Financial statements

Koninklijke Heijmans N.V.

2023

100 JAAR DE HAND VAN HEIJMANS

Cover: project Assetmanagement Lemmer Delfzijl | boven: xxxx

Financial statements

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Announcement – This version of Heijmans N.V.'s financial reporting for the year ending on 31 December 2023 is not presented in the ESEF format as specified in the technical regulation standards for ESEF (Delegated Regulation (EU) 2019/815). The ESEF reporting set is available via rapportage.heijmans.nl under 'Downloads'.

1. Consolidated statement of profit or loss

x € 1,000

		2023	2022
6.3	Revenue	2,117,317	1,812,208
	Cost of sales	-1,828,570	-1,577,914
Gross profit		**288,747**	**234,294**
6.4	Other operating income	1,922	1,810
	Selling expenses	-39,785	-39,410
6.5	Administrative expenses	-179,132	-139,959
6.6	Other operating expenses	9,234	14,179
Operating result		**80,986**	**70,914**
6.7	Finance income	5,809	623
6.7	Finance expense	-8,524	-5,525
6.13	Results of joint ventures and associates	2,844	7,069
Result before tax		**81,115**	**73,081**
6.8	Income tax	-21,382	-13,501
Result after tax		**59,733**	**59,580**
The entire result after tax is attributable to the shareholders of the parent company			
Earnings per share (in €)			
6.21	Earnings per ordinary share after tax	2.40	2.57
6.21	Earnings per ordinary share after tax and dilution effects	2.39	2.56

Other operating expenses include income of € 14 million (2022, income of € 19 million) related to the release of part of the provision formed for Wintrack II in 2021. See also note 6.24 Provisions.

2a. Consolidated statement of comprehensive income

x € 1,000

		2023	2022
1.	**Result after tax**	**59,733**	**59,580**
Other comprehensive income that is never reclassified to the statement of profit or loss:			
	Changes in actuarial results on defined-benefit plans	-5,004	-58
	Tax effect on changes in actuarial results on defined-benefit plans	1,291	0
	Tax effect relating to defined benefit pension plans in connection with rate change	0	13
Other comprehensive income (after tax)		**-3,713**	**-45**
Comprehensive income		**56,020**	**59,535**

2b. Consolidated statement of changes in equity

x € 1,000

2023	Issued capital	Share premium reserve	Reserve for actuarial results	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total Equity
Balance at 1 January 2023	**7,066**	**266,739**	**-60,259**	**310**	**43,583**	**59,580**	**317,019**
Result after tax	-	-	-	-	-	59,733	59,733
Other comprehensive income	-	-	-3,713	-	-	-	-3,713
Comprehensive income for the reporting period:	**-**	**-**	**-3,713**	**-**	**-**	**59,733**	**56,020**
Transactions with owners of the group:							
Bonus Investment Share Matching Plan	-	-	-	-53	-	-	-53
Appropriation of result for 2022							
Retained earnings	-	-	-	-	59,580	-59,580	0
Dividend payments	292	10,731	-	-	-23,787	0	-12,764
Issuance of shares	**690**	**22,745**	**-**	**-**	**0**	**0**	**23,435**
Total transactions with owners	982	33,476	0	-53	35,793	-59,580	10,618
Total movements in equity	982	33,476	-3,713	-53	35,793	153	66,638
Balance at 31 December 2023	**8,048**	**300,215**	**-63,972**	**257**	**79,376**	**59,733**	**383,657**

x € 1,000

2022	Geplaatst kapitaal	Agioreserve	Reserve actuariële resultaten	Reserve Bonus Investment Share Matching Plan	Ingehouden winst	Resultaat na belastingen boekjaar	Totaal eigen vermogen
Balance at 1 January 2022	**6,828**	**257,018**	**-60,214**	**340**	**13,314**	**50,299**	**267,585**
Result after tax	-	-	-	-	-	59,580	59,580
Other comprehensive income	-	-	-45	-	-	-	-45
Comprehensive income for the reporting period:	**-**	**-**	**-45**	**-**	**-**	**59,580**	**59,535**
Transactions with owners of the group:							
Bonus Investment Share Matching Plan	-	-	-	-30	-	-	-30
Appropriation of result for 2021							
Retained earnings	-	-	-	-	50,299	-50,299	0
Dividend payments	238	9,721	-	-	-20,030	0	-10,071
Issuance of shares	0	0	-	-	-	0	0
Total transactions with owners	**238**	**9,721**	**0**	**-30**	**30,269**	**-50,299**	**-10,101**
Total movements in equity	**238**	**9,721**	**-45**	**-30**	**30,269**	**9,281**	**49,434**
Balance at 31 December 2022	**7,066**	**266,739**	**-60,259**	**310**	**43,583**	**59,580**	**317,019**

3. Consolidated statement of financial position

x € 1,000

ASSETS		31 december 2023		31 december 2022	
Non-current assets					
6.10	Property, plant and equipment	114,721		73,511	
6.11	Right-of-use assets	89,603		71,985	
6.12	Goodwill	165,148		74,295	
6.12	Other intangible assets	10,864		7,459	
6.13	Joint ventures and associates	100,847		73,048	
6.14	Loans granted to joint ventures	36,565		9,764	
6.15	Deferred tax assets	19,709		28,447	
			537,457		**338,509**
Current assets					
6.16	Strategic land holdings	158,583		78,518	
6.16	Other inventories	230,609		94,339	
6.17	Work in progress assets	139,215		95,645	
6.9	Income tax assets	124		0	
6.18	Trade and other receivables	229,226		239,367	
6.19	Cash and cash equivalents	40,384		237,012	
			798,141		**744,881**
Total assets			**1,335,598**		**1,083,390**

EQUITY AND LIABILITIES		31 december 2023		31 december 2022	
Equity					
2b	Issued capital	8,048		7,066	
2b	Share premium	300,215		266,739	
2b	Reserve for actuarial results	-63,972		-60,259	
2b	Reserve for Bonus Investment Share Matching Plan	257		310	
2b	Retained earnings from prior financial years	79,376		43,583	
1	**Result for the year after tax**	**59,733**		**59,580**	
			383,657		**317,019**
Non-current liabilities					
6.22	Interest-bearing loans and other non-current financing liabilities	65,484		12,136	
6.11	Lease liabilities	62,435		50,633	
6.23	Employee benefits	22,440		10,997	
6.24	Provisions	45,212		45,106	
6.15	Deferred tax liabilities	29,250		0	
			224,821		**118,872**
Current liabilities					
6.22	Interest-bearing loans and other current financing liabilities	21,823		1,824	
6.11	Lease liabilities	27,458		21,557	
6.25	Trade and other payables	346,056		365,172	
6.17	Work in progress credit	304,604		221,410	
6.9	Income tax liabilities	6,819		1,031	
6.23	Employee benefits	805		12,087	
6.24	Provisions	19,555		24,418	
			727,120		**647,499**
Total equity and liabilities			**1,335,598**		**1,083,390**

4. Consolidated statement of cash flows - indirect method

x € 1,000

		2023		2022	
1.	**Operating result**	**80,986**		**70,914**	
	Adjustments for:				
6.4	Gain on sale of non-current assets and property investments	-528		-783	
6.10	Depreciation of property, plant and equipment	12,452		11,674	
6.11	Depreciation of right-of-use assets	29,163		24,406	
6.12	Amortisation of intangible assets	4,337		4,821	
6.16	Adjustment of valuation of property investments and land portfolios, excluding joint ventures	0		0	
6.16	Change in inventory	-121		12,467	
	Change in working capital	-23,772		17,625	
6.24	Change in long-term provisions	-4,757		-16,735	
	Operating result after adjustments	***97,760***		***124,389***	
	Interest paid	-9,446		-6,633	
	Interest received	6,364		624	
	Income tax paid	-8,884		-8,471	
	Cash flow from operating activities		**85,794**		**109,909**
6.10	Investments in property, plant, and equipment	-43,960		-21,976	
6.10	Sale of property, plant and equipment	1,713		611	
6.12	Investments in intangible assets	-1,342		-2,476	
6.2	Business combinations	-262,089		-16,071	
6.13	Capital contributions to joint ventures and associates	-12,460		-9,754	
6.13	Capital repayments from joint ventures and associates	4,827		20,357	
6.13	Dividends received from joint ventures and associates	549		857	
6.13	Loans granted to joint ventures and associates	-3,144		-1,256	
6.13	Loans repaid by joint ventures and associates	1,976		12,884	
	Cash flow from investing activities		**-313,930**		**-16,824**
6.11	Principal portion of lease payments	-29,075		-24,338	
2.	Dividend payments	-12,764		-10,071	
6.22	Interest-bearing loans drawn down	190,889		3,341	
6.22	Interest-bearing loans repaid	-117,542		-34,572	
	Cash flow from financing activities		**31,508**		**-65,640**
	Net cash flow in the period		**-196,628**		**27,445**
6.19	Cash and cash equivalents at 1 January		237,012		209,567
6.19	**Cash and cash equivalents at 31 December**		**40,384**		**237,012**

5. Accounting policies

Heijmans N.V. (the Company) has its registered office in Rosmalen, the Netherlands, and is a public limited company. The Company's consolidated financial statements for the 2023 financial year include the Company and its subsidiaries (collectively referred to as the Group) and the Group's investments in associates and interests in jointly controlled entities. The Group carries on construction and development activities in the Netherlands. The address of its headquarters is Graafsebaan 65, Rosmalen, the Netherlands.

Approval of the financial statements

The Executive Board prepared the financial statements on 8 March 2024. These will be submitted for adoption by the General Meeting of Shareholders on 30 April 2024.

(1) Statement of Compliance

The consolidated financial statements for 2023 were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

(2) Basis of preparation

Presentation in thousands of euros

The financial statements are presented in thousands of euros.

Historical cost

The financial statements are based on historical cost, unless otherwise stated.

Going-concern basis

The financial statements were prepared on a going-concern basis.

Estimates and assumptions

The preparation of the financial statements in accordance with EU-IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and of revenue and expenses. The estimates and their underlying assumptions are based on experience and other factors that are considered reasonable. The estimates form the basis for calculating the carrying amounts of assets and liabilities that cannot easily be derived from other sources. Actual results could differ from these estimates. See also note 6.30, Management estimates and judgements.

Changes in accounting policies

The estimates and underlying assumptions are continually reassessed. Revised estimates are recognised in the period in which the estimate was revised, provided that the revision only affects that period. Revisions are recognised in the reporting period and future periods if the revision also affects future periods.

The accounting policies described below have been consistently applied to all periods presented in these consolidated financial statements and to all entities in the Group.

(3) Implications of new standards

The new IFRS 17 standard and the amendments to IAS 1, IAS 8 and IAS 12 accepted by the EU and applicable to reporting periods commencing on or after 1 January 2023 do not have any material effect on the consolidated financial statements.

New standards and interpretations that have been issued but are not yet mandatory.

As at 31 December 2023, the following amendments to standards and interpretations had been published:

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current (the 2020 and 2022 amendments), effective from 1 January 2024;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: disclosures, effective from 1 January 2024;
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, effective from 1 January 2025; and
- Amendments to IFRS 16 Leases: Lease obligations in the event of a Sale and Leaseback, effective from 1 January 2024.

For the reporting period beginning on or after 1 January 2024, the above-mentioned new standards, amendments, and interpretations have been identified that have not yet been applied in the current consolidated financial statements. Following a preliminary assessment, we do not expect any of these future amendments to have a material impact on our Group's consolidated financial statements.

(4) Accounting policies used for consolidation

(4a) Subsidiaries (full consolidation)

A subsidiary is an entity over which the Group has direct or indirect control.

Control exists if the Group:

- a. has power over the entity;
- b. is exposed or has rights to variable returns because of its involvement with the entity; and
- c. can use its power over the entity to affect the size of these returns.

Each of these three criteria has to be satisfied to establish that the Group has control over an entity in which it owns an interest. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

Business combinations

Business combinations are recognised according to the acquisition method, as from the date on which control is transferred to the Group. The transaction cost of an acquisition is recognised at fair value, as are the net identifiable assets acquired. Any resulting goodwill is tested every year for impairment. Any gain from a favourable purchase is recognised directly in profit or loss. Transaction costs are recognised in profit or loss when these are incurred, unless they relate to the issue of debt or equity instruments. The transfer sum includes no amount for settling existing account balances. Such amounts are generally recognised in the statement of profit or loss. The fair value of a contingent payment is recognised on the date of acquisition. If this conditional payment is classified as equity, it is not subsequently remeasured. Instead, the settlement figure is recognised in equity. In other cases, adjustments after initial recognition are recognised in profit or loss. In the case of a phased acquisition of an interest that does not qualify as a company, the existing interest is not remeasured to fair value.

(4b) Joint ventures (equity method)

A joint venture is a joint arrangement in which the Group has joint control together with other parties, and has a right to the net assets of the joint venture. The parties involved have agreed contractually that control is shared and that decisions concerning relevant activities require unanimous approval from the parties having joint control over the joint venture. A joint venture is recognised from the date on which the Group shares control until the date on which this ceases.

Joint ventures are recognised in accordance with the equity method and are initially recognised at acquisition cost. The investments of the Group include the goodwill determined during acquisition. The consolidated financial statements include the Group's proportionate share of the comprehensive income determined in accordance with the Group's accounting policies. If the Group's share of the losses is greater than the value of the interest in a joint venture, the value of the interest is written down to nil. Any further losses will no longer be recognised except insofar as the Group has made a commitment or intends to recognise the losses.

(4c) Associates (equity method)

An associate is an entity over which the Group has significant influence, but cannot exercise control. Significant influence is presumed to exist when the Group holds 20% or more of the voting rights. An associate is recognised from the date on which the Group has significant influence until the date on which this ceases.

Associates are recognised in accordance with the equity method and are initially recognised at acquisition cost. The investments of the Group include the goodwill determined during acquisition. The consolidated financial statements include the Group's proportionate share of the comprehensive income determined in accordance with the Group's accounting policies. If the Group's share of the losses is greater than the value of the interest in an associate, the value of the interest is written down to nil. Any further losses will no longer be recognised except insofar as the Group has made a commitment or intends to recognise the losses.

(4d) Joint operations (proportionate recognition)

Joint operations are arrangements over which the Group exercises control jointly with third parties. For its share in a joint operation, the Group recognises its assets (including its share of the assets held jointly), liabilities (including its share of the liabilities incurred jointly), revenue (including its share of the revenue from the output of the joint operation) and expenses (including its share of the expenses incurred jointly). In practice, the method for recognising joint operations is comparable to that used for proportionate recognition.

(4e) Elimination of transactions on consolidation

Intragroup balances and any unrealised income and expense arising from intragroup transactions are eliminated when preparing the consolidated financial statements.

Unrealised income from transactions with associates, joint ventures and joint operations are eliminated in proportion to the Group's interests in the entities concerned.

(5) Transactions in foreign currency

Transactions in foreign currency are translated into euros at the exchange rate prevailing on the transaction date.

(6) Revenue from contracts with customers

Revenue is recognised if the Group has entered into a contract with a customer in which the performance obligations can be identified and the terms of the transaction are clear and where the contract is of undeniable economic importance. It must also be probable that the customer will pay. Revenue is recognised on each individual contract. Revenue from portfolios of contracts with similar features is recognised on a portfolio basis if the result is not materially different from the revenue measured on an individual basis. If a contract involves several performance obligations, revenue is separately attributed to the performance obligations concerned based on relatively stand-alone selling prices.

Revenue is recognised at the time when the customer takes control of the fulfilled performances. Variable consideration is only recognised if it is highly probable that a significant revenue reversal will not occur:

- Revenue from additional work is included in the overall contract revenue if the client has accepted the sum involved in any way.
- Claims and incentives are recognised in the amount for work in progress where they derive from enforceable rights, it is highly probable that they will lead to revenue and can be reliably measured.
- Unless it is highly unlikely that a penalty will be applied, the amount of any penalties will be deducted from the revenue.

If the results from a contract cannot be determined reliably, contract revenue is only recognised insofar as it is probable that the costs incurred can be covered by revenue.

If a contract contains a significant financing component, the Group adjusts the revenue accordingly. This is not done if the time between the fulfilment of the performance obligation and the payment of the consideration is less than one year.

Expected contract losses are recognised immediately in the statement of profit or loss. In measuring the amount of provisions for losses, the Group proceeds on the basis of the economic benefits expected to be received compared with the attributable costs of the contract.

(6a) Sales of goods - mainly land

Revenue from the sale of goods - mainly land - is recognised at the agreed consideration or attributed consideration where the transfer of title to the land forms part of a combined purchase/construction contract in the case of residential projects. The revenue from the land is recognised at the time of legal conveyance.

(6b) Work in progress projects

The revenue relating to work in progress is recognised in the statement of profit or loss when control is transferred to the client. Since the Group executes projects on land owned by the client, the client obtains control by accession according to progress made in completion of the project. The stage of completion is assessed by reference to the proportion of costs recorded in relation to the total expected costs to the extent that the costs incurred are representative of the progress made in the transfer of goods/services to the client (taking account of unsold units). Inefficiencies are disregarded in determining the stage of completion.

(6c) Services

Revenue from the provision of services, mainly servicing and maintenance activities, is recognised in the statement of profit or loss in proportion to the work performed, since the client receives the benefits from and has use of the services at the same rate. The stage of completion is determined from assessments of the work already carried out.

(7) Other operating income

Gains on the sale of assets and entities disposed of and gains on the contribution of assets to newly established joint arrangements are accounted for as other operating income. On contribution of assets to joint arrangements, any gains are eliminated in proportion to the Group's interest in the arrangement.

(8) Costs

(8a) Cost of sales

The cost of sales is made up of the carrying amount of goods sold and the costs allocated to the fulfilled performance obligations, including the expected losses on projects that are recognised immediately in the statement of profit or loss.

(8b) Selling expenses

Selling expenses are the costs of sales activities that are not charged to projects.

(8c) Administrative expenses

The administrative expenses represent general expenses that are not costs of sales and are not charged to projects.

(8d) Finance income and expense

Net financing costs comprise interest payable on borrowings and lease commitments, dividends on cumulative financing shares B and interest receivable on funds invested.

Financing expenses that can be directly allocated to the acquisition, construction or production of a qualifying asset are capitalised as part of the costs of that asset during the period that the asset is under development.

The interest component of the lease payments, as well as on funds withdrawn is recognised in the statement of profit or loss and is calculated using the effective interest method.

(9) Income tax

(9a) Income tax

Income tax recognised in the statement of profit or loss during the financial year comprises the income tax owed or refundable over the reporting period and the deferred income tax. The income tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income. In that case, the relevant portion of the income tax is recognised in other comprehensive income.

The income tax owed or refundable over the financial year is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted on the reporting date, as well as adjustments to tax payable in respect of previous years.

Additional income tax that arises from the distribution of dividends is recognised at the same time as the liability to pay the related dividend is recognised.

(9b) Deferred tax

Deferred tax assets and liabilities are recognised in respect of available tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the values used for taxation purposes. A deferred tax asset or liability is not recognised to the extent that it arises from initial recognition of goodwill or initial recognition of assets or liabilities in a transaction that is not a business combination or which, at the time the transaction, does not affect accounting or taxable profit. The amount of the deferred tax assets and liabilities is based on the manner in which the expected asset and liability carrying amounts will be realised or settled, based on the income tax rates that have been enacted or substantively enacted on the reporting date.

Deferred tax assets and liabilities are set off against each other if there is a right enforceable by law to set them off, and if these tax assets and liabilities are associated with income tax levied by the same tax authority on the same taxable entity, or on different taxable entities that intend to set them off or that will be realising the tax assets at the same time as the tax liabilities.

A deferred tax asset (net of any deferred tax liability) is recognised only to the extent that it is probable that future taxable profits will be available that can be utilised towards realising the deferred asset. The amount of the deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(10) Property, plant and equipment

(10a) Assets in ownership

Items of property, plant and equipment are measured at cost or estimated cost less accumulated depreciation (see below) and impairments. Cost includes costs that can be directly allocated to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour costs, financing costs and any other costs that can be directly allocated to making the asset ready for use, as well as any costs of dismantling and removing the asset and restoring the site where the asset is located. The costs of self-constructed assets and acquired assets include (i) the initial estimate at the time of installation of the costs of dismantling and removing the assets and restoring the site on which the assets are located and (ii) changes in the measurement of existing liabilities recognised in relation to the costs identified in (i) above.

(10b) Expenses after initial recognition

The Group includes the cost of replacing part of an asset in the carrying amount of items of property, plant and equipment when the cost is incurred. This occurs if it is likely that the future economic benefits of the asset will accrue to the Group and the cost price of the asset can be reliably determined. All other expenses are taken to the statement of profit or loss when these are incurred.

(10c) Depreciation of property, plant and equipment

Depreciation is recognised in the statement of profit or loss using the straight-line method over the estimated useful life of each part of an item of property, plant or equipment. The residual values are reassessed on an annual basis. Depreciation is not applied to land. The estimated useful lives are as follows:

- Buildings: main load-bearing structures and roofs: 30 years
- Buildings: technical equipment: 15 years

- Buildings: interior walls: 10 years
- Office equipment: 3-10 years
- Machines: 5-10 years
- Installations: 5-10 years
- Large-scale equipment and other capital assets: 3-10 years

(10d) Investment property

Given its marginal importance, investment property (property held for its rental income and/or increase in value) is recognised under property, plant and equipment. Investment property is measured at cost, less accumulated depreciation and impairment losses. Cost includes costs that can be directly allocated to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour costs, financing costs and any other costs that can be directly allocated to making the asset ready for use, as well as any costs of dismantling and removing the asset and restoring the site where the asset is located.

(11) Right-of-use assets

On the commencement date (the date on which the asset concerned becomes available for use), the Group recognises a corresponding right-of-use asset. The right-of-use asset is measured at cost less depreciation and impairment, adjusted for any revaluation of the lease liability. Cost is made up of the recognised amount of the lease liability, initial direct costs and lease instalments paid prior to the commencement date, less lease incentives received. Unless the Group is reasonably certain that it will acquire ownership of the underlying asset at the end of the lease period, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the following two dates: the end of the period of use or the end of the lease period. Improvements made to leased assets are depreciated over a period that is shorter than or the same as the period used for the leased asset concerned. Right-of-use assets are subject to impairment testing.

