



**Implenia**

January – June 2021

# **HALF-YEAR REPORT**



# IMPLENIA HALF-YEAR REPORT 2021

**1 FOREWORD BY THE CEO** \_\_\_\_\_ **003**

**2 SPOTLIGHTS** \_\_\_\_\_ **007**

**3 INTERIM FINANCIAL REPORT** \_\_\_\_\_ **012**

Interim financial report of the Implenla Group \_\_\_\_\_ **012**

Consolidated income statement \_\_\_\_\_ 013

Consolidated statement of comprehensive income \_\_\_\_\_ 013

Consolidated balance sheet \_\_\_\_\_ 014

Consolidated statement of changes in equity \_\_\_\_\_ 015

Consolidated cash flow statement \_\_\_\_\_ 016

Notes to the interim financial report of Implenla \_\_\_\_\_ 017

Alternative performance measures \_\_\_\_\_ **030**

Contacts, dates and publication details \_\_\_\_\_ **032**



# 1 FOREWORD BY THE CEO

Foreword by the CEO

## DEAR SHAREHOLDERS

Implenia is on track with its transformation – the operational measures are having positive impact on results. We achieved a solid operating profit in the first half of 2021, while orders are at a high level and, thanks to the application of the Value Assurance framework, of better quality. With our expertise in managing complex projects and our long-standing focus on sustainability, we are well positioned to become a leading integrated multinational construction and real estate service provider.

**Strategic focus on profitability results in EBIT of CHF 40.0 million; all divisions contribute to positive EBIT**

We are pleased to announce a solid operating profit for the first half of the financial year. Reported EBIT was CHF 40.0 million (HY1.2020: CHF 3.7 million excl. Ina Invest transaction, reported CHF 56.2 million). Underlying performance is in line with expectations and the swift implementation of the transformation resulted in additional one-time effects with a positive impact on the result. Revenue decreased slightly versus HY1.2020 to CHF 1,884 million (HY1.2020: CHF 1,926 million). Implementation of and strict adherence to the Value Assurance framework led to more selective project acquisition with improved margins. All divisions are on track to achieve their profitability targets for 2021.

**Division Real Estate** achieved EBIT of CHF 22.3 million (HY1.2020: reported EBIT of CHF 107.5 million; positively affected by Ina Invest transaction). The Division continues to invest in and develop its attractive Real Estate portfolio with a market value of more than CHF 350 million as trader-developer in Switzerland and Germany. Together with its partners, the Division is also creating standardised, industrially manufactured real estate products. Collaboration with Ina Invest on acquisition and Real Estate Services is well established. Implenia's participation in Ina Invest has a book value of CHF 144.8 million.



**André Wyss**  
CEO

Foreword by the CEO

“Our transformation is on track and having a positive impact on results.”

André Wyss  
CEO

**Division Buildings** delivered a solid performance and increased the profitability of its underlying business. The Division reported EBIT of CHF 16.2 million (HY1.2020: CHF 5.4 million). Due to the focus on profitability and complex large-scale projects, revenue declined. The order book improved in quality and increased, mainly thanks to the acquisition of BAM Swiss AG in May. This acquisition strengthened the Division’s expertise in complex projects, primarily in the healthcare sector. The Division also built up further capabilities in general planning and consulting.

**Division Civil Engineering** reported EBIT of CHF 10.2 million (HY1.2020: CHF – 48.0 million). The transformation is well on track, as demonstrated by the improved operating result. The Division is now well positioned for future success. Business Units Tunnelling and Special

Foundations delivered good results. The restructuring measures and ramp-downs in Civil are proceeding as planned and have mostly been completed. Division revenue increased thanks to a strong second quarter and the strategic focus on large-scale projects. Orders remained at the year-back level. Following the acquisition of Lot 3 of the TELT (Tunnel Euralpin Lyon-Turin) tunnelling project, France will remain an important market for tunnelling and related infrastructure projects.

The strategic portfolio alignment in Business Unit Civil is on track and the following divestments have been completed: Implenia Instandsetzung GmbH in Germany, yards and equipment in Austria, as well as the ferry dock maintenance and rock support business in Norway. Further outsourcing of yards and equipment is being assessed, and the business unit has closed its local production units in Canton Grisons, Switzerland. Local branches of Business Unit Civil in Sweden, Norway and Austria have been ramped down to the extent that they are now only completing existing projects.

