction activities. |
| Equity ratio | The equity ratio is the ratio of equity to total assets on the balance sheet date. The reported equity ratio takes account of the subordinated convertible bond. Our equity ratio reflects Implenia Group's financing situation. |
| Free cash flow | Free cash flow is defined as cash flow from operating activities minus the acquisition and sale of fixed assets (excl. movements in fixed deposits). The free cash flow figure reflects our ability to generate cash, repay liabilities, make acquisitions and pay dividends. |
| Like-for-like | Implenia shows like-for-like figures (currency-adjusted) in order to measure changes since the previous reporting period without the distorting effect of exchange rate fluctuations. The adjustment is made by recalculating balance sheet items at the closing exchange rate on the last day of the previous year. Meanwhile, figures for the consolidated companies' income, expenditure and cash flows are recalculated at the average exchange rates for the previous period converted into CHF. These like-for-like figures allow an assessment of Implenia's performance over time without the influence of exchange rate effects. |
| Net cash position | The net cash position corresponds to the difference between cash and cash equivalents on the one hand, and interest-bearing short and long-term financial liabilities on the other. The net cash position reflects our ability to settle interest-bearing financial liabilities. |

| APM | Definition |
|--|---|
| Operating performance at EBIT level | Operating performance at EBIT level is a measure of Implenia's operating performance excluding the impact of one-off effects, such as special transactions, restructuring provisions and other non-recurring effects. |
| Performance measures excl. IFRS 16 | Performance measures excl. IFRS 16 adjust for the impact of the IFRS 16 leasing standard. Performance reports made to the Implenia Executive Committee and Board of Directors contain figures that exclude the impact of IFRS 16. |
| Production output | Production output is calculated as IFRS revenue plus the proportionate revenue from joint ventures (JVs) valued using the equity method. Production output is a purely statistical measure that reflects the work actually done by the Group for its clients. |
| Return on invested capital (ROIC) | This measure is defined as the ratio between EBIT and average capital invested, excl. rights of use from leasing, during the period under review. It is a measure of profitability and capital efficiency. |
| Visibility | Visibility is calculated as the order book for the current year divided by planned production output for the next reporting period. Visibility is an indicator of future assured capacity utilisation. |

Alternative performance measures

Reconciliations

The following reconciliation shows the derivation of the alternative performance measures “production output”, “EBIT” and “operating performance at EBIT level”:

| in TCHF | APM | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|---|-----|------------------|-----------------|
| Production output | X | 4,152,567 | 4,174,113 |
| Proportional revenue and services invoiced to JVs | | (589,301) | (409,443) |
| Consolidated revenue | | 3,563,266 | 3,764,670 |
| EBIT | | 138,861 | 114,826 |
| Other expenses from leases | | (6,193) | (975) |
| EBIT excl. IFRS 16 | X | 132,668 | 113,851 |
| EBIT | | 138,861 | 114,826 |
| Disposals (share / asset deals) | | (4,880) | (21,497) |
| Restructuring | | (2,083) | (14,906) |
| Other effects | | 3,072 | (1,897) |
| Underlying performance at EBIT level | X | 134,970 | 76,526 |

1 Production output in unconsolidated amount

The following reconciliation shows the derivation of the alternative performance measure “net cash position”:

| in TCHF | APM | 31.12.2022 | 31.12.2021 |
|--|-----|-----------------|------------|
| Cash and cash equivalents and fixed short-term deposits | | 609,040 | 796,895 |
| Financial liabilities | | (654,479) | (888,453) |
| Net cash position | X | (45,439) | (91,558) |
| Lease liabilities | | 165,775 | 158,877 |
| Net cash position excl. lease liabilities | X | 120,336 | 67,319 |

Implenia defines free cash flow as cash flow from operating activities minus the acquisition and sale of fixed assets. The following table gives an overview of free cash flow:

| in TCHF | APM | 1.1.–31.12.2022 | 1.1.–31.12.2021 |
|-------------------------------------|-----|-----------------|-----------------|
| Cash flow from operating activities | | 128,126 | (69,246) |
| Investments in non-current assets | | (42,838) | (49,400) |
| Disposal of non-current assets | | 24,392 | 54,062 |
| Acquisition of subsidiaries | | – | 6,657 |
| Sale of subsidiaries | | 14,317 | 40,433 |
| Free cash flow | X | 123,997 | (17,494) |
| Impact of IFRS 16 Leases | | (54,552) | (52,590) |
| Free cash flow excl. IFRS 16 | X | 69,445 | (70,084) |

CONTACTS, DATES AND IMPRESSUM

You can find all of Implenía's latest figures and information in our online Annual Report, which also includes additional video content.

Implenia's Annual Report 2022 and the latest Sustainability Report can be accessed at [🔗 implenia.com](https://www.implenia.com)

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KEY DATES

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