Non-lease components, specifically amounts for maintenance and fuel that are included in the lease instalments, are not recognised if these amounts are readily determined and are material. In practice, this applies to the non-lease payments for cars. For the other leases, use is made of the practical expedient of treating the non-lease components in the same manner as lease components.

The Group makes use of the practical expedient of not recognising short-term leases (with a lease period of less than 12 months and no purchase option) and the same applies to leases where the new value of the underlying asset is low (less than € 5,000). The lease instalments for such leases are accounted for in the operating expenses over the period concerned.

The lease period relates to the non-cancellable period of the lease, together with the periods covered by a renewal option if it is reasonably certain that the Group wilt exercise this option and periods covered by a termination option if it is reasonably certain that the Group will not exercise this option.

(12) Intangible assets

(12a) Goodwill

All business combinations are recognised using the acquisition method. Goodwill is the amount that arises from the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the net fair value of the identifiable assets and liabilities at the time of acquisition. An impairment test is carried out every year.

For impairment testing purposes, goodwill acquired in business combinations is allocated, at the acquisition date, to a cash-generating unit (CGU) or group of CGUs expected to benefit from that business combination. Each unit to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Negative goodwill arising from an acquisition is recognised directly in the statement of profit or loss.

(12b) Other intangible assets

Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairments.

(12c) Amortisation

Regarding goodwill, an impairment test is systematically performed every year at the reporting date to determine whether there are any impairments. The other intangible assets are amortised through the statement of profit or loss on a straight-line basis over the expected useful lives of the intangible assets, and undergo periodic impairment testing (see accounting policy 20). The estimated useful lives of the intangible asset categories are as follows:

- Customer base: 5-20 years
- Order book: 1-4 years
- Sand quarry concessions: 5-15 years
- Brand name: 5-10 years

(12d) Expenses after initial recognition

Expenditure on intangible assets, other than goodwill, is only capitalised after initial recognition if it is expected to increase the future economic benefits that are inherent in the specific asset to which the expenditure relates. All other items of expenditure are recognised as costs in the statement of profit or loss when these are incurred.

(13) Financial instruments

A financial instrument is a contract that leads to a financial asset or financial liability for the Group.

(13a) Financial assets

The Group's main financial assets are:

- Loans granted (see accounting policy 14)
- Trade and other receivables (see accounting policy 17)
- Cash and cash equivalents (see accounting policy 18)

Financial assets are classified as assets that are:

- a. carried at amortised cost after initial recognition, or
- b. carried at fair value with gains and losses included in the other components of comprehensive income, or
- c. carried at fair value with gains and losses accounted for in profit or loss.

This classification is based on the Group's business model for the management of the financial assets and the features of the contractual cash flows from the financial asset. The financial assets are to be carried at amortised cost (a) if both of the following conditions are satisfied:

- i. the financial asset is held as part of a business model aimed at holding financial assets for the purpose of receiving contractual cash flows, and
- ii. the contractual terms of the financial asset give rise on certain dates to cash flows exclusively concerning repayments of principal and interest payments on the outstanding amount.

Both conditions are satisfied in the case of the above financial assets. The financial assets are carried at amortised cost. On initial recognition, the amount of financial assets carried at amortised cost is measured using the effective interest method and is subject to impairment. Gains and losses are recognised in profit or loss when the asset matures, is settled, is revised or is subject to impairment.

Provision for expected credit losses

Financial assets are recognised less a provision for expected credit losses. The amount of this provision is measured as the amount of the expected credit losses over the coming 12 months, based on the credit rating of the client. Subsequently, as long as there is no significant deterioration in the credit risk, the credit loss provision continues to be measured at the amount of the 12-month expected credit losses. If, however, a significant increase in the credit risk occurs, on either an individual or a collective basis, the amount of the expected credit loss provision is measured as the expected credit losses over the entire term to maturity of the instrument. In the case of trade receivables and work in progress assets, the simplified approach permitted by IFRS 9, involving consistent recognition of a loss allowance at an amount equal to lifetime expected credit losses, has been used.

(13b) Financial liabilities

The Group has the following financial liabilities:

- Interest-bearing loans (see accounting policy 22)
- Trade and other payables (see accounting policy 25)

These liabilities are carried at amortised cost after initial recognition, using the effective interest method. When a financial liability (or a part thereof) is eliminated or expires, it ceases to be recognised.

Swapping of debt instruments involving the same lender on substantially different terms is treated as a settlement of the original financial liability and recognition of a new financial liability. The same applies when the terms of an existing financial liability are substantially altered.

The difference between the carrying amount of a financial liability (or part thereof) that is redeemed or is transferred to a third party and the amount paid, including any transfer of assets other than cash and cash equivalents or assumed liabilities, is recognised in profit or loss.

(13c) Netting of financial assets and liabilities

Financial assets and financial liabilities are netted off and presented as a net amount in the statement of financial position if

- the Group has a legally enforceable right to net the amounts off, and
- the Group intends to settle the liability on a net basis or to realise the asset simultaneously with the settlement of the liability.

(14) Loans granted

Loans granted form part of the financial assets (see accounting policy 13a). Loans granted that do not meet both conditions cited in accounting policy 13a are carried at fair value with gains and losses accounted for in profit or loss. Loans granted that meet both conditions referred to are measured at amortised cost using the effective interest method, less impairments.

(15) Inventories

(15a) Strategic land holdings

The strategic land holdings represent the reported land holdings that are managed centrally in the Company's strategic land portfolio. These holdings are acquired and held for future property development. The interest and development costs for land holdings that are under development are capitalised. The land holdings are measured at the lower of cost and net realisable value.

(15b) Other inventories

Other inventories include unsold residential property in preparation and under construction (including planning and building consents), raw materials and consumables finished products (including land and premises for sale).

Inventories are measured at cost, or at net realisable value if lower. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories includes expenditure incurred in acquiring the inventories, the production or conversion costs, and the other costs incurred in bringing the inventories to its current location and current condition. The cost of inventories includes an appropriate share of production overheads based on normal operating capacity, as well as the attributable financing expenses. For fungible inventories the first-in, first-out (FIFO) principle applies.

Land and premises for sale concerns land and premises that have been technically delivered as developed but which on the reporting date were not sold to third parties. The inventories of land and premises for sale is valued at cost (including interest and allocated overhead costs), less any write-downs relating to a lower net realisable value as a consequence of the risk of inability to sell or rent.

(16) Work in progress assets

Work in progress assets concern the right to consideration in respect of work on projects carried out and transferred to the client. In practical terms, the item is made up of the revenue (see also accounting policy 6) in proportion to the progress in fulfilling the performance obligation less invoiced instalments. Total expected project losses, if any, are directly recognised as expenses in the relevant period and are accounted for on the balance sheet in provisions (see also accounting policy 24d). Work in progress assets are measured taking account of expected credit losses in a way similar to the method used for trade and other receivables (see accounting policy 17).

(17) Trade and other receivables

Trade and other receivables form part of the financial assets (see accounting policy 13a). Trade and other receivables are carried at amortised cost less a provision for expected credit losses. In measuring the amount of the provision for expected credit losses, use is made of the simplified approach involving consistent recognition of an allowance at an amount equal to lifetime expected credit losses. Amounts still to be invoiced relating to concluded projects are recognised under trade and other receivables.

(18) Cash and cash equivalents

Cash and cash equivalents form part of the financial assets (see accounting policy 13a). Cash and cash equivalents comprise cash and bank balances and other call deposits. Current account overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows.

(19) Assets held for sale and discontinued operations

(19a) Assets held for sale

Non-current assets (or groups of assets and liabilities that are to be disposed of), for which it is expected that the carrying amount will probably be realised within one year mainly by means of a sale transaction and not through continued use, are classified as held for sale (or held for distribution), after it is established that the relevant conditions have been met. Immediately preceding this classification, the assets (or the components of a group of assets to be disposed of) are measured again in accordance with the Group's accounting policies. The assets or group of assets to be disposed of are generally measured at the carrying amount or the fair value less sale costs, if lower. Any impairment loss on a group of assets held for sale is first allocated to goodwill and then pro rata to the remaining assets and liabilities, subject to the restriction that impairment losses are not allocated to inventories, financial assets, deferred tax assets or employee benefits, all of which are measured in accordance with the Group's accounting policies. Impairment losses arising from the initial classification as held for sale or distribution and gains or losses on revaluation arising after initial recognition are recognised in the statement of profit or loss. If the gain concerned exceeds the accumulated impairment loss, the difference is not recognised.

(19b) Discontinued operations

A discontinued operation is an element of the Group's operations that represents a separate significant business activity or separate significant geographical business area that has been disposed of or is held for sale or distribution, or a subsidiary that has been acquired solely for the purpose of resale. Classification as a discontinued operation occurs upon disposal, or when the operation meets the criteria for classification as held for sale, if earlier. If an operation is designated as a discontinued operation, the comparative figures in the statement of profit or loss are restated as if the operation had been discontinued from the beginning of the comparative period.

(20) Impairments

The carrying amounts of the Group's non-financial assets, excluding work in progress assets (see accounting policy 16), inventories (see accounting policy 15) and deferred tax assets (see accounting policy 9), are reviewed each reporting date to determine whether there is any indication of impairment. If there are such indications, an estimate is made of the recoverable amount of the asset concerned.

For goodwill, intangible assets with an unlimited useful life, and intangible assets that are not yet ready for use, the recoverable amount is estimated at the reporting date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

(20a) Determination of recoverable amount

The recoverable amount of an asset is equal to the higher of its net selling price and its value in use. To determine the value in use, the discounted value of the estimated future cash flows is calculated using a discount rate that reflects current market rates as well as the specific risks associated with the asset. For any asset that does not generate cash inflows and is largely independent of other assets, the recoverable amount is determined on the basis of its cash-generating unit.

(20b) Reversal of impairments

Impairment losses in respect of goodwill are never reversed.

In respect of other assets, impairments recognised in other periods are reversed if there is an indication that the impairment no longer exists or has decreased and if there has been a change in the estimates used to determine the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(21) Share capital

(21a) Costs of issuing ordinary shares

Costs directly attributable to the issuing of ordinary shares are charged to equity, after deduction of any tax effects.

(21b) Repurchase of own shares

If shares representing capital that is recognised as equity in the statement of financial position are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(21c) Dividend

Dividends are recognised as a liability in the period in which these are declared.

(22) Interest-bearing liabilities

Interest-bearing loans form part of the financial liabilities (see accounting policy 13b), except for lease liabilities (see accounting policy 22b).

(22a) Loans

Interest-bearing loans are initially recognised at fair value less attributable transaction costs. Any difference between the amortised cost and the redemption amount calculated by the effective interest method is recognised in the statement of profit or loss over the term of each such loan.

(22b) Lease liabilities

On the commencement date of the lease, the Group measures the liability at the net present value of the lease payments that have to be made in the future. These include fixed lease payments (including essentially fixed lease payments) less lease incentives still to be received, variable lease payments depending on an index or interest rate and amounts expected to be payable under residual value guarantees. The lease payments also include the purchase option price if it is reasonably certain that the Group will exercise this option. The lease payments also include the penalties for termination of the lease if the lease period reflects the exercise by the Group of an option to terminate the lease. Variable lease payments not depending on an index or rate are expensed in the period in which the event or circumstance giving rise to these payments occurs.

When calculating the net present value of the lease payments, the Group makes use of the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the liability is increased in respect of interest and reduced by the lease payments made. The Group re-measures the liability in the event of a change in the lease agreement, an adjustment of the lease period, a review of an in-substance fixed lease payment or a change in the assessment thereof or use is made of a purchase option.

(23) Employee benefits

(23a) Defined-contribution plans

Commitments for contributions to defined-contribution pension plans are recognised as an expense in the statement of profit or loss when they are due.

(23b) Defined-benefit plans

The Group's net obligation in respect of defined-benefit pension plans is calculated separately for each plan by estimating the amount of future pension benefit that employees have earned in return for their service in the reporting period and in previous periods. The discounted present value of these pension benefits is determined, and is reduced by the fair value of the plan assets. The discount rate is the yield at the reporting date on high-quality corporate bonds that have terms to maturity approximately the same as the terms of the Group's liabilities. The calculation is performed by a qualified actuary using the projected unit credit method. This method takes into account future salary increases resulting from employee career opportunities and general salary increases, including adjustments for inflation.

If the entitlements under a plan are changed, or a plan is curtailed, the resulting change in entitlements relating to past service, or the gain or loss on the closure, as the case may be, is recognised directly in the statement of profit or loss.

Actuarial gains and losses are recognised directly as other comprehensive income that will never be reclassified to the statement of profit or loss.

If the result of the calculation is a potential asset for the Group, recognition of the asset is limited to the present value of the economic benefits available as possible future refunds from the plan or lower future contributions. When calculating the present value of the economic benefits, possible minimum financing obligations that apply are taken into account.

(23c) Long-term employee benefits

The Group's net liability in respect of long-term employee benefits, other than pension plans, is the amount of future benefits that employees have accrued in return for their service in the reporting period and in previous periods, such as long-service payments, bonuses and incentives. The liability is calculated using the projected unit credit method and is discounted to determine its present value. The discount rate is the yield at the reporting date on high-quality corporate bonds that have terms to maturity approximately the same as the terms of the Group's liabilities. Actuarial gains and losses on these benefits are recognised in the statement of profit or loss.

(23d) Severance payments

Severance payments are recognised as an expense if the Group has shown that it is committed to terminating the employment contract of an employee or group of employees before the normal retirement date, by producing a detailed, formal plan, without there being a realistic option of the plan being withdrawn.

(24) Provisions

A provision is recognised in the statement of financial position if the Group has a present legal or actual liability that is the result of a past event and it is probable that its settlement will require an outflow of funds. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where necessary, the risks specific to the liability. The accrued interest on provisions is treated as a financing charge.

(24a) Warranties

A provision for warranties is recognised after the underlying products or services have been sold and delivered. The provision is made for costs that must be incurred to correct deficiencies that appear after delivery but during the warranty period.

(24b) Restructuring

A restructuring provision is recognised (i) when the Group has approved a detailed and formal restructuring plan and (ii) the restructuring has either commenced or been publicly announced.

(24c) Environment

A provision for restoration of contaminated and is formed in accordance with the Group's environmental policy and applicable legal requirements.

(24d) Onerous contracts

A provision for onerous contracts is recognised if the economic benefits (i.e. the probable revenues) that the Group expects to receive from a contract are lower than the costs of meeting the contractual obligations, unless the net costs of terminating the contract are lower. For contracts concerning the execution of works, these costs are the costs attributable to the outstanding performance obligations. Where appropriate, the Group recognises impairment losses on any assets associated with the contract prior to forming the provision.

(25) Trade and other payables

Trade and other payables form part of the financial liabilities (see accounting policy 13b). Trade and other payables are recognised at amortised cost.

(26) Work in progress liabilities

Work in progress liabilities relates to work yet to be performed for clients on projects for which the Group has received a consideration from the client (or the client owes an amount). In practical terms, the item comprises the invoiced instalments less the revenue in proportion to the progress in fulfilling the performance obligation (see also accounting policy 6). Total expected project losses, if any, are directly recognised as expenses in the relevant period and are accounted for in the statement of financial position in provisions (see also accounting policy 24d).

(27) Statement of cash flows

The statement of cash flows is prepared using the indirect method.

(28) Segment reporting

A segment is a clearly distinguishable operation of the Group. The segments are identified in accordance with the classification used by the Executive Board when taking operational decisions. The Group distinguishes the following segments: Property Development, Building & Technology, Infra and Van Wanrooij.

6. Notes related to the consolidated financial statements

6.1 Segment reporting

The Group distinguishes the following segments: Property Development, Building & Technology, Infra and Van Wanrooij, which Heijmans acquired in 2023, in line with the management conducted by the Executive Board. The segments are managed primarily on the basis of underlying EBITDA. The segment figures include data that can be allocated to a segment either directly or on reasonable grounds.

Condensed income statement per business segment

2023

x € 1,000

Business segments	**Property Development**	**Building & Technology**	**Infra**	**Van Wanrooij**	**Other/ Eliminations**	**Total**
Revenue						
Third parties	411,527	806,003	774,815	124,760	212	2,117,317
Intercompany	267	269,935	25,216	0	-295,418	0
Total revenue	**411,794**	**1,075,938**	**800,031**	**124,760**	**-295,206**	**2,117,317**
Underlying EBITDA	**26,583**	**46,072**	**66,306**	**20,089**	**-11,948**	**147,102**
EBITDA of joint ventures	-482	-314	-4,142	-323	-107	-5,368
Write-downs on land holdings/property assets	0	0	0	0	0	0
Restructuring costs	-1,008	-869	-616	0	-493	-2,986
Acquisition costs/gains and losses on sale of investments	0	0	0	0	-9,410	-9,410
Long-term incentive bonuses	*0*	*0*	*0*	*-2,400*	*0*	*-2,400*
Total exceptional items	*-1,490*	*-1,183*	*-4,758*	*-2,723*	*-10,010*	*-20,164*
EBITDA	**25,093**	**44,889**	**61,548**	**17,366**	**-21,958**	**126,938**
Depreciation and amortisation	-1,326	-13,642	-22,129	-2,942	-5,913	-45,952
Operating result	**23,767**	**31,247**	**39,419**	**14,424**	**-27,871**	**80,986**
Finance income						5,809
Finance expense						-8,524
Results of joint ventures and associates	575	353	2,228	-833	521	2,844
Result before tax						**81,115**
Income tax						-21,382
Result after tax						**59,733**

The underlying EBITDA of the Infra segment includes income of € 14 million (2022: income of € 19 million) related to the release of the remaining, unused part of the provision taken for Wintrack II in 2021. See also note 6.24 Provisions.

2022

x € 1,000

Business segments	Property Development	Building & Technology	Infra	Other/ Eliminations	Total
Revenue	**569,685**	**611,136**	**631,177**	**210**	**1,812,208**
Third parties	-	321,377	30,042	-351,419	0
Intercompany	569,685	932,513	661,219	-351,209	1,812,208
Total revenue					
	42,462	38,192	55,243	-9,445	126,452
Underlying EBITDA					
	486	-2,517	-6,515	-126	-8,672
EBITDA of joint ventures	-4,100	0	0	0	-4,100
Write-downs on land holdings/property assets	0	-657	-597	-301	-1,555
Restructuring costs	0	0	-2,611	200	-2,411
Total exceptional items	*-3,614*	*-3,174*	*-9,723*	*-227*	*-16,738*
EBITDA	**38,848**	**35,018**	**45,520**	**-9,672**	**109,714**
Depreciation and amortisation	-1,163	-15,289	-18,476	-3,872	-38,800
Operating result	**37,685**	**19,729**	**27,044**	**-13,544**	**70,914**
Finance income					623
Finance expense					-5,525
Results of joint ventures and associates	-647	2,494	5,305	-83	7,069
Result before tax					**73,081**
Income tax					-13,501
Result after tax					**59,580**

Underlying EBITDA is the operating result before depreciation, including EBITDA of joint ventures, excluding any impairments of property and/or goodwill, restructuring costs, acquisition costs, including retention bonuses and gains or losses on the acquisition/sale of entities. Underlying EBITDA defined in this way is also used as the basis for the calculation of the financial covenants reported to the bank consortium.

Condensed balance sheet and balance sheet breakdown per business segment

2023

x € 1,000

Business segments	Property Development	Building & Technology	Infra	Van Wanrooij	Other	Eliminations	Total
Assets	310,844	459,438	393,733	268,927	379,162	-498,102	1,314,002
Not allocated							21,596
Total assets	**310,844**	**459,438**	**393,733**	**268,927**	**379,162**	**-498,102**	**1,335,598**
Liabilities	157,876	361,510	265,679	102,614	259,778	-383,733	763,724
Not allocated							188,217
Total liabilities	**157,876**	**361,510**	**265,679**	**102,614**	**259,778**	**-383,733**	**951,941**
Equity							**383,657**
Total equity and liabilities							**1,335,598**
Property, plant and equipment							
Depreciation	28	795	7,058	394	4,177	-	12,452
Investments	-	3,591	21,230	117	19,022	-	43,960
Right-of-use assets							
Depreciation	1,298	11,114	14,600	415	1,736	-	29,163
Intangible assets							
Amortisation	-	1,734	470	2,133	-	-	4,337
Joint ventures and associates							
Carrying amount	55,684	1,001	18,120	19,968	6,074	-	100,847

2022

x € 1,000

Business segments	Property Development	Building & Technology	Infra	Other	Eliminations	Total
Assets	355,115	420,595	387,148	274,197	-381,711	1,055,344
Not allocated						28,046
Total assets	**355,115**	**420,595**	**387,148**	**274,197**	**-381,711**	**1,083,390**
Liabilities	205,794	358,722	298,444	217,075	-375,551	704,484
Not allocated						61,887
Total liabilities	**205,794**	**358,722**	**298,444**	**217,075**	**-375,551**	**766,371**
Equity						**317,019**
Total equity and liabilities						**1,083,390**
Property, plant and equipment						
Depreciation	27	3,544	5,758	2,345	-	11,674
Investments	-	2,906	16,701	2,369	-	21,976
Right-of-use assets						
Depreciation	1,136	9,024	12,719	1,527	-	24,406
Intangible assets						
Amortisation	-	2,721	2,100	-	-	4,821
Joint ventures and associates						
Carrying amount	50,023	1,149	20,133	1,743	-	73,048

Transactions between business segments are conducted on arm's length terms that are comparable to those for transactions with third parties. Assets not allocated mainly concern deferred tax assets. Unallocated liabilities mainly concern interest-bearing loans, other financing commitments and VAT payable.

By the nature of its operations, the Infra segment is highly dependent on public sector contracts.

Revenue in 2023 and in 2022 was generated entirely in the Netherlands.

The non-current assets (PP&E) are located in the Netherlands.