**Division Specialties** achieved solid EBIT of CHF 0.5 million (HY1.2020: CHF – 0.6 million). Revenue fell and the order book remained stable despite the sale of two non-strategic businesses, Tüchler Ausbau and Tetrag. The Division will continue to develop and scale businesses with high potential and is actively scouting potential acquisitions in order to expand its planning and engineering capabilities. At the Implenia

Innovation Hub, more than 70 promising innovations at various stages of maturity are already in development.

**Equity ratio increased versus full-year 2020 despite seasonality. Cash and equity with positive trend for second half-year**

Free Cash Flow for the first half-year was CHF – 325.4 million (HY1.2020: CHF – 228.3 million) and, as expected, is temporarily at low levels owing to seasonality and ongoing strategy execution. For the second half-year, Implenia expects Free Cash Flow to trend positively. Despite seasonality in the first half-year, the equity ratio increased by 0.8 pp to 11.1% (versus a decrease of 2.5 pp in HY1.2020).

**Order book of CHF 6.6 billion with strategically relevant project wins is of better quality and improved risk profile by applying Value Assurance**

Our order book increased to CHF 6.6 billion (HY1.2020: CHF 6.2 billion) due to strategically relevant project wins in the first half-year as well as to the acquisition of BAM Swiss AG. The quality of the order book continues to improve. The Value Assurance framework is applied to all new projects, and major projects are planned and realised using Lean Construction methods. These two measures are improving the risk profile of the project pipeline and increasing its profitability.

## Foreword by the CEO

We acquired numerous large and complex infrastructure projects in strategic markets during the first six months of this year. These project acquisitions are in line with our core competencies and are proof of Implenia's reputation in tunnelling, as well as of the demand for our skills and long experience in this field.

Division Buildings won several large and complex projects for sustainable residential and commercial buildings in Switzerland and Germany. In accordance with its strategy, Implenia is moving away from construction production towards projects with a substantial share of consulting and planning work.

**Implenia is going through a major transformation: Required operational measures are on track with positive impact on results**

Implenia is going through a major transformation, including portfolio adjustments, write-downs and rightsizing of businesses and support functions. We continue to focus on integrated construction

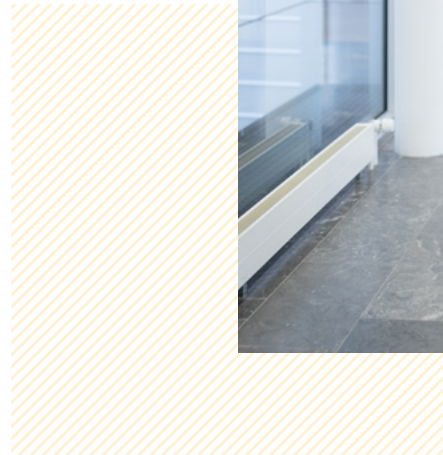
and real estate services in our core markets Switzerland and Germany, while offering tunnelling and related infrastructure projects in other markets. Implementation of this transformation is well advanced under the "Portfolio" strategic priority, and mostly completed in Business Unit Civil. We will continue with portfolio adjustments and externalisation of asset-heavy activities in the second half of the year.

The most recent forecasts for growth in our core markets remain positive. The predicted recovery of total construction output in Europe of approx. 4.1% in 2021 has been slightly revised to growth of 3.8%. Momentum will weaken gradually in subsequent years with 3.0% growth in 2022 and 2.1% in 2023 (source: Euroconstruct Report, June 2021).

Based on the progress of the strategy implementation and the current assessment of the material cost increase, focusing on its core portfolio and asset-light strategy, Implenia confirms its EBIT guidance on Group level. For 2021 Implenia expects EBIT of CHF >100 million and as mid-term target an EBIT margin of 4.5%.

I would like to thank all our colleagues for their continuing commitment to the implementation of our strategy, as well as for the outstanding work they have done for our projects and our customers in the first half of 2021. I would also like to thank all our shareholders for their trust and support.

**André Wyss**  
CEO





# 2 SPOTLIGHTS



Spotlight

# ACHIEVING MORE TOGETHER – WITH INTEGRATED PROJECT DELIVERY

approx. **3,400** m<sup>2</sup>

USABLE FLOORSPACE

approx. **65**

HOMES FOR SMALL URBAN HOUSEHOLDS

**44.6** million

MARKET VALUE ON COMPLETION (CHF)

Integrated Project Delivery (IPD) is still an unfamiliar concept to many. Implenia is leading Switzerland’s first ever full pilot project. There is much to recommend the new approach: IPD promises added value for customers, better risk management, more accurate costings and more reliable timetabling. All the partners work closely together right from the start and throughout the entire project. Key elements include a common performance-linked compensation system as well as a multi-party contract that regulates all the processes and methods. The application of Lean principles and consistent integration of BIM give additional planning certainty. Implenia wants to position itself as an IPD expert.

**SCHAFFHAUSERSTRASSE ZÜRICH** The Schaffhauserstrasse 220–224 development project in Zurich sees the replacement of an existing property with a new build that will house around 65 apartments. Division Real Estate has developed the project on behalf of Ina Invest. In a prime location between Oerlikon and the University of Zurich, with excellent links to public transport, the new building will offer sustainable small urban homes of a different kind.

Additional information can be found online [📄 Schaffhauserstrasse Zurich](#)

“Partnership, transparency and a shared vision create ideal conditions for solutions that consistently put people at the centre.”

Marc Pointet  
CEO Ina Invest



Spotlight

# CLOSELY INTEGRATED PLANNING AND BUILDING – PARTNERING MODELS FROM THE PRECONSTRUCTION PHASE

# 38

MONTHS TOTAL CONSTRUCTION TIME

# 131 million

CONTRACT VALUE (EUR)

# 41,000 m<sup>2</sup>

SIZE OF SITE

“If we can build trust, agree on common goals and find a good balance between the interests of all parties, the outcomes will ultimately be much better.”

**Marc Bosch**

Managing Director Wüstenrot Haus- und Städtebau GmbH

Partnership models make it possible to manage and implement projects precisely and efficiently in terms of timings, cost and quality. The first task is to understand the interests of everyone involved, define common goals and processes and clarify expectations and roles. Reliable planning and implementation of complex major projects are aided by regular workshops with expert specialists and by early involvement of an experienced operational construction team and calculation specialists. This is facilitated by a new type of construction management contract that is based on the use of partnering models right from the first service phase. The client often sets the pace here. Partnering models have so far mainly been used in Germany, where we are gaining valuable experience that will be useful in other markets too.

**RESIDENTIAL NEIGHBOURHOOD AT SÜDCAMPUS BAD HOMBURG** Based on a two-part construction management contract, Division Buildings is planning and building the “Wohnquartier am Südcampus” residential neighbourhood in Bad Homburg am Taunus near Frankfurt. The client is Wüstenrot Haus- und Städtebau. The project, which includes 27 apartment blocks with 538 apartments, is being managed using BIM and Lean Construction, integrated on a common platform.

Additional information can be found online [Südcampus Bad Homburg](#)



Spotlight

## CLOSED MATERIAL CYCLES – USING A SEMI-MOBILE GRAVEL PLANT

# 35,000 m<sup>3</sup>

EXCAVATED MATERIAL PROCESSED (AS OF JUNE 2021)

# approx. 90%

OF EXCAVATED MATERIAL IS RECYCLED

# > 100 t/h

OUTPUT

Closed material cycles are an important way of achieving sustainability on construction sites: recycling building materials conserves resources, reduces transportation and cuts CO<sub>2</sub> emissions. It also decreases the volume of excavated material that needs to be disposed of and lowers material costs. Implenia has invested more than CHF 3 million in a semi-mobile gravel plant where excavated material is washed and sorted. Around 90% of the material is prepared in this way and then returned to the same construction site for re-use. Once the project is complete, the gravel plant can be dismantled and rebuilt elsewhere. It is currently sited in Nuglar (BL), where it is supplying three nearby construction projects: the Liestal four-track expansion, the Waldenburgerbahn and Dreispitz Basel.

**WALDENBURGERBAHN** The “Waldeburgeli” was the narrowest small-gauge railway in Switzerland for more than 140 years. It is now being widened from a 75 to a 100 cm-wide track as part of a general upgrading of the line, due for completion in 2022. Division Civil Engineering has been commissioned to tackle a complex section of the line that presents great challenges in terms of site logistics.