6.2 Business combinations

Van Wanrooij

On 5 September 2023, the Group acquired 100% of the share capital in the company Van Wanrooij Bouwontwikkeling B.V. that was incorporated for the purpose of the transaction. This company directly holds 100% of the shares in Van Wanrooij Projectontwikkeling B.V., Van Wanrooij Commandiet B.V., Van Wanrooij Grondbank B.V., Van Wanrooij Bouwbedrijf B.V., Bouwmaterialenhandel Bevers B.V. and Van Wanrooij Timmerfabriek B.V. (hereafter: Van Wanrooij). Van Wanrooij is a successful family business in development and construction, primarily of houses. With this transaction, the Group strengthens its market position in the construction and property development sector in the Netherlands. The strategic rationale behind the transaction is an immediate improvement in the mix (more houses) and size of its work in hand (the number of homes to be developed in the future rises by approximately 14,000 homes).

In connection with the acquisition, a purchase price allocation (PPA) must be carried out in accordance with IFRS, in which the total transaction sum must be allocated to the acquired assets and liabilities. These are recognised at market value (fair value accounting) and the difference between the price paid and the net asset value of the assets and liabilities at market value is recognised as goodwill. The transaction amount for 100% of the shares totals € 296.8 million, which was paid in the form of 2.3 million shares with a combined transaction price of € 23.5 million and a cash payment of € 273.4 million. As permitted under IFRS 3 'Business Combinations', the fair value of the identifiable assets and liabilities acquired has been presented on a provisional basis.. An independent professional expert performed the preliminary fair value determination

Details of the purchase price, net assets acquired and goodwill are as follows:

x € mln	Carrying amount before acquisition	Fair value adjustments	Recognised acquisition value
Property, plant and equipment	13	0	13
Right-of-use assets	9	0	9
Intangible fixed assets	0	6	6
Deposits	25	0	25
Inventory	94	122	216
Deferred tax assets	3	0	3
Work in progress on balance	1	0	1
Joint ventures and associates	7	14	21
Trade and other receivables	21	0	21
Cash and cash equivalents	9	0	9
Provisions	-5	-11	-16
Lease liabilities	-9	0	-9
Deferred tax liabilities	-2	-33	-35
Income tax liabilities	-3	0	-3
Trade and other payables	-56	0	-56
Balance of identifiable assets and liabilities	**107**	**98**	**205**
Goodwill			91
Purchase price			**296**
Purchase price to be paid when 'earn out'is achieved			0
Pay-out in certificates			-25
Total purchase price in cash			**271**
Cash acquired			-9
Net cash outflow			**262**

Approximately 200 individual positions were valued to determine the market value of the total inventory of development positions. A position may consist of expenses and income booked under inventories, deposits (if payments have been made for land holdings for which ownership has not yet been obtained), work in progress, and possibly other liabilities (if properties have been transferred but Projectontwikkeling will still incur costs in the future). These balance sheet items combined, with a book value of € 117 million as of 5 September 2023, resulted in a market value of the positions of € 259 million. Consequently, the inventory position has been subjected to a total fair value step-up of € 142 million, divided between co-consolidated positions and non-consolidated positions (joint ventures). The table below specifies how this amount is made up of both on-balance sheet and off-balance sheet items. The fair value adjustment of the joint ventures of € 14 million, presented at net asset value, is after allocation of the deferred tax liability in the joint ventures. The gross amount plus the fair value adjustment of inventory adds up to € 142 million.

Property development portfolio	From carrying amount to fair market value as of 5-9			Δ from 5-9 to 31-12	Balance		
	Carrying amount before acquisition	Fair value adjustments	Fair market value per 5-9-2023	Net investment in new positions	Fair value release	Carrying amount 31-12-2023	Note
Deposits	25	0	25	-1	0	24	6.14
Inventory	94	123	216	1	-10	207	6.16
WIP / Other payables	-7	0	-7				
Gross value of property development portfolio (on balance)	111	123	234				
Inventory / deposits within joint ventures (off balance)	6	19	25	-6	-2	18	6.13
Gross value of property development portfolio (on balance and off balance)	**117**	**142**	**259**				

The fair value adjustment of provisions pertains to certain risks related to development positions obtained in the period prior to the transaction date. For a more detailed explanation, see note 6.24 other provisions.

The accounting for the acquisition of Van Wanrooij and the detailed allocation of the acquisition price to the separate assets and liabilities, are based on an assessment of their fair value on the basis of the assumptions applicable as at 5 September 2023 (acquisition date). In a limited number of aspects, the market values assigned to the assets and liabilities were provisional. This was due to the limited time between acquisition date and date of preparation of the financial statements. In this case, IFRS offers the possibility of examining and possibly adjusting the assumptions used within one year after the acquisition date. A possible revision may affect subsequent positions and will be finalised in the 2024 reporting year.

The market values of two items have been adjusted as part of the PPA process. Firstly, Van Wanrooij Bouw's order book has been valued based on the replacement cost method. The assigned value of € 6.4 million will be amortised on a straight-line basis within one year from the acquisition date. No other intangible assets have been identified, other than the order book and goodwill. Secondly, the inventory position has been subjected to a fair value step-up to market value. As part of the PPA, all positions have been valued separately, partly based on external appraisals. Van Wanrooij has land holdings with a potential to realise approximately 14,000 homes. Measured by the total number of homes that Van Wanrooij develops per year, this means it has a development inventory of approximately 15 years. The inventory position therefore includes positions in various stages: land under construction, land for sale, building developments and more strategic land (often still with a current use as agricultural land). Positions may include ownership, building claims and development rights. As is customary in property development, in many cases Van Wanrooij works with down payments and subsequent payments. These subsequent payments are off-balance sheet liabilities and in most cases are conditionally linked to a definitive zoning change.

The inventory positions were acquired over a longer period (partly in times when house prices were considerably lower than at the time of acquisition) and Van Wanrooij makes an above-average return per home within the sector. When determining the market value, this resulted in a significant fair value step-up of € 142 million (partly in non-consolidated joint ventures) compared to the carrying value of the inventory to a total of € 259 million. This fair value step up of the inventory position means that a higher acquisition price should be taken into account for accounting purposes from the acquisition date. In other words, the future gross profit (EBITDA) potential will be € 142 million lower as a result of the fair value step-up. The impact of this on Van Wanrooij's future profitability is high in the first few years and decreases as time goes on. There are several reasons for this. 1) In the first years after the acquisition, (almost) all home conveyances to buyers (which is the basis for revenue recognition in property development) will come from the acquired inventory position. 2) The positions that will lead to land conveyances in the first few years are (almost all) subject to full permits and partly already sold. The cash flow profile is therefore already largely fixed. Due to this lower risk profile, they have been assigned a lower discount factor for valuation purposes. 3) The combination of a higher discount factor and a longer lead time results in a lower net present value for positions that will be developed further into the future.

Van Wanrooij's total development inventory of about 14,000 homes consists of approximately 200 (sub-)projects, which have been subject to separate valuations. The fair value step-up should be at position level in accordance with IFRS and will be reflected in the statement of profit or loss in the future, as properties in the projects are transferred to buyers. While the total carrying value of the portfolio has more than doubled as a result of the fair value step-up to market value, there are significant deviations at individual position level, ranging from limited downward adjustments to significant upward adjustments. As a result, the ultimate fair value step-up may differ significantly per project, depending on when and which projects are transferred. The 431 homes that were transferred between 5 September 2023 and 31 December 2023 together resulted in a fair value step-up of € 11.3 million, or over € 26,000 per home. This € 11.3 million will be charged to the underlying EBITDA of € 31 million that Van Wanrooij would have reported before the application of the PPA.

For 2024, Heijmans expects a fair value step-up of € 20,000 to € 26,000 per transferred home, which as explained above will gradually decline to zero in subsequent years after the last home from the existing inventory position has been transferred to a buyer. Percentage-wise, the fair value step-up will therefore have an impact of approximately 33% on Van Wanrooij's gross profit in 2024, and this percentage will decline somewhat each year in subsequent years. In the first year after the acquisition (including four months in 2023 and eight months in 2024), Heijmans will recognise the impact of the write-down of Bouw's order book (€ 6.4 million), as well as the allocation of a one-off retention arrangement with staff amounting to a maximum of € 7 million, as an extraordinary expenses .

As the fair value step-up of the inventory position, as well as the identification of Bouw's order book in the balance sheet, do not take place for tax purposes, a deferred tax liability appears in Van Wanrooij's opening balance sheet. The total deferred tax liability amounts to € 38 million, this being the nominal rate of 25.8% multiplied by the value of Bouw's order book and the total fair value step-up of the development position. € 5 million of this amount is formed at the level of joint ventures valued at net asset value, so this part is not visible in the balance sheet.

The goodwill of € 90.8 million is ultimately the difference between the acquisition price and the fair value of the identifiable assets and liabilities acquired at the time of acquisition. Heijmans will not amortise the goodwill in the future. However, the company will have to perform an annual test to determine whether there is still sufficient earning potential in respect of the goodwill. This test takes place at the level of Van Wanrooij (the cash-generating unit), which will continue independently within Heijmans. The goodwill is due to the fact that the Group expects a stable profit potential, from both the construction-related activities (Bouw, Bevers and de Timmerfabriek) and project development activities (Projectontwikkeling). Goodwill is not deductible for tax purposes.

Acquired receivables

Unless fair value adjustments have been made, the carrying amounts of assets acquired are generally considered to be equal to their fair values. The fair value of acquired trade and other receivables is € 20.7 million, which is equal to the contracted amount.

Revenue and profits

Van Wanrooij's financial results have been consolidated from the acquisition date, this being 5 September 2023. For the period from the acquisition date to 31 December 2023, Van Wanrooij's operations contributed revenue of € 124.7 million to the Group, together with underlying EBITDA of € 20 million and a result after tax of € 9.5 million. Given the high number of land transfers in the last months of the year (431 net, which was more than half the number of transfers in the year), this amount is not representative of the whole of 2023. The amounts have been calculated based on the subsidiary's results and adjusted for differences in accounting policies and exclude the effects of fair value adjustments. The amortisation of Bouw's order book and the impact of the fair value step-up of the land valuations had a negative impact of € 9.9 million on this result after tax.

If the acquisition had been completed on the first day of the financial year, the Group's revenue and profit before tax would have been € 2.3 billion and € 94 million, respectively. For the Heijmans part, these amounts have been calculated in accordance with IFRS standards, while for the Van Wanrooij part they have been calculated in accordance with financial reporting standards accepted in the Netherlands and they have not been adjusted for the differences in accounting policies. No conversion has taken place for this period, because this proved to be impracticable, as the complexity and effort required for such a conversion are significant. This is mainly due to the fact that it is not possible to accurately determine the impact of retrospectively applying alternative conversion policies.

Transaction costs

In 2023, the Group incurred total transaction costs of € 9 million due to the acquisition (€ 12 million including the retention bonus). This amount consists of consultancy costs related to the due diligence process, the closing process (including NMA approval) and transfer tax resulting from the transaction. These costs have been recognised directly in the statement of profit or loss in the period when these costs were incurred. In addition, Heijmans awarded a staff retention bonus of € 7 million, one-third of which has been recognised in the 2023 statement of profit or loss, while the remainder will be recognised in 2024.

6.3 Revenue

The disaggregation of revenue into categories that reflect the nature, the amount, the timing and the uncertainty of revenues and cash flows are affected by economic factors is in line with the segment information per sector.

Revenue per sector

x € 1,000

	2023	2022
Property development	411,794	569,685
Building & Technology	1,075,938	932,513
Infra	800,031	661,219
Van Wanrooij	124,760	0
Elimination	-295,206	-351,209
	2,117,317	**1,812,208**

The revenue from Property Development is primarily related to revenue from residential and property development projects developed by Heijmans for private buyers, amounting to approximately € 296 million (in 2022, approximately € 461 million), and approximately € 116 million (in 2022 approximately € 109 million) for real estate investors and housing associations, generally involving the delivery of both the land and the buildings. Projects for private buyers are usually not started until at least 70% of the homes have been sold. Invoicing of private buyers is in line with the schedule adopted by the SWK (Stichting Waarborgfonds Koopwoningen - Owner-Occupied Housing Guarantee Fund), which is linked to predefined milestones. The first instalment is invoiced when title to the land is transferred. Construction work on projects for property investors and housing associations does not start before the sale has been completed. The invoicing schedule is agreed with each client and, as in the case of private buyers, is generally linked to the completion of milestones, the first instalment being invoiced upon conveyance of the land. Revenue from the land is recognised at the time of conveyance at the notary, while the revenue from the buildings is recognised during the course of the construction period.

The revenue from Van Wanrooij, acquired in September 2023, is mainly related to revenue from residential and real estate projects developed in-house for private buyers of approximately € 89 million (in 2022: nil), and for real estate investors and housing corporations of € 35 million (in 2022: nil), generally involving the delivery of both the land and the buildings. Projects for private buyers are usually not started until at least 70% of the homes have been sold. Invoicing to private individuals is in line with the Woningborg (housing guarantee) schedule that is linked to predefined milestones. The first instalment is invoiced upon delivery of the land. Construction work on projects for property investors and housing corporations does not start until the sale has been completed. Invoicing is agreed with each client and, as in the case of private buyers, is generally linked to the completion of milestones, with the first instalment being invoiced upon conveyance of the land. Revenue from the land is realised at the time of conveyance at the notary, while revenue from the buildings is recognised in the course of the construction period.

The revenue generated by Building & Technology mainly relates to the construction of homes and non-residential buildings and related installation work on behalf of clients in the private sector and the public or semi-public sector, amounting to approximately € 729 million (approx. € 650 million in 2022). Construction only commences when orders have been confirmed. Invoicing is according to a stage-based schedule, which may differ from one contract to another. Revenue is recognised during the course of the construction period. Other work involves service activities on clients' buildings and installations. Revenue from these activities, of approximately € 347 million (approx. € 283 million in 2022), is recognised as and when this service and maintenance work is carried out. A major client for the construction of residential property is Heijmans Property Development, representing internal revenue that is eliminated.

The revenue generated by Infra mainly relates to the construction of roads and other civil engineering works on behalf of public authorities, and amounted to approximately € 494 million (approx. € 438 million in 2022). Construction only commences when orders have been confirmed. Invoicing is according to a stage-based schedule, which may differ from one contract to another. Revenue is recognised during the course of the construction period. Heijmans also carries out service and maintenance work on pieces of infrastructure. Revenue from these activities, of approximately € 306 million (approx. € 223 million in 2022), is recognised as and when this service work are carried out.

In 2023, Heijmans recognised revenue totalling € 196 million (2022: € 185 million) and included this amount in work in the item 'work in progress liabilities' as at 1 January.

In 2023, Heijmans recognised an expense of € 3 million (2022: revenue of € 4 million) related to performance obligations fulfilled in earlier periods.

The amount of the transaction price that has been attributed to performance obligations that have not been fulfilled (in whole or in part) is approximately € 2.6 billion (2022: € 2.2 billion, excluding Van Wanrooij). Of this, approximately 58% will be fulfilled in 2024, 26% in the period 2025 and 2026 and 16% in 2027 and beyond (2022: approximately 53% in 2023, 29% in the period 2024 and 2025 and 18% in 2026 and beyond). The disclosed amounts concern contracted revenue and include only revenue that is highly probable. Revenue generated by contracts for which the unit price but not the volumes has been agreed have not been included in the disclosed amounts. The Group has not made use of the practical option of not disclosing performance obligations forming part of a contract with an originally expected completion date of one year or less.

The Group has not adjusted revenue for significant financing components partly because the period between fulfilment of the performance obligations and payment by the client is less than one year.

6.4 Other operating income

x € 1,000

	2023	2022
Gain on sale of non-current assets and property investments	528	783
Other	1,394	1,027
	1,922	**1,810**

The gain on the sale of non-current assets relates to the sale of plant and equipment. Miscellaneous includes fees for managing sold subsidiaries where the Group is, temporarily or permanently, still performing administrative activities.

6.5 Staff costs, depreciation, and research and development expenses

6.5a Staff costs

Staff costs included in the statement of profit or loss are broken down as follows:

x € 1,000

	2023	2022
Wages and salaries	-379,932	-337,053
Compulsory social insurance contributions	-57,296	-50,277
Defined-contribution plans	-38,312	-35,939
Defined-benefit plans and long-service payments	-2,152	265
	-477,692	**-423,004**

The statement of profit or loss includes an amount of approximately € 3 million (2022: € 2 million) relating to reorganisation provisions.

The staff costs are included in the cost of sales, administrative expenses and selling expenses.

6.5b Number of employees

At year-end 2023, the number of employees stood at a total of 5,487 (including 213 Van Wanrooij employees) (2022: 5,071, excluding Van Wanrooij employees).

6.5c Depreciation

Depreciation and amortisation recognised in the statement of profit or loss is broken down as follows:

x € 1,000

	2023	2022
Depreciation of property, plant and equipment	-12,452	-11,674
Depreciation of right-of-use assets	-29,163	-24,406
Amortisation of intangible assets	-4,337	-4,821
	-45,952	**-40,901**

Depreciation of property, plant and equipment and right-of-use assets is included in the cost of sales and administrative expenses.

Amortisation of intangible assets is recognised under other operating expenses.

6.5d Research & development costs

The costs for research and development recognised in the statement of profit or loss are:

x € 1,000

	2023	2022
Research & development costs	-11,791	-10,375

Research and development costs pertain primarily to digitalisation and industrialisation. Project work also involves research and development activities, which are reflected in the cost of sales. The costs relating to these activities are not included in the figures stated above.

6.6 Other operating expenses

Other operating expenses are broken down as follows:

x € 1,000

	2023	2022
Amortisation of intangible assets	-4,337	-4,821
Income/Charge for Wintrack II provision	13,571	19,000
	9,234	**14,179**

For further details of the Wintrack II provision, see note 6.24 Provisions.

6.7 Finance income and expense

The net financing income and expense is broken down as follows:

x € 1,000

	2023	2022
Interest income	5,809	623
Finance income	**5,809**	**623**
Interest expense	-6,509	-3,223
Interest expense on lease liabilities	-2,794	-2,113
Capitalised financing costs	996	1,748
Other financial results	-217	-1,937
Finance expense	**-8,524**	**-5,525**
	-2,715	**-4,902**

The interest and development costs for land holdings that are under development are capitalised. The applicable interest rate used to determine the financing costs to be capitalised was 3.0% in 2023 (2022: 3.0%).

The cumulative financial expense in 2023 amounted to € 2.7 million (2022: € 4.9 million). From the start of the year until the acquisition date of Van Wanrooij (5 September) Heijmans had a net cash position. During this period, Heijmans placed € 100 million in a short-term deposit account at an interest rate rounded off to 3%. This contributed to a significant increase in interest income. On the acquisition date, the positive cash balance was used to finance the acquisition, together with part of the syndicated loan. This also increased interest expenses compared with the previous year, as the syndicated loan was not used at all in 2022. The other financial result in 2022 was related to a write-down on a long-term receivable related to the completion of a land holding.

No interest has been capitalised on projects under construction.

6.8 Income tax

Recognised in profit or loss:

x € 1,000

	2023	2022
Current tax charges or credits		
Current financial year	-14,558	-9,032
Prior financial years	-43	0
	-14,601	-9,032
Deferred tax charges or credits		
Relating to temporary differences	896	290
Prior financial years	-210	0
Relating to tax loss carryforwards	-8,450	-9,341
Relating to the write-off of a deferred tax asset (charge) or to the reversal of a write-off (credit)	983	4,582
	-6,781	**-4,469**
Total tax charge in the statement of profit or loss	**-21,382**	**-13,501**

The tax charges per country are as follows:

x € 1,000

	2023	2022
Netherlands	-21,382	-13,501
	-21,382	**-13,501**

Analysis of the effective tax rate:

x € 1,000

	2023		2022	
	%	€	%	€
Result before tax		**81,115**		**73,081**
Based on local tax rate	25.8%	-20,928	25.8%	-18,855
Non-deductible interest	0.0%	0	0.2%	-174
Non-deductible expenses, other	2.1%	-1,732	0.8%	-565
Non-taxable revenue in results of investees	0.1%	-72	-1.5%	1,106
Losses not recognised in current financial year and other deferred tax assets and the reversals thereof	0.1%	-43	0.1%	-86
Effect of changes in the tax rate	0.0%	0	0.0%	0
Effect of changes to loss relief rules	0.0%	0	0.0%	0
Prior-year adjustment	0.3%	-253	0.0%	0
Effect of recognising previously unrecognised losses	-1.2%	983	-6.3%	4,582
Effect of miscellaneous/foreign tax rates	-0.8%	663	-0.7%	491
Overall tax burden	**26.4%**	**-21,382**	**18.5%**	**-13,501**

The effective tax rate for 2023 was 26.4% (2022: 18.5%).

The main differences between the effective tax rate and the local tax rate in the Netherlands concern the effect of the recognition of previously unrecognised losses. The other differences concern non-deductible transaction costs related to the Van Wanrooij share transaction, the general restrictions on the deductibility of expenses, the deduction for environmental investments, and the tax exempt results from investees.

The Base Erosion and Profit Shifting Pillar 2 regulations (global minimum tax rate of 15%) came into effect on 1 January 2024 and Heijmans falls within the scope of these regulations. If the aforementioned regulations were effective as at the balance sheet date, the impact on the effective tax burden for 2023 would have been zero. This conclusion is based on an impact analysis of the safe harbour rules. Heijmans is currently preparing to make a full Pillar 2 calculation once the safe harbour rules no longer apply.

6.9 Income tax receivables and payables

x € 1,000

	31/ December/ 2023		**31/ December/ 2022**	
Geographical segment	**Receivables**	**Payables**	**Receivables**	**Payables**
Netherlands	124	6,819	0	1,031
	124	**6,819**	**0**	**1,031**

Income tax receivables relate to outstanding income tax claims for financial years that have not yet been settled and for which excessive provisional assessments were paid. Income tax payables relate to outstanding income tax payments for financial years that have not yet been settled, supplemental to income tax assessments already paid, and taking account of applicable loss relief rules. The receivables and payables in the Netherlands relate to the Heijmans N.V. tax group and the Van Wanrooij Bouwontwikkeling B.V. tax group.

6.10 Property, plant and equipment

Cost

x € 1,000

	Land & buildings	Machinery, installations and large-scale equipment	Other capital assets	Assets under construction	Total
Balance at 1 January 2022	**60,784**	**61,694**	**47,987**	**8,084**	**178,549**
Investments	432	7,060	2,003	12,481	21,976
Disposals	-479	-3,858	-672	0	-5,009
Included in the consolidation	0	4,005	0	0	4,005
Reclassifications	**3**	**9,395**	**893**	**-7,539**	**2,752**
Balance at 31 December 2022	**60,740**	**78,296**	**50,211**	**13,026**	**202,273**
Balance at 1 January 2023	**60,740**	**78,296**	**50,211**	**13,026**	**202,273**
Investments	10,538	14,036	6,748	12,638	43,960
Disposals	-178	-3,150	-8,676	-2,554	-14,558
Included in the consolidation	6,401	2,161	12,187	0	20,749
Reclassifications	426	8,159	22	-7,839	768
Balance at 31 December 2023	**77,927**	**99,502**	**60,492**	**15,271**	**253,192**

Depreciation and impairment losses

x € 1,000

	Land & buildings	Machinery, installations and large-scale equipment	Other capital assets	Assets under construction	Total
Balance at 1 January 2022	**39,530**	**39,570**	**40,417**	**0**	**119,517**
Depreciation	1,343	5,123	5,208	0	11,674
Disposals	-480	-3,236	-742	0	-4,458
Reclassifications	0	1,344	685	0	2,029
Balance at 31 December 2022	**40,393**	**42,801**	**45,568**	**0**	**128,762**
Balance at 1 January 2023	**40,393**	**42,801**	**45,568**	**0**	**128,762**
Depreciation	1,744	7,628	3,080	0	12,452
Disposals	-37	-3,153	-8,641	0	-11,831
Included in the consolidation	604	1,742	6,460	0	8,806
Reclassifications	**0**	**260**	**22**	**0**	**282**
Balance at 31 December 2023	**42,704**	**49,278**	**46,489**	**0**	**138,471**

Carrying amount

x € 1,000

	Land & buildings	Machinery, installations and large-scale equipment	Other capital assets	Assets under construction	Total
At 1 January 2022	21,254	22,124	7,570	8,084	59,032
At 31 December 2022	20,347	35,495	4,643	13,026	73,511
At 1 January 2023	20,347	35,495	4,643	13,026	73,511
At 31 December 2023	**35,223**	**50,224**	**14,003**	**15,271**	**114,721**

As at year end, the contractual obligations relating to the acquisition of property, plant and equipment amounted to € 7.0 million (2022: € 8.0 million).

6.11 Leases

The movements in right-of-use assets were as follows:

x € 1,000

2023	01 January 2023	Included in the consolidation	Depreciation	Additions	Changes in lease period and other changes	31/December/ 2023
Office buildings	38,691	8,488	-9,750	201	3,257	40,887
Vehicle fleet	26,169	637	-13,876	26,458	563	39,951
Other equipment	7,125	0	-5,537	5,332	1,845	8,765
Total	**71,985**	**9,125**	**-29,163**	**31,991**	**5,665**	**89,603**

2022	01 January 2022	Included in the consolidation	Depreciation	Additions	Changes in lease period and other changes	31/December/ 2022
Office buildings	38,869	-8,569	2,185	6,206	38,691	
Vehicle fleet	25,895	-11,262	11,985	-449	26,169	
Other equipment	8,870	-4,575	2,298	532	7,125	
Total	**73,634**	**-24,406**	**16,468**	**6,289**	**71,985**	

The amounts in the column headed 'Changes in lease period and other changes' are connected with lease renewals and rent increases.

The movement in the lease liabilities was as follows:

x € 1,000

2023	01 January 2023	Included in the consolidatioin	Additions	Lease payments	Interest	Changes in lease period and other changes	31/December/ 2023
Office buildings	38,139	8,488	201	-10,977	1,269	2,501	39,621
Vehicle fleet	26,679	637	26,458	-14,816	1,113	633	40,704
Other equipment	7,372	0	5,332	-6,076	412	2,528	9,568
Total	**72,190**	**9,125**	**31,991**	**-31,869**	**2,794**	**5,662**	**89,893**

2022	01 January 2022	Additions	Lease payments	Interest	Changes in lease period and other changes	31/December/ 2022
Office buildings	38,232	2,064	-9,727	1,193	6,377	38,139
Vehicle fleet	26,465	11,886	-11,772	617	-517	26,679
Other equipment	8,987	2,298	-4,952	303	736	7,372
Total	**73,684**	**16,248**	**-26,451**	**2,113**	**6,596**	**72,190**

The maturity of the lease liabilities (based on due dates of the lease instalments) per category of underlying asset can be analysed as follows:

x € 1,000

31/December/2023	Total lease instalments payable	< 1 year	1-5 years	> 5 years
Office buildings	45,358	8,355	30,748	6,255
Vehicle fleet	42,860	15,896	26,866	98
Other equipment	10,099	5,124	4,939	36
Total	**98,317**	**29,375**	**62,553**	**6,389**

31/December/2022	Total lease instalments payable	< 1 year	1-5 years	> 5 years
Office buildings	43,932	10,276	26,992	6,664
Vehicle fleet	27,544	11,332	16,212	0
Other equipment	7,797	3,411	4,182	204
Total	**79,273**	**25,019**	**47,386**	**6,868**

The Group is committed to meeting future lease obligations as at the reporting date that are still on order; this amounted to approximately € 11 million in 2023 (2022: € 0 million).

The interest expense on the lease liabilities in 2023 amounted to € 2.8 million (2022: € 2.1 million).

In 2023, the cost of short-term leases for which right-of-use assets have not been recognised amounted to € 109 million (2022: € 94 million). This is largely related to short-term equipment rental on projects.

The total cash outflow relating to leases amounted to € 143 million in 2023 (2022: € 123 million). This includes the aforementioned short-term rental of equipment on projects.

The weighted average incremental borrowing rate that was to determine the amount of the liability was 4% in 2023 (2022: 3%).

6.12 Intangible assets

Intangible assets consist of goodwill and other identifiable intangible assets.

Cost

x € 1,000

	Goodwill	Overig immaterieel actief	Totaal
Balance at 1 January 2022	**156,971**	**46,003**	**202,974**
Included in the consolidation	5,905	4,605	10,510
Investments	1,400	1,076	2,476
Balance at 31 December 2022	**164,276**	**51,684**	**215,960**
Balance at 1 January 2023	**164,276**	**51,684**	**215,960**
Included in the consolidation	90,853	6,400	97,253
Investmensts	0	1,342	1,342
Balance at 31 December 2023	**255,129**	**59,426**	**314,555**

Impairment losses and amortisation

x € 1,000

	Goodwill	Identifiable intangible assets	Total
Balance at 1 January 2022	**88,581**	**40,804**	**129,385**
Impairments	1,400	2,100	3,500
Amortisation	-	1,321	1,321
Balance at 31 December 2022	**89,981**	**44,225**	**134,206**
Balance at 1 January 2023	**89,981**	**44,225**	**134,206**
Impairments	0	0	0
Amortisation	-	4,337	4,337
Balance at 31 December 2023	**89,981**	**48,562**	**138,543**

Carrying amount

x € 1,000

	Goodwill	Identifiable intangible assets	Total
At 1 January 2022	**68,390**	**5,199**	**73,589**
At 31 January 2022	74,295	7,459	81,754

At 1 January 2023	74,295	7,459	81,754
At 31 December 2023	**165,148**	**10,864**	**176,012**

The composition of the carrying amount for goodwill and other intangible assets at year-end 2023 is as follows:

Acquisition

x € 1,000

		2023		2022	
	CGU	Goodwill	Identifiable intangible assets	Goodwill	Identifiable intangible assets
IBC (Nl-2001)	Building & Technology	21,207	-	21,207	-
Burgers Ergon (Nl-2007)	Building & Technology	31,107	3,108	31,107	4,129
Dynniq Energy (NL-2022)	Infra	5,905	-	5,905	-
Van Wanrooij (NL-2023)	Van Wanrooij	90,853	4,267	-	-
Other	Infra/Holding	16,076	3,489	16,076	3,330
Carrying amount at 31 December 2023		**165,148**	**10,864**	**74,295**	**7,459**

Other goodwill is mainly related to the cash-generating unit (CGU) Infra (€ 13 million). Other intangible assets is mainly related to assets created in-house, software licences and the fair value of the Van Wanrooij's order book.

In 2022, the Group acquired Van Wanrooij. Heijmans performed a provisional purchase price allocation in 2023 and will make this definitive in 2024. The goodwill of € 90.9 million is the difference between the purchase sum and the fair value of the net identified assets acquired. These assets have been re-measured to market value as part of the purchase price allocation. At Van Wanrooij, this resulted in a substantial fair value step-up of the inventory of land holdings. The remaining goodwill is explained by the fact that the Group has increased its position in property development and construction with this acquisition. Van Wanrooij is an extremely profitable company with a positive outlook, which is in good proportion to the size of the goodwill. The fair value of the order book of Van Wanrooij Bouw amounted to € 6.4 million at the moment of the acquisition on 5 September 2023 and has been recognised under Other intangible assets and will be amortised within one year. See also note 6.2 Business combinations.

The remaining amortisation term for the intangible asset that was part of the Burgers Ergon acquisition was three years at year-end 2023, with an annual amortisation charge of € 1.0 million.

The amortisation of the other intangible assets is recognised in the statement of profit or loss under Other operating expenses.

Impairment tests

Goodwill is tested annually for impairment, based on the relevant cash-generating unit. For an explanation of the calculation of the recoverable amount, reference is made to the accounting policies.

The impairment tests are based on the valuation using the discounted cash flow method. Future cash flows are discounted using the post-tax WACC. The WACC in 2023 was 9.6% (2022: 9.2%). The WACC is calculated using various components on the basis of publicly available information. This includes macro-economic indicators, as well as data from other listed companies used as a peer group.

The value in use of the cash-flow generating business units is based on their expected future cash flows. The 2024 and 2025 budget is the basis for the cash flow projection. Revenue and gross margin in the budget are based on the order book, past experience and strategic ambitions. For the period from 2026 to 2030, a growth rate of 1.2% (2022: 0%) is assumed, based on estimates for economic growth in the Netherlands. For the period after 2030 (the so-called terminal value in the discounted cash flow method), a growth rate of 0% (2022: 0%) is assumed. The gross margin for the period after 2026 was assumed to be constant from a conservative point of view and based on an average of the budget and past margins.

A sensitivity analysis was performed at Building & Technology and Infra on the basis of three significant key parameters that have an impact on Goodwill impairment: WACC, growth rate and gross margin. With respect to the relevant cashflow generating units, changes that can reasonably be expected in key variables would not result in an impairment.

Heijmans acquired Van Wanrooij on 5 September 2023 and subsequently carried out a provisional purchase price allocation (PPA) in which it determined Van Wanrooij's goodwill. In this purchase price allocation, the company's assets were valued and the difference between the market value and acquisition price is the goodwill. The results realised 2023, the outlook for 2024 and market developments have developed positively between the valuation date and year-end, so there is no impairment trigger.

6.13 Joint ventures and associates

The interests in joint ventures and investments in associates included in the statement of financial position breaks down as follows:

x € 1,000

	2023	2022
Joint ventures	96,372	68,863
Associates	4,475	4,185
Total	**100,847**	**73,048**

6.13a Joint ventures

The reconciliation of the Group's interests in joint ventures, as recognised in the statement of financial position, including equity is shown below:

x € 1,000

	2023	2022
Interest in the capital of Property Development joint ventures	75,573	50,023
Interest in the capital of other joint ventures	20,152	18,474
	95,725	**68,497**
Negative asset values recognised in other provisions	647	366
Total	**96,372**	**68,863**

The amounts presented below are the Group's shares in the results from continuing operations in joint ventures:

x € 1,000

	2023	2022
Share of the net result of Property Development joint ventures	-258	-646
Share of the net result of other joint ventures	2,396	7,452
Total	**2,138**	**6,806**

The property development joint ventures (in 2023, including Van Wanrooij's property development joint ventures) in which the Group participates recorded revenue of € 51 million in 2023 (2022: € 65 million). In total, these joint ventures have inventories of € 65 million (2022: € 56 million), mainly in the form of land holdings. The aforementioned amounts relate to the Group's share. The Group acquired land from these joint ventures for € 11 million (2022: € 7 million).

The item Other joint ventures includes projects carried out on a consortium basis. In addition, this item includes an asphalt joint venture (AsfaltNu). In 2023, the Group acquired asphalt for € 32 million (2022: € 23 million) from this joint venture, which was set up in late 2020.

In a number of joint ventures, there are limits on the payout of dividends, often depending on the preference specified for repayment of the debts of the joint ventures concerned. The reserves that cannot be distributed as a result of these limits were approximately € 10 million (2022: € 10 million).

The Group undertook no commitments to joint ventures in 2023 (2022: none) relating to the granting of subordinated loans if certain conditions are met. Apart from the commitments and contingent liabilities disclosed in notes 6.27 and 6.28 below, the Group has no commitments or contingent liabilities related to joint ventures.

In 2023, the Group recognised a total of € 6 million in trade and other receivables due from joint ventures (2022: € 3 million) and recognised a total of € 3 million in trade and other payables to joint ventures (2022: € 4 million). Heijmans also granted loans to joint ventures (see note 6.14).

6.13b Associates

The amounts shown below concern the interests of the Group in the equity and results from continuing operations of associates:

x € 1,000

	2023	2022
Interests in the equity of associates	4,475	4,185
Interests in the net results of associates	706	263

6.14 Loans granted to joint ventures and other receivables

x € 1,000

	2023	2022
Loans granted to joint ventures	9,096	8,742
Other long-term lending	1,836	1,022
Deposits	25,633	0
Balance at 31 December	**36,565**	**9,764**

The guarantee amounts stem from the acquisition of Van Wanrooij and are related to prepayments already made on land purchases where ownership has not yet been transferred. Additional preparation costs were also incurred for these development positions, which were also subjected to a fair value step-up as part of the purchase price allocation. These additional costs and the fair value step-up have been recognised under inventories.

None of the loans granted falls due within one year (2022: € 1 million), € 1 million falls due between one and five years (2022: € 1 million) and € 7 million falls due after more than five years, including those with indefinite maturity (2022: € 7 million). The weighted average interest rate is approximately 4.8% (2022: 1.6%). The loans are repayable and are secured by pledged assets and by cash flows from projects being carried on by the joint ventures concerned. An appraisal has been made of the expected credit losses on the loans granted. There were no material implications for the carrying amounts.

6.15 Deferred tax assets and liabilities

The net amount of the deferred tax assets and liabilities related to temporary differences between the carrying amounts for tax purposes and for reporting purposes of items in the statement of financial position, together with recognised tax-loss carry-forwards, can be broken down as follows:

	Receivables 31 December		Payables 31 December		Net amount 31 December	
	2023	2022	2023	2022	2023	2022
Property, plant and equipment	2,511	2,767	-	-	2,511	2,767
Inventory	0	0	29,149	0	-29,149	0
Right-of-use assets	23,915	18,831	23,119	18,118	796	713
Intangible fixed assets	-	-	1,644	756	-1,644	-756
Employee benefits	4,679	4,780	-	-	4,679	4,780
Other items	0	0	-	-	0	0
Recognised tax-loss carryforwards	13,266	20,943	-	-	13,266	20,943
Deferred tax assets and liabilities	**44,371**	**47,321**	**53,912**	**18,874**	**-9,541**	**28,447**
Set-off of deferred tax assets and liabilities	-24,662	-18,874	-24,662	-18,874	-	-
Net deferred tax assets and liabilities	**19,709**	**28,447**	**29,250**	**0**	**-9,541**	**28,447**

The movement in the statement of financial position of the deferred tax assets and liabilities in 2023 breaks down as follows:

x € 1,000

	Net amount at 31 December 2022	Recognised in income tax	Recognised in other comprehensive income	Other movements	Net amount at 31 December 2023
Property, plant and equipment	2,767	-256	-	-	2,511
Inventory	0	2,506	0	-31,655	-29,149
Right-of-use assets/lease liabilities	713	83	-	-	796
Intangible assets	-756	763	0	-1,651	-1,644
Employee benefits	4,780	-2,200	2,099	0	4,679
Other items	0	0	-	-	0
Recognised tax-loss carryforwards	20,943	-7,677	0	0	13,266
Total	**28,447**	**-6,781**	**2,099**	**-33,306**	**-9,541**

The movement in the statement of financial position of the deferred tax assets and liabilities in 2022 breaks down as follows:

x € 1,000

	Net amount at 31 December 2021	Recognised in income tax	Recognised in other comprehensive income	Other movements	Net amount at 31 December 2022
Property, plant and equipment	2,979	-212	-	-	2,767
Inventory	0	0	0	0	0
Right-of-use assets/lease liabilities	609	104	-	-	713
Intangible assets	-1,328	985	0	-413	-756
Employee benefits	5,354	-587	13	0	4,780
Other items	0	0	-	-	0
Recognised tax-loss carryforwards	25,509	-4,759	0	193	20,943
Total	**33,123**	**-4,469**	**13**	**-220**	**28,447**

6.15a Measurement of deferred tax assets

At year-end 2023, the recognised loss carry-forward stood at € 13.3 million (2022: € 20.9 million). The recognised loss carry-forwards relate almost entirely to the Dutch tax group Heijmans N.V. The utilisation of tax loss carry-forwards changed on 1 January 2022. Under the new loss relief rules, from the financial year 2022 it has only been possible to utilise 50% of profits above € 1 million against past losses. On the other hand, from the financial year 2022 it is possible under the new loss relief rules to carry forward all losses against future profits indefinitely.

A deferred tax asset is recognised to the extent that it is probable, based on forecasts, that sufficient future taxable profits will be available to be utilised for the realisation of the deferred asset. The majority of activities are performing as planned. The forecasts are based on the order book, the 2023 business plan, and the long-term forecast, which are also the basis for the measurement of the recoverable amount of goodwill (impairment tests). The long-term forecast is based on the assumption that the average EBIT margin of the Dutch tax group with grow slightly. A factor inherent in the measurement of the deferred tax assets is that the utilisation of losses depends on the realisation of the 2024 business plan and the long-term forecasts, which are the Group's best estimates. Based on the projected results for 2024 through 2026 and the current tax rate of 25.8%, there will be sufficient taxable profits over the next few years to enable the Group to realise the tax asset recognised as at 31 December 2023.

The netting of deferred tax assets with deferred tax liabilities is allowed as long as there is a legally enforceable right to set off current tax assets against current tax liabilities, together with an intention to do so, and the deferred taxes relate to income taxes levied by the same tax authority for the same entity or for the same tax unit. The deferred tax asset has not been netted with the deferred tax liability because they are not attributable to the same tax unit.

The movement in the deferred tax assets was as follows:

x € 1,000

	2023	**2022**
Balance at 1 January	20,943	25,509
Effect of changes in the tax rate	0	0
Prior-year adjustment	-210	193
Charge for the financial year	-8,450	-9,341
Recognition of previously unrecognised losses	983	4,582
Impact of new loss relief rules	0	0
Balance at 31 December	**13,266**	**20,943**

6.15b Measurement of deferred tax liabilities

For determining the amount of the deferred tax liabilities, the value for tax purposes of the construction work in progress in the Netherlands (including residential building projects) is treated as being equal to the value under IFRS.

Deferred tax assets or liabilities are recognised for any temporary differences originating at subsidiaries, joint operations or joint ventures. In 2023, Heijmans completed the acquisition of Van Wanrooij. The application of IFRS 3 resulted in the fair value adjustment of intangible assets (€ 6 million) and inventories and strategic land holdings (€ 123 million at Heijmans and € 19 million at joint ventures, taking the total to € 142 million). This positive difference of € 148.4 million from the carrying amount of the acquired assets results in an increase in the tax base of those assets. The future reversal of this difference gives rise to a deferred tax liability of € 38 million, with € 33 million of this capitalised at Heijmans and € 5 million capitalised at joint ventures on the opening balance sheet in September 2023.

The majority of the deferred tax liabilities have a term of more than one year.

Tax losses not recognised in the statement of financial position

At year-end 2023, the tax losses not recognised in the statement of financial position amounted to € 44.8 million (2023: € 43.4 million). These are primarily related to Dynniq Energy BV, which was acquired in 2022 (2023: € 1.7 million) and three foreign subsidiaries (in Belgium and Germany) that perform no operational activities (2023: € 42.6 million). These unrecognised tax losses can be carried forward indefinitely and do not expire.

6.16 Inventories

x € 1,000

	31 december 2023	31 december 2022
Strategic land holdings	158,583	78,518
Residential property in preparation and under construction	208,082	80,358
Other inventories	22,527	13,981
Total	**389,192**	**172,857**
Carrying amount of inventories pledged as security	**42,015**	**39,104**

Strategic land holdings

The strategic land holdings are measured at cost or net realisable value if lower. The net realisable value of these holdings may be either the direct realisable value or the indirect realisable value. The net realisable value depends on the expected manner and time horizon of realisation and in most cases, therefore, is measured using an indirect realisable value method. The indirect realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, the expected cash flows usually being discounted to net present value using a discount rate of 5% unless a different rate has been agreed, for example on the basis of favourable financing arrangements available within a joint undertaking. In fixing the discount rate, account is taken of the expected capital structure, operational risks and specific circumstances affecting Heijmans or the project concerned.

Determining the indirect realisable value involves the use of judgements and estimates. The strategic land holdings are affected by several elements of uncertainty, such as demographic changes, location and details and implementation of development plans and administrative decisions, with as local a focus as possible. This provides a location-specific forecast of developments in land and house prices and other variables, which ultimately determine the indirect revenue value of the land holdings. The Group makes a comprehensive internal assessment of the value of its land holdings twice a year.

In general, the risk of deviations from the judgements and estimates is greater for strategic land holdings without planning permission than for those with. Moreover, this risk keeps increasing the longer the expected delay is before the start of development.

In 2023, the net realisable value of the strategic land holdings was calculated and compared with the carrying amount. This did not result in a write-down (2022: zero). Nor was there a write-down in a joint venture (2022: € 4.1 million).