Additional information can be found online [📄 Waldenburgerbahn](#)



## Spotlight

# SUSTAINABLE ADVICE, PLANNING AND EXECUTION – THANKS TO INTELLIGENT CONSTRUCTION LOGISTICS

# 90%

TARGET RATE FOR RECYCLING

# < 10%

UNSORTED WASTE

# 15%

AVERAGE POTENTIAL SAVINGS ON TRANSPORTATION

# 100%

ELECTRICITY FROM HYDROPOWER

Around 70% of working time on construction sites is spent taking things where they need to be and setting up equipment. This is where Intelligent construction logistics through Buildings Construction Logistics (BCL) aims to improve efficiency as well as sustainability – because waste, dust, noise and air pollution place burdens on people and the environment. Building Construction Logistics, part of Division Specialties, brings together innovative consultation, planning and execution services. The more complex a project, the greater the potential for inefficiencies and, therefore, the greater the opportunities to optimise. It is possible, for example, to achieve recycling rates of up to 90%, while erosion and sedimentation control can significantly reduce soil and air pollution around construction sites. In addition, integrated management of all ancillary processes cuts unnecessary wastes of time and resources.

**ARNULFPOST MÜNCHEN** The ambitious Arnulfpost project in Munich involves renovation and new building work; Implenía with BCL is in charge of the construction logistics and special foundations work. The historic mail distribution centre, with its iconic rotunda, was built in 1920. Owner Google aims to restore it to new glory while achieving Platinum LEED sustainability certification.

Additional information can be found online [📄 Arnulfpost München](#)

# 3 INTERIM FINANCIAL REPORT

Interim financial report of the Implenía Group	012
Consolidated income statement	013
Consolidated statement of comprehensive income	013
Consolidated balance sheet	014
Consolidated statement of changes in equity	015
Consolidated cash flow statement	016
Notes to the interim financial report of Implenía	017

## CONSOLIDATED INCOME STATEMENT

in CHF t	Notes	1.1.-30.6.2021	1.1.-30.6.2020
Group revenue	6	1,883,604	1,926,145
Materials and third party services		(1,118,497)	(1,271,397)
Personnel expenses		(534,003)	(520,715)
Other operating expenses		(152,018)	(140,231)
Income from associates		17,190	703
Income from Ina Invest transaction	4	-	111,102
Depreciation and amortisation		(56,249)	(49,405)
<b>EBIT</b>		<b>40,027</b>	<b>56,202</b>
Financial expenses	7	(14,290)	(10,460)
Financial income	7	2,240	1,156
<b>Profit before tax</b>		<b>27,977</b>	<b>46,898</b>
Tax		(5,596)	10,713
<b>Consolidated profit</b>		<b>22,381</b>	<b>57,611</b>
<b>Attributable to:</b>			
Shareholders of Implenia Ltd.		21,543	56,428
Non-controlling interests		838	1,183
<b>Earnings per share (CHF)</b>			
Basic earnings per share	13	1.17	3.06
Diluted earnings per share	13	1.09	2.78

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF t	Notes	1.1.-30.6.2021	1.1.-30.6.2020
<b>Consolidated profit</b>		<b>22,381</b>	<b>57,611</b>
Remeasurement of post-employment benefits	8	(2,463)	(3,862)
Income tax on remeasurement of post-employment benefits		683	841
Fair value adjustments on financial instruments		-	44
<b>Total items that will not be reclassified to income statement in the future</b>		<b>(1,780)</b>	<b>(2,977)</b>
Changes from cash flow hedges		-	30
Changes from net investment hedges		(889)	1,179
Foreign exchange differences		3,024	(13,282)
<b>Total items that will be reclassified to income statement in the future</b>		<b>2,135</b>	<b>(12,073)</b>
<b>Other comprehensive income</b>		<b>355</b>	<b>(15,050)</b>
<b>Attributable to:</b>			
Shareholders of Implenia Ltd.		329	(14,982)
Non-controlling interests		26	(68)
<b>Total comprehensive income</b>		<b>22,736</b>	<b>42,561</b>
<b>Attributable to:</b>			
Shareholders of Implenia Ltd.		21,872	41,446
Non-controlling interests		864	1,115