For more information on the pledging of land holdings in connection with the financing agreements, see note 6.22.

In 2023, the inventory included € 9.7 million (2022: nil) for a number of homes that have been completed/delivered but had not yet been sold.

Term

In principle, the strategic land holdings and the residential property in preparation and under construction have terms of more than 12 months after the reporting date (mostly two to 10 years). In principle, the other items have a term of less than 12 months.

Impact Van Wanrooij acquisition

With the acquisition of Van Wanrooij, Heijmans expanded its inventory of development positions by approximately 14,000 homes divided between strategic land positions and homes in preparation and under construction. In the context of the purchase price allocation, the development positions have been valued at market value. The total inventory of development positions was assigned a market value as at 5 September of € 259 million, which represented a fair value step-up of €142 million as at that date. This € 259 million was recognised partly on balance sheet (in consolidation) and partly off balance sheet (in joint ventures). In addition, part of the inventory of development positions also consists of work in progress and is partly classified under guarantee deposits. For a breakdown of these items, please see the table in section 6.2.

Between 5 September and 31 December, the strategic land holdings were increased by € 9 million to € 68 million. The Van Wanrooij acquisition therefore explains most of the € 80 million increase in strategic land holdings. Homes in preparation and under construction fell by € 18 million to € 139 million in the same period. This decrease was partly (€ 8.7 million) due to the high number of home transfers in this period and partly (€ 9.7 million) due to the partial release of the fair value step-up. Total homes in preparation and under construction increased by € 128 million in 2023 and this amount was therefore more than fully explained by the acquisition of Van Wanrooij.

6.17 Work in progress

x € 1,000

	31 december 2023	31 december 2022
Performance obligations fulfilled and transferred to clients (in practical terms, this item comprises realised revenue based on percentage of completion)	3,593,067	3,057,297
less: Invoiced instalments	-3,758,456	-3,183,062
Balance of work in progress	**-165,389**	**-125,765**
Work in progress assets (positive balance of work in progress)	139,215	95,645
Work in progress liabilities (negative balance of work in progress)	-304,604	-221,410
Balance of work in progress	**-165,389**	**-125,765**

The project owner and the management of the unit involved perform a periodic assessment of the carrying amount of work in progress for each project. This assessment is essentially performed on the basis of the figures in the project files, the project accounts and the knowledge and experience of those involved. Inherent in this process and the project-related activities is that estimates have to be made and that the Group is involved in negotiations and discussions related to the financial progress of projects, such as contract savings or extras, claims, incentives and penalties, completion dates and the quality standard of the work. It may turn out at a later stage that actual results differ from the estimates. This will be particularly true for long-term projects that include considerable custom-made work. It can also occur if there are unsettled claims or discussions with clients about additional work that are still ongoing on the reporting date. For further details on a number of specific projects, see note 6.30 Management estimates and judgements.

The degree of uncertainty surrounding these estimates will be greater the more:

- types of contract and associated specific agreements involve increased risks for the Group. In a DC (Design and Construct) contract, for example, the Group also assumes the design risk. DBMO (Design, Build, Maintain, Operate) contracts also include responsibility for maintenance and operation;
- projects are still at the design stage. It is possible for substantial changes to occur in the process of turning a provisional design into the final design, leading to both upward and downward adjustments compared with the initial projection.

Projects also entail opportunities and risks during execution. For example, there may be extra work, claims or unforeseen circumstances, potentially for the account of the Group.

A variable consideration is only recognised if it is highly probable that a significant revenue reversal will not occur:

- Revenue from additional work is included in the overall contract revenue if the client has accepted the sum involved in any way.
- Claims and incentives are recognised in the amount for work in progress when they derive from enforceable rights, it is highly probable that they will lead to revenue and can be reliably measured.
- Unless it is highly unlikely that a penalty will be applied, the amount of any penalties will be deducted from the revenue.

Bonuses are recognised as revenue from work in progress if the project is far enough advanced and it is highly probable that the performance indicators specified will be met (and it is highly probable that no significant reversal will occur), and the bonus amount can be reliably determined. If the bonus can only be received after expiry of a predetermined period following completion of the project, then that bonus is only recognised when it is highly probable that the bonus will be received (and it is highly probable that no significant reversal will occur).

Work in progress assets is related to the right to a consideration in respect of work on projects carried out and transferred to the client. As at year-end 2023, this item amounted to € 139 million (2022: € 96 million). No material amounts in respect of expected credit losses have been deducted from this amount.

Work in progress liabilities is related to the obligation to carry out work on projects for clients for which the Group has received a consideration from the client (or the client owes that amount). This means that in practice the invoiced instalments run ahead of the project revenue, so on balance the work is funded in advance by the client. As at year-end 2023, this item amounted to € 305 million (2022: € 221 million).

Work in progress assets and liabilities generally have a term of less than 12 months.

Work in progress assets and liabilities do not include any items of a material nature relating to marginal costs for securing or fulfilling a contract.

6.18 Trade and other receivables

x € 1,000

	31 december 2023	31 december 2022
Trade receivables	196,186	201,113
Amounts still to be invoiced on concluded projects	11,520	15,140
Receivables from joint operations	7,529	9,383
Prepayments	9,364	5,847
Other receivables	4,627	7,884
Total trade and other receivables	**229,226**	**239,367**

Trade and other receivables are presented after deduction of impairment losses. No material impairment losses have been deducted from the amounts still to be invoiced on concluded projects. The write-down for expected bad debts is recognised in the statement of profit or loss under administrative expenses. At year-end 2023, the Group set aside a provision of € 0.8 million for the impairment of trade receivables (2022: € 0.6 million). For an analysis of the movements in this provision, see note 6.26 Financial risks and risk management.

Trade and other receivables are mainly short-term.

6.19 Cash and cash equivalents

x € 1,000

	31 december 2023	31 december 2022
Bank balances	37,035	230,539
Cash in hand	0	0
Funds in blocked accounts	3,349	6,473
Total cash and cash equivalents	**40,384**	**237,012**

Cash is utilised to reduce the Group's financing to the extent contractually and practically permitted, for example, by making the balances concerned part of notional cash pool arrangements.

6.19a Restricted cash and cash equivalents

Of the total cash and cash equivalents, € 58 million (2022: € 30 million) is held by joint ventures. This amount was higher in 2023, due in part to the fact that the acquisition of Van Wanrooij increased the number of joint ventures in property development projects. Heijmans was also involved in several joint ventures in large infrastructure projects with high cash positions at the end of the year. These cash and cash equivalents are exclusively available in consultation with the joint venture partners concerned.

The funds in blocked accounts, amounting to € 3 million (2022: € 6 million) are primarily related to the obligatory G accounts (guarantee accounts) held pursuant to the Dutch Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act.

6.20 Equity

Paid-up and called-up share capital

In thousands of ordinary shares	2023	2022
Outstanding at 1 January	23,553	22,760
Shares issued in May 2023/2022	973	793
Shares issued in September 2023	2,300	0
Outstanding at 31 December	**26,826**	**23,553**

Refer to statement 2b for disclosures on the changes in equity, and to the Company financial statements for disclosures on the authorised share capital, the statutory reserve for investees, the appropriation of results and other figures.

6.21 Earnings per share

Basic earnings per ordinary share

In 2023, earnings after tax per weighted average share amounted to € 2.40 (2022: € 2.57). The calculation is based on the result after tax attributable to the holders of ordinary shares or depositary receipts for ordinary shares and the weighted average number of ordinary shares that were outstanding during 2023.

Result attributable to holders of ordinary shares (all operations)

x € 1,000

	2023	2022
Result attributable to holders of ordinary shares after tax	**59,733**	**59,580**

Weighted average number of ordinary shares

In thousands of shares	2023	2022
Ordinary shares outstanding on 1 January	23,553	22,760
Effect of share issue in May 2023/ 2022	568	463
Effect of share issue in September 2023	812	-
Weighted average number of ordinary shares at 31 December	**24,933**	**23,264**

Diluted weighted average number of shares

In thousands of shares	2023	2022
Weighted average number of ordinary shares at 31 December	24,933	23,223
Dilution effect related to the award of deferred bonus shares under the Bonus Investment Share Matching Plan.	24	26
Weighted average number of ordinary shares at 31 December after dilution effects	**24,957**	**23,249**

The calculation of earnings after tax per ordinary share in 2023 is based on the weighted average number of ordinary shares during the year, which was 24,933 thousand. The calculation of diluted earnings after tax per ordinary share takes into account the dilution related to the award of 24 thousand deferred bonus shares under the Bonus Investment Share Matching Plan (see note 6.29).

Dividend distributed per ordinary share in the financial year

In 2023, Heijmans paid out a dividend of € 1.01 per share (2022: € 0.88).

6.22 Interest-bearing loans and other financing liabilities

Heijmans has various financing arrangements in place, both at group and project level. In terms of size, the most material is the syndicated bank financing facility. This facility was expanded and extended in 2023 with a view to and immediately prior to the acquisition of Van Wanrooij. The original financing facility of € 117.5 million was committed until the end of 2025. The new financing facility has been extended by € 140 million to € 257.5 million and runs until 1 September 2028 and consists of the following components:

- Term Loan amounting to € 80 million repayable on a straight-line basis over four years, with € 75 million remaining at the end of 2023 (see 6.22a).

- Revolving credit facility in the amount of € 177.5 million, € 30 million of which is in the form of a current account facility (see 6.22b).

Established securities

At the time of the refinancing in 2023, no changes were agreed to the collateral package provided to financiers. These securities are recorded in pledges, with an intercreditor agreement regulating in what situations and in what way securities can be recovered. As long as Heijmans continues to comply with the banking covenants, including the financial covenants (see 6.22c), these situations do not arise.

The securities established consist of pledged receivables, bank accounts and any insurance proceeds. This criterion only applies insofar as Heijmans is the 100% owner of the companies concerned and, measured by revenue, at least 95% of the revenue must be represented by the subsidiaries that co-sign the financing facility (the so-called guarantor cover). Finally, the financiers have established mortgage securities on a number of historical land holdings with a carrying amount of € 42 million at year-end 2023. These securities will be released as the land holdings are developed.

The total breakdown of interest-bearing loans and other financing liabilities is shown below:

x € 1,000

31 December 2	Non-current portion	Current portion	Total
Linear loan	53,786	20,000	73,786
Syndicated bank financing	-	-	0
Project financing	10,465	1,689	12,154
Other non-current liabilities	1,233	134	1,367
Current account overdrafts with credit institutions	-	-	0
Total liabilities	**65,484**	**21,823**	**87,307**

x € 1,000

31 December 2022	Non-current portion	Current portion	Total
Syndicated bank financing	-	-	0
Project financing	10,049	1,690	11,739
Other non-current liabilities	2,087	134	2,221
Current account overdrafts with credit institutions	-	-	0
Total liabilities	**12,136**	**1,824**	**13,960**

6.22a Term loan

As a result of the acquisition of Van Wanrooij, Heijmans moved from a net cash position to a net debt position on balance. In concrete terms, this meant that Heijmans had to use the syndicated bank financing facility again after several years. For a construction company, the extent to which it has to drawn on financing very much depends on the working capital development, which can fluctuate greatly in the course of a single year due to seasonal patterns. The refinancing related to the acquisition involved two distinct components: a Term Loan and a revolving credit facility, as the revolving credit facility offers more flexibility to cope with the fluctuations in working capital. For the part expected to be drawn down throughout the year, Heijmans concluded an acquisition financing facility in the form of a Term Loan.

The Term Loan was provided in equal parts by ABN Amro, ING and Rabobank. The Term Loan had a size of € 80 million at acquisition and is repayable quarterly on a straight-line basis over four years. Heijmans made the first repayment on 31 December 2023, bringing the outstanding amount at year-end 2023 to € 75 million, less € 1 million in capitalised financing expenses. In terms of interest conditions, the three-month Euribor base rate plus a margin surcharge depends on the outcome of the leverage ratio and lies between 2.0% and 3.0% (margin grid). If the Leverage ratio is less than 0.5 - which was the case prior to the acquisition - the lowest step of the grid applies. In 2023, as well as in 2024, the outcome of the Leverage ratio is expected to be in a range of 0.5 to 1.5. The margin in that case will be 2.25% or 2.50%. Heijmans may make voluntary early repayments on the Term Loan at any time.

6.22b Revolving credit facility

The revolving credit facility amounted to € 177.5 million at year-end 2023. This amount is fully committed until 1 September 2028 on the understanding that from 30 September 2027 the total commitment will be reduced in four quarters on a straight-line basis to € 150 million. Of this facility, € 30 million has been provided in the form of a committed current account facility with ING Bank. ABN Amro Bank and Rabobank (each) provided € 52.5 million of the remainder of the revolving credit facility, while ING Bank provided € 42.5 million. A feature of the revolving credit facility (and thus the current account facility) is that the facility can be used according to need. The revolving character ensures that repaid amounts are available again in the future within the limits of the total commitment, enabling Heijmans to absorb working capital fluctuations during the year.

In terms of interest conditions, the basic interest rate is one-month Euribor plus a margin that depends on the outcome of the leverage ratio and lies between 1.9% and 2.9%. In 2023, and expected also in 2024, the margin premium will be 2.15% or 2.40%. The unused portion of the revolving credit facility is subject to a commitment fee linked to the margin payable. The revolving credit facility can be voluntarily reduced prematurely at any time.

- The margin grid is linked to a bonus/malus system of plus or minus five basis points on the basis of four sustainability criteria. In effect, Heijmans is raising its sustainability ambitions by committing to improvements in terms of reducing (CO_2) emissions, the number of accidents (drop in IF rate), the average CO_2 emissions of the homes it delivers, and increasing the share of electric cars in its total fleet. Heijmans had achieved two of the four criteria by year-end 2023, which means the company obtained a malus of 2.5 basis points and that at the start of 2024 the applicable margin was set at 212.5 basis points for the revolving credit facility and at 222.5 basis points for the Term Loan. The targets that were not achieved in 2023 was the CO_2 reduction for Heijmans as a whole and the safety aspect. Heijmans' target was a 25% reduction in CO_2 emissions compared to 2020 in terms of absolute emissions, and this came in just slightly lower at 24.6%. The IF rate as a measure of safety was higher in 2023, while Heijmans was targeting a reduction.
- It should be noted that at the time of the acquisition of Van Wanrooij, Heijmans did not yet have sufficient insight into Van Wanrooij's score in terms of the agreed sustainability criteria. For that reason, it was agreed that Heijmans has until the annual results for 2024 to map out these scores, and on that basis to agree adjusted sustainability objectives with the banks, including Van Wanrooij's contribution.

6.22c Bank covenants related to the syndicated facility

The syndicated facility is subject to several covenants, consisting of information obligations, general obligations and minimum financial requirements (so-called financial covenants). If Heijmans fails to meet these financial covenants, the facility is repayable on demand. The financial covenants are measured on the basis of the reported figures based on IFRS. Certain matters are subject to adjustments, for instance if project financing is on a non-recourse basis. The covenants will also be adjusted for IFRS 11, which means that Heijmans will not use the equity method for joint ventures but will instead report financial results on the basis of proportionate recognition.

The covenants are subject to a solvency ratio, which is measured at the end of each year to check whether this meets the required minimum of 21%. This is the solvency ratio reported in the annual report on the basis of capital base. As the cumulative financing preference shares B were fully redeemed (in 2022), the capital base is the same as group equity. The covenants are also subject an interest cover ratio, calculated at the end of each quarter and a minimum value of five is required. In addition, a leverage ratio is also calculated each quarter and this must not exceed three. The interest cover ratio is calculated by dividing EBITDA (earnings before interest, tax, depreciation and amortisation) by net interest expenses, with both criteria calculated over the past 12 months. The leverage ratio is obtained by dividing net debt by EBITDA, with both criteria calculated over the past 12 months. The definitions of these items include several adjustments to the reported figures, as agreed with the bank consortium in the credit agreement. Significant adjustments compared with the net debt for accounting purposes are an increase in respect of the net debt from joint ventures and certain project financing arrangements where there is no recourse against Heijmans. Significant adjustments compared with the EBITDA for accounting purposes are related to the capitalised interest, results related to business units that have been sold off, fair value adjustments, restructuring costs and EBITDA results from joint ventures. The main adjustment to the net interest expense for accounting purposes is related to the exclusion of interest expense on non-recourse project financing. Heijmans operated well within the agreed covenants throughout the year.

Compliance with the covenants is actively monitored within Heijmans. Based on the 2024 business plan and its solid financial starting position at year-end 2023, the Group expects to be able to continue operating well within the covenants in the year ahead, the key parameters here being the developments in terms of EBITDA and net debt. Changes in the net debt position are a function of fluctuations in working capital, which are due to seasonal effects and fluctuations driven by specific projects. The working capital requirement is generally higher during the course of the year than at year-end, and this can lead to an increase in net debt by as much as € 25-75 million. Heijmans funds these fluctuations in working capital via the headroom offered by the revolving credit facility.

Amounts x €1 million		2023	2022
	Note		
Interest-bearing debt	6.22	87.3	13.9
Lease liabilities (IFRS 16 Leases)	3.	89.9	72.2
Cash and cash equivalents	6.19	-40.4	-237.0
Net debt		**136.8**	**-150.9**
Adjustments for:			
Net debt of joint ventures		4.8	12.1
Non-recourse net debt for project financing		-18.3	-23.6
Cumulative financing preference shares B	6.22	0.0	0.0
Other		3.4	6.5
Covenant net debt (A)		**126.7**	**-155.9**
Reported EBITDA	6.1	126.9	109.7
EBITDA of joint ventures	6.1	5.4	8.7
Exceptional items	6.1	14.8	8.0
Underlying EBITDA		**147.1**	**126.4**
Adjustments for:			
Capitalised interest	6.7	1.0	1.7
Fair value step-up Van Wanrooij		10.9	0.0
EBITDA for project with non-recourse financing		-1.2	-1.1
Other		-8.3	-0.8
Covenant EBITDA (B) - Interest Cover		**149.5**	**126.2**
EBITDA attributable to disposals		30.5	0.0
Covenant EBITDA (C) - leverage Ratio		180.0	126.2
Net interest expense		2.7	4.9
Adjustments for:			
Capitalised interest		1	1.7
Joint venture net interest expense		-0.56	-0.4
Non-recourse project financing interest expense		-0.56	-0.7
Interest on cumulative financing preference shares B	6.22	0	-0.7
Other		-0.9	-2.4
Net covenant interest expense (D)		**1.68**	**2.4**
Equity	2.	383.7	317
Cumulative financing preference shares B	6.22	0	0
Capital base (E)		**383.7**	**317**
Total assets covenants (F)	**3.**	**1,335.6**	**1083.4**
Leverage ratio (A/C) <3		**0.7**	**-1.3**
Interest cover ratio (B/D) >5 (if interest charges are negative, then not applicable)		**89.2**	**52.4**
Solvency ratio (E/F) >21%		**28.7%**	**29.3%**

6.22d Project financing

Project financing arrangements have been entered into in connection with specific (property development) projects. This pertains to property development projects at both Heijmans Property Development and Van Wanrooij Projectontwikkeling for a total amount (pro rata share of Heijmans) of € 12.2 million. This item also includes the recognition of a liability to a joint venture producing asphalt. The project financing repayment schedules are usually related to the progress on projects. Project financing generally expires no later than the date of completion and/or sale of the projects. Recourse is limited to project assets only, including future positive cash flows from these projects, as well as the contracts and mortgage collateral related to the project / project company in most cases. In principle, Heijmans N.V. (or group companies belonging to it) does not issue parent company guarantees for the payment of instalments and/or interest for any of project financing facilities. However, this is the case for a project financing facility in a limited partnership that Heijmans acquired with the acquisition of Van Wanrooij. At year-end 2023, Heijmans' share in these financing facilities amounted to € 1.5 million and this is expected to be repaid in full in the course of 2024.

6.22e Cumulative preference financing shares B

In 2022, Heijmans effected a phased redemption of the cumulative financing B preference shares, the outstanding amount of which still stood at € 31 million at 31 December 2021. On 14 April 2022, € 15 million was redeemed based on the redemption agreements linked to the result appropriation for the previous financial year. Based on the strong balance sheet ratios and in the context of a more efficient allocation of capital, Heijmans subsequently proceeded to effect a voluntary, penalty-free redemption of the remaining share premium reserve on 28 April 2022 (upon the announcement of the first quarter results) amounting to € 16 million. The repurchase and cancellation of the cumulative financing B preference shares required the approval of the general meeting of shareholders, which was granted on 12 July 2022. On 13 July 2022, Heijmans fully redeemed the cumulative financing B preference shares by paying the nominal value and settled all remaining interest obligations. The shares concerned were subsequently cancelled, upon which the financing structure lapsed.

6.22f Other liabilities

The other liabilities pertain to financing arrangements provided by related parties in a number of specific land holdings. As security for these financing arrangements, amounting to € 1.4 million (2022: € 2.2 million), Heijmans has provided guarantees in respect of repayments/payment of interest.

6.22g Average interest rate

	2023	2022
Cumulative financing preference shares B	-	7.1%
Linear loan	6.1%	-
Syndicated bank financing*	6.1%	-
Project financing	1.0%	1.1%
Other bank financing	-	-
Other non-current liabilities	2.1%	2.3%

* *The disclosed percentage is exclusive of amortised refinancing costs and fees.*

6.22h Movements in interest-bearing liabilities

The movements in the interest-bearing liabilities were as follows:

x € 1,000

	Net amount at 31 December 2022	Borrowed	Redeemed	Net amount at 31 December 2023
Linear loan	0	78,786	-5,000	73,786
Syndicated bank financing	0	110,000	-110,000	0
Project financing	11,739	2,103	-1,688	12,154
Other non-current liabilities	2,221	0	-854	1,367
Current account overdrafts with credit institutions	0	-	0	0
Total	**13,960**	**190,889**	**-117,542**	**87,307**

x € 1,000

	Saldo per 31 december 2021	Opgenomen	Afgelost	Saldo per 31 december 2022
Cumulative financing preference shares B	30,748	-	-30,748	0
Syndicated bank financing	0	-	-	0
Project financing	11,563	2,400	-2,224	11,739
Other non-current liabilities	2,880	941	-1,600	2,221
Current account overdrafts with credit institutions	0	-	0	0
Total	**45,191**	**3,341**	**-34,572**	**13,960**

6.23 Employee benefits

Movement in the liability for defined-benefit plans and long-service payments

x € 1,000

	Liability		Fair value of assets		Net liabilities to defined-benefit rights and long-service payments	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Balance at 1 January	**163,805**	**230,241**	**140,721**	**205,145**	**23,084**	**25,096**
Included in the consolidation	3,738	-	390	-	3,348	-
Recognised in profit or loss						
Service cost	307	393	-	-	307	393
Interest expense/income	5,773	1,920	5,237	1,715	536	205
Actuarial result on long-service payment liabilities	859	-992	-	-	859	-992
Administrative and other expenses	-	-	-450	-129	450	129
Recognised in other comprehensive income						
Actuarial result, experience	3,109	485	577	293	2,532	192
Actuarial result, life expectancy	-	1,490	-	1,187	-	303
Actuarial result, indexing	1,763	11,031	-	-	1,763	11,031
Actuarial result, discount rate	7,374	-71,172	6,665	-59,704	709	-11,468
Contributions and benefits						
Employer contributions	-	-	10,343	1,805	-10,343	-1,805
Pension and long-service payments	-10,017	-9,591	-10,017	-9,591	-	-
Total at 31 December	**176,711**	**163,805**	**153,466**	**140,721**	**23,245**	**23,084**

The pension and long-service payments will amount to approximately € 10 million in 2024. Over the next few years, this amount should not change significantly.

The total liability arising from defined benefit-pension plans and long-service payments is recognised in the statement of financial position as follows:

x € 1,000

	31 December 2023	31 December 2022
Non-current employee benefits	22,440	10,997
Current employee benefits	805	12,087
	23,245	**23,084**

The drop in the current employee-related liability is mainly due to the indexation, which is determined by the sector pension fund for the construction industry (BpfBOUW). This was 14.5% for 2023 and is 0% for 2024.

Liability for defined-benefit plans in the Netherlands

Insured plans

As at year-end 2023, the Group has some 15 insured pension plans in the form of guarantee contracts. The Group is only required to meet the costs of indexation, not to fund increased liabilities due to adverse changes in life expectancy, so the pension plan risk is largely borne by the insurers. Responsibility for holding sufficient funds to pay out all benefits rests with the insurers. Regulatory responsibility lies with DNB. The amount of the additional contribution required to meet annual increases is calculated on the basis of the assumptions contained in the insurance contract. The average term of the pension liabilities is approximately 11 years.

Industry-wide pension funds

The majority of the pensions have been placed with industry-wide pension funds, the main ones being the pension fund for the construction industry (Bouwnijverheid) and the pension fund for the engineering, mechanical and electrical contracting sector (Metaal en Techniek). Both these funds operate average pay plans with annual increases. The funding ratio set by the policy of the construction industry pension fund was 124.7% at year-end 2023 (year-end 2022: 131.5%). The Group has a share of approximately 2% (2022: 2%) of the total number of members of this fund. The policy funding ratio for the pension fund for engineering, mechanical and electrical contracting sector stood at 109.8% at year-end 2023 (year-end 2022: 108.1%). The Group has a share of approximately 0.5% (2022: 0.5%) of the total number of members of this fund. The funding ratios have been calculated on the basis of the actuarial assumptions used by the industry-wide pension funds, in accordance with the Pensions Act and the Financial Assessment Framework.

Since their funding ratios have a marginal effect on the contribution adjustments, these plans qualify as defined-benefit pension plans. Despite this, they are treated as defined-contribution plans because the administration of the industry pension funds is not designed to supply the required information.

With regard to these plans, the Group is only required to pay the predetermined contributions. The Group has no obligation to make up any deficit, other than through future contribution adjustments. The Group has no claim to any surplus in the funds.

Long-service payments

The long-service payments are a month's salary, or a portion thereof, for employment periods of 25, 40 and 50 years.

Expense items recognised in connection with defined-benefit plans and long-service payments

x € 1,000

	2023	2022
Service cost	-307	-393
Interest expense	-5,773	-1,920
Interest income	**5,237**	**1,715**
	-843	**-598**
Administrative and other expenses	-450	-129
Actuarial result on long-service payment liabilities	-859	992
Total expense for defined-benefit plans and long-service payments	**-2,152**	**265**

The principal actuarial assumptions as at year-end were:

	31 December 2023	31 December 2022
Discount rate	3.20%	3.60%
Future wage inflation	7.12% for 2023 and 2.25% for 2025 and later years	5.06% for 2023. 2.25% for 2024 and later years.
Future pay increases	0-1.5%	0-1.5%
Future annual increase	0.0% in 2024 for schemes following the indexation of the industry-wide pension fund for the Construction Industry and 0-1.4% for the other schemes. 0-1.4% for all schemes for 2025 and later years.	15.44% in 2023 for schemes following the indexation of the industry-wide pension fund for the Construction Industry and 0-1.4% for the other schemes. 0-1.4% for all schemes for 2024 and later years.
Staff turnover	3.5-12.5%	3.5-12.5%
Life expectancy	Projection table AG 2022 0/0	Projection table AG 2022 0/0

The discount rate is based on high-quality corporate bonds adjusted for the term of the payment obligation. This also applies to the expected yield.

The future indexation is based on the indexation that is expected to be granted by the industry-wide pension fund for the construction industry (bpfBOUW). For schemes that follow the indexation of the pension fund for the construction industry (bpfBOUW) one-to-one, future indexation is based on the indexation that bpfBOUW is expected to grant. For the year after the reporting date, this includes the indexation actually granted by bpfBOUW, i.e. 15.44% for 2023 and 0.00% for 2024.

Financing liability for defined-benefit plans and long-service payments

x € 1,000

	31 December 2023	31 December 2022
Fully funded defined-benefit plans	169,574	157,691
Long-service payments (unfunded)	7,137	6,114
Liability for defined-benefit plans and long-service payments at 31 December	**176,711**	**163,805**

As in 2022, all the fully-funded defined-benefit plans are insured schemes. There are no fund investments in equities, fixed-income securities or liquid assets.

Reasonably possible changes in one of the relevant actuarial assumptions on the reporting date, with the other assumptions remaining unchanged, could potentially affect the liabilities associated with the vested pension rights to the extent shown below.

x €1 million	**2023**		**2022**	
	Increase	**Decrease**	**Increase**	**Decrease**
Change of 0.5%-points in the discount rate	-11.1	12.3	-9.4	10.4
Change of 0.25%-points in wage and price inflation and rate of annual increase-	6.1	-2.8	5.2	-2.2
Change of 1 year in life expectancy	7.9	-8	6.7	-6.8

The above effects were determined by the actuary who performed the calculations. The combined effect of changes to more than one of the assumptions can be different from the sum of the corresponding individual effects owing to interactions.

The effects presented apply only to the liabilities and not to the fair value of the investments. For a plan in the form of an insurance contract, the guarantee provided by the insurer means that the effects of these changes are largely mitigated by an equal effect on the plan assets.

The Group does not expect to have to make any contributions to its defined pension plans in 2024. This is because bpfBOUW does not expect any indexation for 2024. In addition, this involves approximately € 43 million in defined contribution plans (including the above-mentioned industry-wide pension funds). The contributions for later years are expected to be in line with this, partly dependent on changes in the above actuarial assumptions and in particular on the funding ratio of the industry-wide pension fund for the construction industry. New contributions cannot be precluded in advance.

6.24 Provisions

General

Provisions for such things as losses on work in progress, warranty obligations, restructuring costs and environmental risks are recognised if Heijmans has an existing obligation and it is probable that an outflow of resources will occur. The amount of each provision can be reliably estimated. The provisions are stated at face value, unless the time value of money is material.

x € 1,000

	31 December 2022	Included in the consolidation	Reversal of unused amounts	Additions to provisions	Provisions used	31 December 2023
Wintrack II	15,000	0	-13,571	0	-1,429	0
Work in progress losses	15,570	0	-1,292	14,964	-13,698	15,544
Warranty obligations	32,638	981	-170	7,083	-9,494	31,038
Restructuring costs	941	0	-333	2,967	-2,341	1,234
Environmental risks	2,830	0	0	0	-483	2,347
Provision for loss-making interests	366	111	-30	200	0	647
Other provisions	2,179	11,150	-500	1,654	-526	13,957
Total provisions	**69,524**	**12,242**	**-15,896**	**26,868**	**-27,971**	**64,767**

Ageing of provisions

x € 1,000

	31 December 2023	31 December 2022
Non-current portion	45,212	45,106
Current portion	19,555	24,418
Total	**64,767**	**69,524**

Wintrack II

In October 2023, the court ruled in the Group's favour on appeal and no further provision was required.

Work in progress losses

If a contract with a client for the execution of a project shows a loss, the entire amount of the loss is immediately recognised in the statement of profit or loss and included as a provision for losses on work in progress in the provisions in the statement of financial position. The projects to which these losses relate will be completed within two years.

Provision for warranty obligations

The provisions relate to complaints and deficiencies that become apparent after the delivery of projects and that fall within the warranty period. The magnitude of the costs provided for is dependent partly on the estimated allocation of the claim to the related construction partners. It is expected that most of the obligations will materialise in the next two years.

Provision for restructuring costs

The provision for restructuring costs relates to the expected severance costs related to organisational changes. Most of the provision will be used in 2024.

Provision for environmental risks

This item represents possible site reinstatement costs. The costs have been estimated by site, based on government regulations concerning the clean-up method and soil investigation. The periods within which restoration needs to take place vary by site. In the event that the restoration does not have to take place for another few years, there is an obligation to monitor the pollution. The expected monitoring costs have also been included in the provision.

Provision for loss-making interests

The provision for loss-making interests relates to joint ventures in which the Group's share is negative and for which the Group has guaranteed all or part of the liabilities of that interest (or has the firm intention to enable the interest to pay (the Group's share) of its liabilities).

Other provisions

In 2023, pursuant to the Van Wanrooij share purchase agreement, Heijmans did not receive indemnification from the seller for certain risks related to development positions obtained in the period prior to the transaction date. In connection with this exposure, Heijmans has recognised a provision of € 11.2 million for these historical risks in Van Wanrooij's opening balance sheet. The risks have been assessed and valued based on the expected value method in which the issues have a range of possible outcomes. In addition, the item, other provisions consists primarily of a provision for year-two sick pay, which already existed in 2022 and has undergone limited change.

6.25 Trade and other payables

x € 1,000

	31 December 2023	31 December 2022
Suppliers and subcontractors	125,491	176,014
Invoices due for work in progress	29,409	29,731
Invoices due for work completed	35,304	46,475
Pension obligations	689	593
Staff costs payable	30,602	25,649
VAT payable	64,841	46,896
Wage tax and social security contributions payable	22,234	17,799
Administrative expenses and costs of sales payable	22,428	11,092
Interest payable	2,978	131
Payables to partnerships	2,795	4,259
Other liabilities	9,285	6,533
Total trade and other payables	**346,056**	**365,172**

The trade and other payables are predominantly of a short-term nature. The other payables include amounts of a long-term nature of approximately € 2 million.

6.26 Financial risks and risk management

General

In the normal course of business, Heijmans is exposed to various financial risks, including credit, liquidity, market, price and interest-rate risks.

This section describes the degree to which these risks manifest themselves, the objectives set regarding the risks and the policy and procedures for measuring and managing them, as well as the management of capital.

The risk policy is focused on the identification and analysis of the risks to which the Group is exposed and the setting of acceptable limits.

The risk policy and systems are assessed on a regular basis and then modified if necessary for changes in market conditions and the operations of the Group. The objective is to create a disciplined and constructive approach to risk management, with the aid of training, standards and procedures whereby all employees are aware of their roles and responsibilities.

The Audit and Risk Committee periodically reviews the risk management policy and procedures. In addition, the Committee reviews the risk policy used in the light of the risks to which the Group is exposed.

Credit risk

Credit risk is the risk that the Group will be exposed to financial loss if a party against which Heijmans has a claim fails to meet its contractual obligations. Credit risks arise primarily from receivables due from customers and consortium partners. The creditworthiness of suppliers is also assessed, focusing primarily on the risk to security of supply.

The credit risk associated with residential property development is limited, as future residents can only take possession of the new home once they have met all their obligations and there is pre-financing during the construction stage. Creditworthiness is assessed in transactions involving the development of commercial property, construction contracts and infrastructure projects, with additional collateral possibly being requested. Additional forms of security are particularly important in the case of turnkey projects (paid for on completion), although normally there is pre-financing of transactions in the 'business to business' segment as well. Especially within Infra and non-residential construction, Heijmans carries out many assignments for public authorities, for which the credit risk is considered extremely limited. In these areas of the business, Heijmans will be part of consortiums working on various large-scale, integrated projects. The more specific the expertise of a consortium partner, the greater the importance that is attached to the creditworthiness of that partner. In such cases, a poor credit rating is grounds for not entering into partnership, since financial guarantees are not worth anything if essential know-how is lost.

The assessment of creditworthiness is part of the standard procedure, and involves using company-specific reports produced by rating agencies. Credit risk is mitigated by pre-financing arrangements and payments in instalments. Risks are insured with a credit insurer if considered necessary.

The large number of clients, a substantial proportion of which are private individuals and public authorities, means there is no concentration of credit risk.

The cash and cash equivalents are held at different banks that are assessed as regards creditworthiness. The credit risk is further mitigated by concentrating the cash as far as possible in cash pools, the cumulative balance of which is predominantly negative over the year.

The carrying amount of the financial assets exposed to credit risk can be analysed as follows:

x € 1,000

	31 December 2023	31 December 2022
Loans granted to joint ventures	36,565	9,764
Cash and cash equivalents	40,384	237,012
Work in progress assets	139,215	95,645
Trade and other receivables	229,226	239,367
Total	**445,390**	**581,788**

Loans granted are mainly loans granted by the Group to joint arrangements in which it participates.

Ageing accounts receivable and provision

An appraisal has been made of the expected credit losses. The ageing of unimpaired outstanding receivables after the due date of the invoice was as follows:

x € 1,000

	31 December 2023	31 December 2022
< 30 days	6,229	18,104
30-60 days	2,230	1,758
60-90 days	1,313	1,543
> 90 days -≤ 1 year	2,620	528
> 1 years	1,817	2,658
Total	**14,209**	**24,591**

Including accounts not yet due and accounts for which an impairment has been recognised, the balance of trade receivables stood at € 196 million at year-end 2023 (2022: € 201 million).

The due dates of the other financial assets have not been exceeded.

Accounts receivable provision

Trade receivables are reported after deduction of impairment losses relating to doubtful receivables. The movement in the provision was as follows:

x € 1,000

	2023	2022
Balance at 1 January	612	4,121
Additions	393	117
Withdrawals	-244	-244
Release	108	-3,382
Balance at 31 December	**869**	**612**

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations at the time it is required to do so. See also note 6.22, Interest-bearing loans. The liquidity-risk management assumption is that sufficient liquidity levels will be maintained to meet current and future financial obligations, in both normal and exceptional circumstances, without incurring unacceptable risks and without endangering the reputation of the Group.

Weekly three-month rolling and annual 12-month rolling liquidity forecasts are among the tools used to determine whether the Group has sufficient liquidity available. In addition, the availability of credit, including in the form of headroom available from credit insurers or providers of guarantees, is continuously monitored by regularly making projections of the score in relation to financial covenants and engaging in an active dialogue with all financial stakeholders. Based on this forecast, the Group considers that sufficient liquidity is available to conduct operations.

To secure the availability of financial resources for both the long term and the short term at year-end 2023, Heijmans has access to the following facilities:

- € 252.5 million committed syndicated bank financing. € 75 million of this bank financing facility comprises a Term Loan repayable on a straight-line basis through 30 September 2027. The remaining part of € 177.5 million is a committed revolving credit facility, € 30 million of which has been committed in the form of a current account facility linked to a cash pool (see also section 6.22);
- project financing facilities for property developments; and
- leases of vehicles and equipment.

In order to satisfy clients' requirements for bank guarantees, Heijmans has access to guarantee facilities with various institutions. These facilities are uncommitted. Every month, a projection is made of the use of the available bank guarantee facilities, based on current tenders and expectations regarding the discharge of existing bank guarantees. Based on these projections, Heijmans believes that the present size of the facilities is adequate.

At year-end 2023, the bank guarantee facilities totalled € 276 million (2022: € 273 million) provided by a total of nine parties. The overall amount of the facilities was increased to a limited degree in 2023 due to the assumption of bank guarantees issued by Van Wanrooij. Total use of the facilities increased to stand at € 147 million at year-end 2023 (2022: € 118 million, with almost € 1 million of this for guarantees relating to the international activities that Heijmans disposed of in 2017. The rest exclusively related to guarantees for projects associated with operations in the Netherlands.

The contractual maturity dates of the financial obligations, including interest payments, are as follows:

31 December 2023	Carrying amount	Contractual cash flow	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Linear loan	-73,786	-88,533	-11,675	-12,592	-24,217	-40,049	0
Syndicated bank financing	0	0	0	0	0	0	0
Project financing	-12,154	-13,591	-194	-194	-5,935	-7,268	0
Other non-current liabilities	-1,367	-1,478	-28	-151	-733	-428	-138
Current account overdrafts with credit institutions	0	0	0	0	0	0	0
Trade and other payables	-346,056	-346,056	-346,056	0	0	0	0
Total	**-433,363**	**-449,658**	**-357,953**	**-12,937**	**-30,885**	**-47,745**	**-138**

x € 1,000

31 December 2022	Carrying amount	Contractual cash flow	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Syndicated bank financing	0	0	0	0	0	0	0
Project financing	-11,739	-12,528	-73	-73	-146	-6,214	-6,022
Other non-current liabilities	-2,221	-2,441	-54	-154	-183	-1,774	-276
Current account overdrafts with credit institutions	0	0	0	0	0	0	0
Trade and other payables	-365,172	-365,172	-365,172	0	0	0	0
Total	**-379,132**	**-380,141**	**-365,299**	**-227**	**-329**	**-7,988**	**-6,298**

Market risk

Market risk is the risk that the income of the Group or the value of financial instruments is adversely affected by changes in market prices, for example, due to movements in exchange rates, interest rates and share prices. The objective of managing market risk is to keep the market risk position within acceptable limits while achieving optimum returns.

To manage market risk, derivatives may be bought and sold, and financial commitments may be undertaken. Transactions of this nature are carried out within established guidelines. As at year-end 2023, the Group's subsidiaries and joint arrangements had not contracted any derivative instruments (2022: none).

Price risk

Price risk associated with the purchase of raw materials and consumables as well as with outsourced work is primarily mitigated by making price indexation agreements with clients, or where possible by making price agreements with suppliers at an early stage, mainly in the case of long-term contracts. If necessary, derivatives may be used occasionally to hedge the price risk of procuring raw materials. As Heijmans has been focusing less in recent years on large, integrated projects, the structure of the order book has become somewhat more short-cyclical. This mitigates inflation risk.

Interest-rate risk

The interest rate policy at Heijmans is directed towards limiting the impact of changes in interest rates on the Group's results. For the majority of the project financing arrangements, Heijmans opts for fixed interest rates, which provides greater certainty with respect to results from the various projects. With respect to the use of the syndicated loan, this is subject to a floating rate, in the form of a fixed margin plus the one-month Euribor rate (revolving credit facility) or the three-month Euribor rate (Term Loan). The revolving credit facility is primarily used to finance working capital. This is generally not required at the end of the year, Heijmans currently sees no benefits for fixing interest rates for longer periods. Variable financing also provides the option of early repayment of the syndicated loan, which is allowed penalty free.

If the interest rate for 2023 had been 2% higher on average, the result before tax based on the average level of debt would have been approximately € 2.4 million higher (2022: approximately € 4.4 million higher). The impact of a 2% difference in interest rates on the Group's equity (assuming all other variables remained constant) would have been € 1.8 million higher group equity (2022: € 3.3 million higher group equity). It should be noted with these calculations that the acquisition of Van Wanrooij had a significant impact on the average debt level for 2023. Prior to this acquisition

Heijmans had a substantial net cash position, while after the acquisition this was a net debt position. Due to the fact that the average debt level for 2023 was negative (i.e. a net cash position), the calculations show that higher interest rates had a positive impact on the result development. After the acquisition date, Heijmans had an average net debt position, so the impact was actually negative in Q4 and is therefore also expected to be negative in 2024.

The table below shows the periods in which interest rates for interest-bearing financial assets and financial liabilities are reviewed:

x € 1,000

31 December 2023	Note	Total	0-6 months	6-12 months	1-2 years	2-5 years	> 5 years
Loans granted	6.14	36,565	6,248	0	1,656	778	27,883
Cash and cash equivalents	6.19	40,384	40,384	-	-	-	-
Linear loan	6.22	-73,786	-73,786	-	-	-	-
Syndicated bank financing	6.22	-	-	-	-	-	-
Project financing	6.22	-12,154	-6,565	-	-5,589	-	-
Other non-current liabilities	6.22	-1,367	-	-	-560	-	-807
Current account overdrafts with credit institutions	6.22	-	-	-	-	-	-
Total		**-10,358**	**-33,719**	**0**	**-4,493**	**778**	**27,076**

31 December 2022	Note	Total	0-6 months	6-12 months	1-2 years	2-5 years	> 5 years
Loans granted	6.14	9,764	2,020	0	0	1,358	6,386
Cash and cash equivalents	6.19	237,012	237,012	-	-	-	-
Syndicated bank financing	6.22	-	-	-	-	-	-
Project financing	6.22	-11,739	-5,777	0	0	0	-5,962
Other non-current liabilities	6.22	-2,221	0	0	0	-1,280	-941
Current account overdrafts with credit institutions	6.22	-	-	-	-	-	-
Total		**232,816**	**233,255**	**0**	**0**	**78**	**-517**

As at year-end 2023, 8% (2022: 57%) of the interest-bearing gross debt had been negotiated at a fixed rate of interest, and 92% (2022: 43%) at a floating rate. The major change compared with the previous year is due to the extension of the syndicated loan at a floating interest rate. In this respect, the Term Loan in particular played a major role at the reporting date. Due to seasonal effects, the average debt during the year is higher than the debt at the reporting date. The portion of the gross debt subject to a floating interest rate is also higher during the year. The gross debt subject to a floating interest rate is offset by items such as cash and cash equivalents, which are also subject to a floating interest rate. While this was still largely negative in 2022, it was positive for the whole year in 2023.

The average weighted term to maturity of project financing is 2.8 years (2022: 3.3 years). In recent years, Heijmans has concluded few if any new project financing facilities and has primarily occasionally extended financing arrangements. As a result, the average weighted term to maturity is generally declining.

The interest-bearing loans that were granted and drawn are measured at amortised cost rather than at fair value. The carrying amount of the loans is therefore not affected by changes in interest rates.

Currency risk

The currency risk on sales, purchasing and loans is extremely limited for Heijmans, since by far the greater part of the cash flows within the Group are in euros.

Fair values

The table below shows the fair values and the carrying amounts of the financial instruments. The fair values are allocated to different levels of the fair-value hierarchy, depending on the inputs used to determine the measurement methods. The levels are defined as follows:

Level 1: quoted (unadjusted) market prices available to the Group on the measurement date, in active markets for identical assets or liabilities.

Level 2: input that is not a quoted market price at level 1 but is obtainable for the asset or liability concerned, either directly (as a price) or indirectly (derived from a price).

Level 3: input for the asset or liability not based on data available in a market (unobservable input).

Heijmans has no financial assets or liabilities measured at fair value.

Loans and receivables

x € 1,000

			31 December 2023		31 December 2022	
	Note	Level	Carrying amount	Fair value	Carrying amount	Fair value
Loans granted	6.14	2	36,565	36,185	9,764	9,393
Trade and other receivables	6.18	*	229,226	229,226	239,367	239,367
Cash and cash equivalents	6.19	*	40,384	40,384	237,012	237,012
Current account overdrafts with credit institutions	6.22	*	0	0	0	0
Linear loan	6.22	2	-73,786	-73,786	0	0
Syndicated bank financing	6.22	2	0	0	0	0
Project financing	6.22	2	-12,154	-11,893	-11,739	-11,104
Other non-current liabilities	6.22	2	-1,367	-1,308	-2,221	-2,096
Trade and other payables	6.25	*	-346,056	-346,056	-365,172	-365,172
Net loans and receivables			**-127,188**	**-127,248**	**107,011**	**107,400**

* ** The carrying amount is a reasonable approximation of the fair value.*

The above values are based on the present value of future cash flows. The loans with a fixed interest rate are discounted using the yield curve for 31 December 2023, plus the relevant risk mark-up.

All loans with a variable interest rate are assumed to have a fair value equal to their carrying amount. Credit risk has no significant effect on the carrying amount of these loans.

Capital management

The policy has been designed to achieve a sound capital position with sufficient availability of credit to be able to ensure continuity for stakeholders. A sound long-term capital structure is based on operating with sufficient headroom within both the covenants as the headroom in the syndicated loan. The financial covenants are the leverage ratio, which is net interest-bearing debt after deduction of non-recourse finance divided by EBITDA not exceeding three, plus an interest cover ratio of at least five and a solvency ratio of at least 21% (see also note 6.22 for a description of the financial ratios in the conditions agreed with the banks).

6.27 Investment commitments

x € 1,000

	31 December 2023	31 December 2022
Contractual commitments for:		
- acquisition of property, plant and equipment	6,966	8,093
- acquisition of land	11,038	6,366
	18,004	**14,459**

Contractual commitments for acquisition of property, plant and equipment of € 7.0 million (2022: € 8.0 million) are related to plant (mainly electrical equipment) for Heijmans Infra.

There are no Group guarantees for the capital expenditure commitments (2022: none).

In general, the contractual commitments to purchase land will materialise in one to 10 years.

No investment commitments have been entered into by joint operations in which Heijmans participates (2022: none).

6.27a Contractual commitments joint ventures

The joint ventures in which Heijmans participates have undertaken investment commitments of € 23 million (2022: € 26 million), this amount being Heijmans' share of the commitments. This pertains primarily to the acquisition of land for the construction of homes shortly after acquisition.

6.28 Contingent liabilities

General

Contingent liabilities are potential liabilities resulting from events prior to the reporting date. The liabilities are potential because the outflow of economic resources depends on the occurrence of uncertain events in the future.

Contingent liabilities can be divided into bank guarantees, Group guarantees and other contingent liabilities.

Bank and Group guarantees

x € 1,000

	31 December 2023	31 December 2022
Bank guarantees relating to:		
Execution of projects	136,351	112,803
Tenders	425	138
Other	10,235	5,458
	147,011	**118,399**
Group guarantees relating to:		
Execution of projects	326,015	254,922
Credit and bank guarantee facilities	12,072	9,851
	338,087	**264,773**
Total	**485,098**	**383,172**

The Group guarantees associated with financing facilities have been provided in connection with project financing, bank guarantees and credit facilities applying to subsidiaries, joint operations and joint ventures. Heijmans has guaranteed its share of the debt of various joint operations and property joint ventures, which amounts to € 12 million (2022: € 10 million). The Group does not expect to incur material credit losses on this.

The Group guarantees issued for divested operations (Leadbitter) are not included in the above table. They amount to € 32 million (2022: € 38 million). With regard to work completed and work in progress, the guarantees will be taken over by the buyer if possible. Where this is not possible, the buyer has provided a bank or corporate guarantee.

Other contingent liabilities

The other contingent liabilities with a significant cash impact amounted to a total of € 191 million at year-end 2023 (2022: € 19 million), while those with a limited cash impact amounted to € 22 million (2022: € 32 million), for a total of € 213 million (2022: € 51 million). These were primarily related to commitments to acquire land at the moment that a zoning plan has been finalised or when a building permit is obtained and/or a certain sales percentage is achieved and consist primarily of the following items:

- € 160 million (2022: nil) entered into by Van Wanrooij, which was acquired in 2023 (see note 6.2 Business combinations). Of this, € 4 million (2022: nil) is included in joint business combinations.
- € 54 million (2022: € 51 million) entered into by the rest of the Group (excluding Van Wanrooij). Of this, € 0.5 million (2022: € 3 million) is included in joint operating activities.
- No Group guarantees were issued in respect of this in 2023 (2022: none).

No Group guarantees were issued in respect of this in 2023 (2022: none).

6.28a Contingent liabilities joint ventures

At year-end 2023, the joint ventures in which the Group participates had contingent liabilities with a significant cash impact of € 18 million (2022: zero), while those with a limited cash impact amounted to € 16 million (2022: € 10 million), for a total of € 34 million (2022: € 10 million). These were primarily related to commitments to acquire land when the building permit is obtained and/or a certain sales percentage is achieved. The aforementioned amounts relate to Heijmans' share in the joint ventures.

6.29 Related parties

Related parties for Heijmans can be divided into subsidiaries, associates, joint arrangements (joint ventures and joint operations), the members of the Supervisory Board and the members of the Executive Board. Transactions with related parties are conducted at arm's length, on terms comparable to those for transactions with third parties.

Transactions with subsidiaries, associates, joint ventures and joint operations

Heijmans undertakes a number of operating activities together with related parties, including in the form of joint arrangements. Significant transactions in this context are the contribution of land holdings to joint arrangements and/or their financing. In addition, large and complex projects are carried out in partnership with other companies.

There are no transactions with the organisation's management, with the exception of the remuneration discussed below. For information on the relationships with joint ventures and associates, see note 6.13

The Group's share in the revenue and total assets of joint operations is analysed by segment below:

2023 Business segments	Property Development	Building & Technology	Infra	Van Wanrooij	Eliminations	Total
In € million						
Revenue	32.8	64.4	94.0	10.0	-40.3	160.9
Costs	-29.3	-57.0	-76.7	6.8	40.3	-115.9
Non-current assets	0.0	0.0	0.6	5.8	-	6.4
Current assets	21.5	30.0	44.6	33.7	-	129.8
Total assets	**21.5**	**30.0**	**45.2**	**39.5**	**0.0**	**136.2**
Non-current liabilities	6.6	0.6	2.8	13.2	0.0	23.2
Current liabilities	5.5	20.5	40.5	15.8	-	82.3
Total liabilities	**12.1**	**21.1**	**43.3**	**29.0**	**0.0**	**105.5**
Equity	**9.4**	**8.9**	**1.9**	**10.5**	**0.0**	**30.7**

2022 Business segments	Property Development	Building & Technology	Infra	Eliminations	Total
In € million					
Revenue	39.4	61.9	55.2	-48.1	108.4
Costs	-34.6	-55.5	-46.7	48.1	-88.7
Non-current assets	0.0	0.0	0.8	-	0.8
Current assets	22.4	22.6	27.7	-	72.7
Total assets	**22.4**	**22.6**	**28.5**	**0.0**	**73.5**
Non-current liabilities	6.0	0.7	0.2	0.0	6.9
Current liabilities	4.4	17.9	30.6	-	52.9
Total liabilities	**10.4**	**18.6**	**30.8**	**0.0**	**59.8**
Equity	**12.0**	**4.0**	**-2.3**	**0.0**	**13.7**

Remuneration of Supervisory Directors

All Supervisory Directors receive a fixed annual fee that is not dependent on the results in any single year. They also receive a fixed or variable expense allowance. They have not been allocated any options or depositary receipts for shares. As at year-end 2023, the members of the Supervisory Board owned a total of 27,334 depositary receipts for Heijmans shares (2022: 14,079). Mr Vollebregt holds 27,334 shares (2022: 14,079). None of the Supervisory Directors has any other business links to Heijmans from which they could derive personal gain.

The total payments granted to Supervisory Directors in 2023 and 2022 were as follows:

in €	2023	2022
Sj.S. Vollebregt– chairman*	67,887	64,044
R. Icke RA**	0	16,029
Mr M.M. Jonk***	65,622	58,351
J.W.M. Knape-Vosmer MBA****	50,916	48,034
Drs. A.E. Traas RA******	54,311	50,614
A.S. Castelein*******	52,047	24,017
Total	**290,783**	**261,089**

1 *Supervisory Director since 15 April 2015 and Chairman since 13 April 2016.*

2 *Supervisory Director from 9 April 2008 to 13 April 2022.*

3 *Supervisory Director since 6 December 2018.*

4 *Supervisory Director since 15 April 2020.*

5 *Supervisory Director since 14 April 2021.*

6 *Supervisory Director since 12 July 2022.*

Remuneration of members of the Executive Board

Fixed and variable remuneration paid to members of the Executive Board

The amounts paid out in 2022 and 2023 and the amounts payable in 2024 in respect of fixed and variable remuneration for the members of the Executive Board are as follows:

	Gross fixed remuneration*			Variable remuneration			Total remuneration		
in €	Payable in 2024	Paid in 2023	Paid in 2022	Payable in 2024	Paid in 2023	Paid in 2022	Payable in 2024	Paid in 2023	Paid in 2022
A.G.J. Hillen	566,667	566,667	566,667	718,516	648,292	658,309	1,285,183	1,214,959	1,224,976
G.M.P.A. van Boekel	425,000	425,000	425,000	538,887	449,305	129,721	963,887	874,305	554,721
J.G. Janssen	-	-	-	-	-	70,895	-	-	70,895
Total	**991,667**	**991,667**	**991,667**	**1,257,403**	**1,097,597**	**858,925**	**2,249,070**	**2,089,264**	**1,850,592**

* *The gross fixed remuneration to be paid in 2024 will change, subject to the approval of the remuneration policy for the Executive Board by the General Meeting of Shareholders on 30 April 2024.*

The variable remuneration payable in 2024 includes the long-term variable remuneration for the period 2021-2023 (see below).

Charges recognised in the statement of profit or loss relating to the remuneration of the members of the Executive Board

The composition of the remuneration paid to each member of the Executive Board is as follows:

	Gross fixed remunation		Short-term variable remuneration		Long-term variable remuneration		Pension contributions		Signing bonus		Expense allowances including reimbursement of car expenses, compulsory social insurance contributions and costs of the Share Matching Plan		Total	
in €	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
A.G.J. Hillen*	566,667	566,667	293,516	320,167	430,556	347,570	209,186	241,365	-	-	147,649	128,073	1,647,574	1,603,842
G.M.P.A. van Boekel**	425,000	425,000	220,137	240,125	365,972	304,257	65,000	65,000	50,000	50,000	79,859	53,576	1,205,968	1,137,958
Total	**991,667**	**991,667**	**513,653**	**560,292**	**796,528**	**651,827**	**274,186**	**306,365**	**50,000**	**50,000**	**227,508**	**181,649**	**2,853,542**	**2,741,800**

* *Chairman of the Executive Board since 1 December 2016 and member of the Executive Board since 18 April 2012.*

** *Member of the Executive Board since 1 September 2021.*

The members of the Executive Board were awarded a short-term variable bonus for 2023 of 52% of the basic salary due to the targets achieved in 2023. For the period 2021-2023, the members of the Executive Board were awarded a long-term variable remuneration of 75% of basic pay, following achievement of the targets for this period. For more information, see to the remuneration report in the directors' report.

Heijmans has reserved € 495,834 for variable remuneration for the members of the Executive Board relating to the periods 2022-2024 and 2023-2025 (2022: € 443,056 for the periods 2021-2023 and 2022-2024); € 283,334 has been reserved for Mr Hillen (2022: € 277,778) and € 212,500 has been reserved for Mr van Boekel (2022: € 165,278).

When he joined Heijmans, Mr Van Boekel was awarded a signing bonus of € 150,000 that vests in September 2024. The charge will be recognised through the statement of profit or loss on a straight-line basis during the period the bonus vests.

In order to bind directors to the Company for the long term and to encourage a focus on long-term value creation, with effect from 2010 a Bonus Investment Share Matching Plan has been applicable under which directors can opt to use part of their variable short-term remuneration to purchase Heijmans shares.

In April 2020, Mr Hillen and Mr Janssen, exercising 30% and 24% respectively of the short-term bonus awards for 2019, purchased 13,000 and 8,700 depositary receipts for Heijmans shares respectively. In the context of the Share Matching Plan, a conditional depository receipt was granted for each share acquired. These conditionally granted depositary receipts for shares vest after three years. The depositary receipts conditionally granted to Mr Janssen have lapsed in view of his retirement on 15 April 2021. Mr Hillen's depositary receipts for shares vested after three years. In April 2023, the Group repurchased 13,000 shares and granted them to Mr Hillen; these shares are subject to a mandatory lock-up period of two years. The depositary receipts conditionally granted to Mr Janssen have lapsed in view of his retirement on 15 April 2021. The total charge associated with the granting of the shares is calculated at the time the shares are awarded and is recognised on a straight-line basis in the statement of profit or loss during the period in which the awarded shares are vested. In the statement of profit or loss for 2023, Heijmans recognised an amount of € 8,190 (2022: € 24,570) as a charge related to the shares granted in April 2020.

In April 2021, Mr Hillen acquired 5,500 depositary receipts for Heijmans shares with 23% of the awarded short-term bonus for 2020. In the context of the Share Matching Plan, a conditional depository receipt was granted for each share acquired. These depositary receipts for shares vest after three years. In the statement of profit or loss for 2023, Heijmans recognised an amount of € 25,117 (2022: 25,117) as a charge related to the shares granted in April 2021.

In April 2022, Mr Hillen and Mr Van Boekel, exercising 23% and 25% respectively of the short-term bonus awards for 2021, purchased 5,300 and 1,500 depositary receipts for Heijmans shares. In the context of the Share Matching Plan, a conditional share was granted for each share acquired. These shares become vested after three years. In the statement of profit or loss for 2023, Heijmans recognised an amount of € 30,408 (2022: 20,272) as a charge related to the shares granted in April 2022.

In April 2023, Messrs Hillen and Van Boekel purchased 6,000 and 4,750 depositary receipts for Heijmans shares for 30% and 25%, respectively, of the 2022 gross short-term bonus granted. In the context of the Share Matching Plan, one conditional share was awarded for each share purchased. These shares vest after three years. In the 2023 statement of profit or loss, Heijmans recognised an amount of € 34,304 (2022: nil) as a charge related to the shares granted in April 2023.

The pension scheme for Mr Hillen pertains to the pension scheme of the industry-wide pension fund and a defined-contribution plan. Mr Hillen also received annual compensation of € 6,538 (2022: € 38,532), adjusted for possible collective labour agreement salary increases, for the lapse of the early retirement pension scheme. Mr Hillen also received compensation of € 125,665 in 2023 (2022: € 129,667) for the loss of pension accrual on his salary over and above € 128,810, plus compensation of € 50,232 (2022: € 50,232) for the loss of the indexation in the Delta Lloyd average salary scheme. Mr Van Boekel received a fixed amount for pension expenses, which amounted to € 65,000 in 2023 (2022: € 65,000).

The pension charge is calculated in accordance with accounting policy 23.

As at year-end 2023, the members of the Executive Board owned a total of 91,578 depositary receipts for Heijmans shares. The ownership of these shares is partly a consequence of the Share Matching Plan as described above and partly the result of the purchase of shares by members of the Executive Board. The ownership of depositary receipts for Heijmans shares by the individual members of the Executive Board at year-end 2023 was as follows:

Shares owned on 31 December

In numbers of shares	2023
A.G.J. A.G.J. Hillen - Chairman	84,771
G.M.P.A. van Boekel	6,807
Total	**91,578**

6.30 Management estimates and judgements

The accounting information in the financial statements is partly based on estimates and assumptions. The Group makes these estimates and makes assumptions about future developments, based on factors such as experience and expectations about future events that may reasonably be expected to occur given the current state of affairs. These estimates and assumptions are continually reassessed.

Revisions of estimates and assumptions, or differences between estimates and assumptions and actual outcomes, may lead to material adjustments to the carrying amounts of assets and liabilities.

Supplementary to the estimates already described in the accounting policies (section 5) and the explanatory notes (6.1 to 6.29), the key elements of estimation uncertainty are explained below.

Macro-economic developments

The current economic climate is characterised by a great deal of uncertainty and is a result of high inflation, increased interest rates, geopolitical risks and the remaining consequences of the pandemic.

In the past year, purchase costs in the construction sector have risen across the board and the availability of materials and labour has been under pressure. Energy and partly-finished goods in particular are substantially more expensive than in the previous year. The Group is, therefore, not accepting large-scale or long-term work without arrangements on indexation. In 2023, the Group succeeded in passing on higher purchase prices largely through indexation arrangements passed on in the selling prices of our products and services.

Until the acquisition of Van Wanrooij, the Group had a positive net cash position. As a result, higher interest rates had a positive impact on the balance of net interest income and expenses.

Impairment test for goodwill

Higher interest rates lead to an increase in the discount rate (WACC) used in the annual impairment test for goodwill (see note 6.12 Intangible assets). Given the considerable margin between the carrying amount and the value in use of the relevant cash-generating units, which is only relevant for Building & Technology and Infra (it is not yet known for Van Wanrooij), there is only a very limited risk of a future write-down as a result of further interest rate increases. (see note 6.12 Intangible assets)

The Executive Board constantly monitors the effects of macro-economic developments. The outlook for the Group in the years ahead is good, due among other things to the orders on the books (which are of a good quality and have a limited risk profile) and the headroom afforded by the financing facilities.

Nitrogen problem (PAS)

The nitrogen problem had only a limited effect on the Group's financial results in 2023. It created delays in tenders for large infrastructure projects. The delays in carrying out our projects are currently limited. The possible effects of delays in issuing permits are monitored constantly. The prospects for the Group in the years ahead are good, given the orders on the books (which are of a good quality and have a limited risk profile) and the leeway afforded by the financing facilities among other factors.

Climate matters

Climate change brings both risks and opportunities for the Group. These may have consequences for the medium-term forecasts that underlie the measurement of assets.

Appendix 11.6.10 to the annual report lists the opportunities and risks related to climate change. This shows that the opportunities are greater than the risks. The Group does not see any reason to adjust its medium-term projections downwards.

The considerations for each asset class are as follows (in the order they appear in the Consolidated statement of financial position):

Property, plant and equipment

There is a limited likelihood of a write-down because of climate-related risks. Property, plant and equipment comprises relatively new material that meets environmental standards and capital expenditure on a timber frame house manufacturing facility (industrial-scale building). Heijmans also has older material with a relatively low carrying amount. It may be that the older material can be used less in due course. This is the case, for example, for older lorries with excessive greenhouse gas emissions. There is a plan to replace this equipment with cleaner equipment. There is a second-hand market for the older material (at least for the time being), in particular in developing and underdeveloped countries, which means that the current residual values can often still be realised. In addition, older material that cannot, for example, be used in town centres may still be used outside these areas.

Right-of-use assets

There is a limited impact of climate-related risks on the measurement due to the short-term nature of the leases.

Intangible assets

As the opportunities are greater than the risks (see appendix 11.6.10 to the annual report) for all Heijmans segments (including the Building & Technology and Infra cash-generating units to which the intangible assets are allocated), climate-related risks do not lead to a greater risk of a write-down.

Joint ventures and associates

These mainly concern joint ventures and associates holding land positions. All land positions are in the Netherlands. There is continuing high demand for housing and consequently also for land on which to build them. In the very long term there is a risk that land could become unusable because of flooding. The Group is confident that, as a prosperous country, the Netherlands will take measures against this and there is still enough time to do this. There is a limited likelihood of a write-down of joint ventures and associates holding land because of the impact of climate-related risks.

Joint ventures and associates includes the 50% holding in AsfaltNu. It is not expected that the demand for roads will decline over the long term. There is no more environmentally friendly alternative for asphalt currently available. The requirements on greenhouse gas emissions and other hazardous materials are expected to increase and so in due course it may no longer be possible to use existing asphalt manufacturing plants without further capital expenditure in cleaner solutions. There is a medium likelihood of a write-down of the holding in AsfaltNu because of the impact of climate-related risks.

Loans granted to joint ventures

Loans granted to joint ventures consist primarily of loans to joint ventures holding land positions. As explained above, there is a limited likelihood of a write-down of those participating interests as a result of climate-related risks and so the risk to loans to those participating interests is also limited.

Deferred tax assets

There is a modest likelihood of a write-down because of the impact of climate-related risks in view of the short realisation period.

Strategic land positions

All land positions are in the Netherlands. There is continuing high demand for housing and consequently also for land on which to build them. In the very long term there is a risk that land could become unusable because of flooding. The Group is confident that, as a prosperous country, the Netherlands will take measures against this and there is still enough time to do this. There is a limited likelihood of a write-down of joint ventures and associates holding land because of the impact of climate-related risks.

Other inventories

Other inventories mainly concerns residential property in preparation and under construction. There is a modest likelihood of a write-down because of the impact of climate-related risks in view of the short realisation period.

Work in progress assets

There is a modest likelihood of a write-down because of the impact of climate-related risks in view of the short realisation. Specific climate-related targets have been agreed with the principal for certain projects. In some cases these are difficult to achieve because of the limited supply of low-emission materials and this may incur penalties. Where necessary, these have already been discounted in the measurement.

Trade and other receivables

By definition, there is a modest likelihood of a write-down because of the impact of climate-related risks in view of the very short realisation period.

Measurement of projects

For more information on the key assumptions used in the measurement of projects, see note 6.17, Work in progress.

Financing

Note 6.22 discloses the conditions attached to the financing in greater detail. An important condition involves satisfying the banking covenant ratios, specifically the interest cover ratio, the leverage ratio and the solvency ratio. Proper management of project risks (see above) is crucial to meeting the ratios. The same applies to the achievement of the 2024 business plan and longer-term projection.

Pensions

The key actuarial assumptions for the calculation of the pension obligations are outlined in note 6.23. There is an increased risk that the Group will be required to make additional contributions to the insured schemes that follow the indexation of the Pension Fund for the Construction Industry (Bouwnijverheid). Heijmans will not make any major contributions in 2024, due to the fact that the pension fund for the construction industry (bpfBOUW) has decided not to index pensions this year. It is possible that further contributions may be required in the years after 2024.

Deferred tax assets

For more information on the key assumptions used in the measurement of deferred tax assets, refer to note 6.15 Deferred tax assets and liabilities.

Strategic land holdings

For more information on the key assumptions used in the measurement of the strategic land holdings, refer to note 6.16 Inventories.

Intangible assets

For the main principles used in the annual determination of the recoverable amount of intangible assets, see note 6.12 Intangible assets.

Business combinations

As part of the acquisition, a purchase price allocation (PPA) must be carried out in accordance with IFRS, in which the total transaction sum must be allocated to the assets and liabilities acquired. These are then recognised at market value (fair value accounting) and the difference between the price paid and the net asset value of the assets and liabilities at market value is recognised as goodwill. As permitted under IFRS 3 'Business Combinations', the fair value of the identifiable assets and liabilities acquired has been presented on a provisional basis. An independent professional expert performed the preliminary fair value measurements.

6.31 Auditors' fees

The following fees for Ernst & Young Accountants LLP have been charged to the Company, its subsidiaries and other companies included in the consolidated figures, in accordance with the provisions in Section 382a Book 2 of the Dutch Civil Code.

x € 1,000

2023

	Ernst & Young Accountants LLP	Other EY network firms in the Netherlands	Other EY network firms	Total EY
Examination of the financial statements	2,175	-	-	2,175
Other audit engagements	138	-	9	147
Tax consultancy services	-	-	-	0
Other non-audit services	14	-	-	14
	2,327	**0**	**9**	**2,336**

2022

	Ernst & Young Accountants LLP	Other EY network firms in the Netherlands	Other EY network firms	Total EY
Examination of the financial statements	1,829	-	-	1,829
Other audit engagements	123	-	11	134
Tax consultancy services	-	-	-	0
Other non-audit services	13	-	-	13
	1,965	**0**	**11**	**1,976**

In addition to performing the audit of the financial statements required by law, Ernst & Young Accountants LLP provided the following permitted services: assurance report relating to the sustainability information contained in the annual report, in particular agreed activities with respect to the Compliance Certificate for the banking group and various specific declarations related to revenue, key figures and projects. The costs related to the examination of the financial statements for the foreign subsidiaries are billed directly by Ernst & Young Accountants LLP.

6.32 Events after balance date

In the period prior to signing, no significant events occurred that would have an effect on these financial statements.

7. Subsidiaries and joint operations

The following entities were included in the consolidation in 2023. Wholly-owned entities are subsidiaries. The remaining entities are joint operations. For practical reasons, entities of only minor significance and dormant subsidiaries, are not included in this list. A complete list of the subsidiaries included in the consolidation and other interests is deposited with the Trade Register at the Chamber of Commerce in Eindhoven.

	31 December 2023	31 December 2022
Heijmans Nederland B.V., Rosmalen	**100%**	**100%**
Heijmans Energie B.V., Rosmalen	100%	100%
Heijmans Vastgoed B.V., Rosmalen	**100%**	**100%**
Heijmans Vastgoed Deelnemingen B.V., Rosmalen	100%	100%
V.O.F. Oosterlinge 2, Rosmalen	50%	50%
Westergouwe V.O.F., Nieuwegein	50%	50%
OC Gasthuiskwartier V.O.F., Rosmalen	50%	50%
Terra Ontwikkeling C.V., Rosmalen	100%	100%
Heijmans Woningbouw B.V., Rosmalen	**100%**	**100%**
Heijmans Huizen B.V., Huizen	100%	100%
Bouwcombinatie Gasthuiskwartier V.O.F., Rosmalen	50%	50%
Bouwcombinatie HoogDalem V.O.F., Rosmalen	50%	50%
Bouwcombinatie Parkstad Zuid V.O.F., Amsterdam	50%	50%
Zuidplaspolder V.O.F., Rotterdam	50%	50%
Bouwcombinatie Nieuw Kralingen V.O.F., Zoetermeer	50%	50%
Van Wanrooij Bouwontwikkeling B.V., 's Hertogenbosch	**100%**	**-**
Van Wanrooij Bouwbedrijf B.V., 's Hertogenbosch	100%	-
Van Wanrooij Projectontwikkeling B.V., 's Hertogenbosch	100%	-
Bouwmaterialenhandel Bevers B.V., Rosmalen	100%	-
Van Wanrooij Grondbank B.V., 's Hertogenbosch	100%	-
Van Wanrooij Timmerfabriek B.V., 's Hertogenbosch	100%	-
Van Wanrooij Commandiet B.V., 's Hertogenbosch	100%	-
Heijmans Utiliteit B.V., Rosmalen	**100%**	**100%**
Heijmans Utiliteit Metaal B.V., Rosmalen	100%	100%
Hart van Zuid V.O.F., Nieuwegein	50%	50%
Heijmans Infrastructuur B.V., Rosmalen	**100%**	**100%**
Heijmans Infra B.V., Rosmalen	**100%**	**100%**
Waalensemble V.O.F., Rosmalen	33%	33%
Dynniq Energy B.V., Nieuwegein	100%	100%
Heijmans Facilitair Bedrijf B.V., Rosmalen	**100%**	**100%**
Heijmans Materieel Beheer B.V., Rosmalen	**100%**	**100%**

8. Company financial statements

8.1 General

The company financial statements are part of the 2023 financial statements of Heijmans N.V.

Please refer to the notes to the consolidated statement of profit or loss and statement of financial position for items in the company statement of profit or loss and statement of financial position for which no additional explanations are provided.

8.2 Accounting policies for measuring assets and liabilities and the determination of results

For determining the accounting policies to use for measuring the assets and liabilities and the determination of results of its separate financial statements, Heijmans N.V. makes use of the option provided in Section 362(8) of Book 2 of the Dutch Civil Code. This means that the basis for measuring assets and liabilities and the determination of results (accounting policies) applied in the company financial statements of Heijmans N.V. are the same as those applied in the consolidated EU-IFRS financial statements. Investees over which significant control is exercised are recognised using the equity method. Any impairment of the receivables from group companies relating to expected credit losses is eliminated in the recognised amounts and consequently does not affect the statement of profit or loss or the statement of financial position in any way.

Heijmans N.V. is registered with the Chamber of Commerce under number 16004309.

The share in the result of investees consists of the share of Heijmans N.V.. in the result of these investees. Results from transactions where there is a transfer of assets and liabilities between Heijmans N.V and its investees or between investees themselves are not recognised insofar as they can be deemed to be unrealised.

For details of the remuneration of the members of the Supervisory Board and the Executive Board, see note 6.29 to the consolidated financial statements.

8.3 Company statement of profit or loss for 2022

x € 1,000

	2023	2022
Administrative expenses	-3,456	-3,309
Operating result	-3,456	-3,309
Finance income	2,805	211
Finance expense	-6,071	-2,280
Result before tax	**-6,722**	**-5,378**
Income tax	-250	4,425
Share in profit or loss of investees	66,705	60,533
Result after tax	**59,733**	**59,580**

The effective tax rate for 2023 of 4% (2022: negative 82.3%) is lower than the nominal rate of 25.8%. This is almost entirely because in 2023 Heijmans NV, as the parent of the tax group for corporate income tax, settled its result for the year with the entities that are part of the same tax group.

The remuneration for the members of the Supervisory Board, the Executive Board and the Board's Secretariat are recognised in the company financial statements (see note 6.29 to the consolidated financial statements).

Heijmans N.V employed an average of four staff in 2023 (2022: four).

8.4 Company statement of financial position at 31 December 2023 (before appropriation of result)

x € 1,000

Assets	31 December 2023	31 December 2022
Non-current assets		
Intangible assets	21,207	21,207
Financial assets	946,419	605,469
	967,626	626,676
Current assets		
Receivables	27,000	1,530
Cash and cash equivalents	1,290	33,777
	28,290	**35,307**
Total assets	**995,916**	**661,983**
Equity and liabilities		
Equity		
Issued capital	8,048	7,066
Share premium reserve	300,215	266,739
Statutory reserve for investees	36,259	19,259
Reserve for actuarial results	-63,972	-60,258
Reserve for Bonus Investment Share Matching Plan	257	310
Retained earnings	43,117	24,324
Result after tax for the current financial year	59,733	59,580
	383,657	**317,020**
Non-current liabilities	**55,000**	**0**
Current liabilities	**557,259**	**344,963**
Total equity and liabilities	**995,916**	**661,983**

8.5 Notes to the company statement of financial position

Intangible assets (goodwill)

x € 1,000

	2023	2022
Carrying amount		
Balance at 1 January	21,207	21,207
Balance at 31 December	**21,207**	**21,207**

Intangible assets comprise goodwill purchased on the acquisition of IBC in 2001. Historical cost was € 47.2 million and accumulated impairment was € 26 million.

Financial assets

x € 1,000

	2023	2022
Investments in Group companies	452,855	92,990
Loans granted to group companies	481,035	491,752
Deferred tax asset	12,529	20,727
Total financial assets	**946,419**	**605,469**

Investments in Group companies

x € 1,000

	2023	2022
Balance at 1 January	92,990	32,501
Share in results of investees after tax	66,705	60,533
Capital contribution	296,873	0
Changes in actuarial results relating to employee benefits	-3,713	-44
Balance at 31 December	**452,855**	**92,990**
Set off against receivables from Group companies	0	0
Recognised under financial assets	452,855	92,990

The investments in Group companies are direct or indirect interests in them. The principal Group companies are listed in section 7 of the consolidated financial statements. For the acquisition of investees, see note 6.2 Business combinations.

Loans granted to group companies

x € 1,000

	31 December 2023	31 December 2022
Balance at 1 January	491,752	499,399
Loans granted	16,154	36,321
Loans repaid	-26,871	-43,968
Balance at 31 December	**481,035**	**491,752**

Loans granted to group companies predominantly have a maturity of more than one year.

Deferred tax assets

Deferred tax assets relate to losses of the Heijmans N.V. tax group which have been recognised but not yet utilised. The movements in the financial year were as follows:

x € 1,000

	2023	2022
Balance at 1 January	20,727	25,509
Effect of changes in the tax rate	0	0
Prior-year adjustment	-210	-23
Charge for the financial year	-8,011	-9,183
Recognition of previously unrecognised losses	23	4,424
Impact of new loss relief rules	0	0
Balance at 31 December	**12,529**	**20,727**

See note 6.15 to the consolidated financial statements for details of the deferred tax asset relating to losses of the Heijmans N.V tax group that have not yet been utilised.

Cash and cash equivalents

Cash balances are at the free disposal of the Company.

Equity

2023	Issued capital	Share premium reserve	Statutory reserve for investees	Reserve for actuarial results	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total Equity
Balance at 1 January	7,066	266,739	19,259	-60,259	310	24,324	59,580	317,019
Share issue	690	22,745	0	0	0	0	0	23,435
Dividend payments	292	10,731	0	0	0	-23,787	0	-12,764
Reclassification	0	0	17,000	0	0	-17,000	0	0
Bonus Investment Share Matching Plan	0	0	0	0	-53	0	0	-53
Appropriation of result for 2022	0	0	0	0	0	59,580	-59,580	0
Total result	0	0	0	-3,713	0	0	59,733	56,020
Balance at 31 December	**8,048**	**300,215**	**36,259**	**-63,972**	**257**	**43,117**	**59,733**	**383,657**

2022	Issued capital	Share premium reserve	Statutory reserve for investees	Reserve for actuarial results	Reserve for Bonus Investment Share Matching Plan	Retained earnings	Result for the year after tax	Total Equity
Balance at 1 January	6,828	257,018	29,859	-60,214	340	-16,545	50,299	267,585
Share issue	0	0	0	0	0	0	0	0
Dividend payments	238	9,721	0	0	0	-20,030	0	-10,071
Reclassification	0	0	-10,600	0	0	10,600	0	0
Bonus Investment Share Matching Plan	0	0	0	0	-30	0	0	-30
Appropriation of result for 2022	0	0	0	0	0	50,299	-50,299	0
Total result	0	0	0	-44	0	0	59,580	59,536
Balance at 31 December	**7,066**	**266,739**	**19,259**	**-60,258**	**310**	**24,324**	**59,580**	**317,020**

Authorised share capital

Composition of the authorised share capital is as follows:

in €	31 December 2023	31 December 2022
35,100,000 ordinary shares, each with a nominal value of €0.30	10,530,000	10,530,000
4,900,000 cumulative financing preference shares B, each with a nominal value of €0.30	1,470,000	0
7,000,000 cumulative financing preference shares B, each with a nominal value of €0.21	0	1,470,000
8,000,000 protective preference shares, each with a nominal value of €1.50	12,000,000	12,000,000
	24,000,000	**24,000,000**

As at 31 December 2023, the number of ordinary shares issued stood at 26,826,860 (2022: 23,552,926). All the outstanding shares are paid up, which represents a value of € 8,047,758 (at € 0.30 per share) (2022: 7,065,877.80 at € 0.30 per share). Depositary receipts are issued for ordinary shares. Holders of depositary receipts have the option to convert these into shares under certain conditions. This option has been exercised for seven depositary receipts. The holders of ordinary shares or their depositary receipts are entitled to dividend and have the right to exercise 30 votes per share at meetings of the Company's shareholders.

Share premium reserve

The share premium reserve consists of the capital paid up in excess of the nominal value.

Reserve for investees

The statutory reserve for investees represents the difference between the retained earnings and the direct changes in equity as calculated using the parent company's accounting policies on the one hand and that portion for which the parent company can determine distribution on the other hand. The statutory reserve is determined for each investee individually. This reserve is not freely distributable.

Reserve for actuarial results

The reserve for actuarial results represents the actuarial results on employee-benefits (see note 6.23 to the consolidated financial statements).

Reserve for Bonus Investment Share Matching Plan

For information on the reserve for the Bonus Investment Share Matching Plan, see note 6.29 to the consolidated financial statements.

Appropriation of result

It is proposed to distribute 40% of the result after tax, of € 60 million, as dividend on ordinary shares of their depository receipts and to add the remainder to the reserves, as stated in the '11.1 Appropriation of results' section of this report.

Payables

x € 1,000

	31 December 2023	31 December 2022
Non-current liabilities		
Linear loan	55,000	0
	55,000	**0**
Current liabilities		
Group companies	388,267	344,481
Linear loan	20,000	0
Syndicated bank financing	146,435	0
Other liabilities	2,557	482
	557,259	**344,963**

8.6 Liabilities not disclosed in the statement of financial position

Contingent liabilities

x € 1,000

	31 December 2023	31 December 2022
Bank guarantees	147,011	118,399
Group guarantees to clients	326,015	254,922
Group guarantees to credit institutions	12,072	9,851
	485,098	**383,172**

For information on the guarantees, see note 6.28 to the consolidated financial statements.

Joint and several liability and guarantees

With the exception of Heijmans Deutschland B.V., Heijmans Technology B.V Brabotech Metselwerken B.V., Heijmans Management Deelnemingen B.V., Heijmans Infra A27/A1 B.V., Heijmans Energie B.V., Matching Materials B.V., Interterra Beheer B.V., Heijmans Infra Commandiet B.V., Heijmans Europoles B.V., Hezon B.V., Hezon Holding B.V. and Riederwaard Beheer B.V., statements of joint and several liability as referred to under Section 403(1)(f) of Book 2 of the Dutch Civil Code have been filed with the Trade Register of the respective Chambers of Commerce.

The subsidiaries included in the consolidation and other interests are listed in section 7 of the consolidated financial statements.

Tax Group

Together with almost all of its Dutch subsidiaries, Heijmans N.V. forms a tax group for the purposes of corporate income tax and value added tax. In accordance with the standard applicable conditions, each company is jointly and severally liable for the tax liabilities of every company that is part of the tax group. Van Wanrooij, which was acquired as of 5 September 2023, is not part of the fiscal group.

Share in results of investees

This is the company's share in the results of its investees, all of which are Group companies.

Events after balance date

In the period prior to signing, no significant events occurred that would have an effect on these financial statements.

Signing annual accounts

Rosmalen, 8 March 2024

the members of the Executive Board

A.G.J. Hillen
G.M.P.A. van Boekel

the members of the Supervisory Board

Sj.S. Vollebregt

M.M. Jonk

J.W.M. Knape-Vosmer

A.E. Traas

A.S. Castelein

Glossary

Average Capital Employed

Average Capital Employed is a financial metric used to measure capital size. It is the average capital invested in a certain period used to generate future cash flows.

	2023	2022
Fixed assets	339	343
Working capital	-116	-77
Capital employed start of period	**223**	**266**
Fixed assets	537	339
Working capital	80	-116
Capital employed at the end of the period	**617**	**223**

Net margin

The net margin Capital is a financial metric used to measure profitability and is calculated by dividing the net profit by revenue. It presents how much profit after tax is generated per unit of revenue.

	2023	2022
Revenue	2,117,317	1,812,208
Profit after tax	59,733	59,580
Net margin	**3%**	**3%**

Net debt / Net cash

Net Debt / Net Cash is a financial metric used to assess financial strength of a company. It is calculated by subtracting total amount of debt by all liquid assets. If the total amount of liquid assets is bigger than the total amount of debt, it is referred to as Net Cash. If the total amount of debt is larger than the liquid assets it is referred to as Net Debt.

		2023	2022
Non-Current Liabilities	+/+	65,484	12,136
Current Liabilities	+/+	21,823	1,824
Liquid assets	-/-	40,384	237,012
Operating leases /rents term (current)	+/+	27,458	21,557
Operating leases /rents term (non-current)	+/+	62,435	50,633
Net debt / Net cash		**136,816**	**-150,862**

Underlying EBITDA

Underlying EBITDA refers to Earnings Before Taxes, Interest, Depreciation and Amortization (this is same operational result before depreciation/amortization) and adjusting for (1) EBITDA joint ventures, (2) excluding impairment on Land holding and Goodwill, (3) acquisition expenditures including retention bonusses and (4) book results on the sale of underlying entities.

		2023	2022
EBITDA		**126,938**	**109,714**
EBITDA joint ventures	-/-	-5,368	-8,672
Impairment on Real Estate / land holdings	-/-	0	-4,100
Restructuring expenditures	-/-	-2,986	-1,555
Acquisition costs/ book results on investments	-/-	-9,410	-2,411
Retention bonusses	-/-	-2,400	0
Underlying EBITDA		**147,102**	**126,452**

Underlying EBITDA margin

Underlying EBITDA margin is calculated as underlying EBITDA (as described in section 'underlying EBITDA'). Underlying EBITDA divided by revenue.

	2023	2022
Underlying EBITDA	147,102	126,452
Revenu	2,117,317	1,812,208
Underlying EBITDA Marigin	**7%**	**7%**

Operating margin

Operating margin is used to measure operating efficiency and profitability. It indicates how much profit is generated in relation to revenue, after deduction of operational costs.

	2023	2022
Operating result	81,115	73,081
Revenue	2,117,317	1,812,208
Operating margin	**4%**	**4%**

Return on Average Capital Employed (ROCE)

Return on Average Capital Employed is used to measure the efficiency at which the capital is allocated to generate profit. ROIC is the return on average amount that is invested over a certain period.

Amounts in € 1 miljoen	2023	2022
Operating income	81	71
Average Invested Capital	421	245
Return on Invested Capital	**19%**	**29%**

Result after tax as % of equity

Result after tax in percentage divided by equity measures the profitability based on the equity in a company. Ratio is measured as percentage of net income divided by equity.

	2023	2022
Result after tax	59,733	59,580
Equity	383,657	317,019
Result after tax as % equity	**16%**	**19%**

Result after tax as % of revenue

Result after tax as a percentage of revenue' measures profitability per unit of revenue. It is calculated as net income divided by revenue.

	2023	2022
Result after tax	59,733	59,580
Revenue	2,117,317	1,812,208
Result after tax as % of revenu	**3%**	**3%**

Solvency

Solvency is a financial metric that measures the extend to which a company is able to meet its (financial) obligations.

Solvency ratio = (Equity / Total Assets) x 100%

	2023	2022
Equity	383,657	317,019
Total Assets	1,335,598	1,083,390
Solvency ratio	**28.7%**	**29.3%**

heijmans