## CONSOLIDATED BALANCE SHEET

### Assets

in CHF t	Notes	30.06.2021	31.12.2020	30.06.2020
Cash and cash equivalents		358,221	719,990	646,776
Derivative financial instruments		329	172	1,706
Trade receivables <sup>1</sup>	9	755,708	611,796	552,734
Contract assets <sup>1</sup>	10	499,900	311,898	470,876
Joint ventures (equity method)		33,906	24,843	32,667
Income tax receivables		15,904	992	5,633
Other receivables		45,304	42,513	53,068
Raw materials and supplies		82,320	86,827	81,723
Real estate transactions		134,595	137,130	151,615
Accrued income and prepaid expenses		27,930	14,671	40,200
<b>Total current assets</b>		<b>1,954,117</b>	<b>1,950,832</b>	<b>2,036,998</b>
Property, plant and equipment		241,857	261,202	285,324
Rights of use from leases		154,357	167,306	139,610
Investment property		5,616	5,662	5,708
Investments in associates		190,682	196,084	190,883
Other financial assets		15,416	15,346	9,743
Pension assets	8	444	546	538
Intangible assets		274,113	266,676	299,947
Deferred tax assets		77,265	79,557	34,674
<b>Total non-current assets</b>		<b>959,750</b>	<b>992,379</b>	<b>966,427</b>
<b>Total assets</b>		<b>2,913,867</b>	<b>2,943,211</b>	<b>3,003,425</b>

1 Some line items within contract assets, contract liabilities, accounts receivables and accounts payables were reclassified. The prior year figures were adapted accordingly.

### Equity and liabilities

in CHF t	Notes	30.06.2021	31.12.2020	30.06.2020
Financial liabilities	11	285,534	126,660	57,480
Derivative financial instruments		192	1,279	17
Trade payables <sup>1</sup>		758,311	935,416	970,212
Contract liabilities <sup>1</sup>	10	473,439	324,303	295,796
Joint ventures (equity method)		56,004	69,114	79,428
Income tax liabilities		25,255	11,679	20,205
Other liabilities		112,167	106,157	116,870
Prepaid income and accrued expenses		158,685	126,877	140,866
Provisions		167,541	213,519	145,242
<b>Total current liabilities</b>		<b>2,037,128</b>	<b>1,915,004</b>	<b>1,826,115</b>
Financial liabilities	11	425,204	606,177	587,238
Deferred tax liabilities		47,244	49,151	36,085
Pension liabilities	8	18,692	21,421	21,839
Provisions		61,258	48,431	25,661
<b>Total non-current liabilities</b>		<b>552,398</b>	<b>725,180</b>	<b>670,823</b>
Share capital	12	18,841	18,841	18,841
Treasury shares	12	(490)	(955)	(339)
Reserves		260,982	395,558	404,212
Consolidated profit attributable to shareholders		21,543	(134,702)	56,428
<b>Equity attributable to shareholders</b>		<b>300,876</b>	<b>278,742</b>	<b>479,142</b>
Non-controlling interests		23,465	24,285	27,345
<b>Total equity</b>		<b>324,341</b>	<b>303,027</b>	<b>506,487</b>
<b>Total equity and liabilities</b>		<b>2,913,867</b>	<b>2,943,211</b>	<b>3,003,425</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF t	Reserves						Total share- holders' equity	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserves	Foreign exchange differences	Cash flow hedge reserves	Retained earnings			
<b>Equity as at 1.1.2021</b>	18,841	(955)	88,105	(58,592)	-	231,343	278,742	24,285	303,027
Consolidated profit	-	-	-	-	-	21,543	21,543	838	22,381
Other comprehensive income	-	-	-	2,112	-	(1,783)	329	26	355
<b>Total comprehensive income</b>	-	-	-	2,112	-	19,760	21,872	864	22,736
Dividends	-	-	-	-	-	-	-	(1,154)	(1,154)
Change in treasury shares	-	466	(204)	-	-	-	262	-	262
Share-based payments	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	(530)	(530)
Change in scope of consolidation	-	-	-	-	-	-	-	-	-
<b>Total other changes in equity</b>	-	466	(204)	-	-	-	262	(1,684)	(1,422)
<b>Total equity as at 30.6.2021</b>	18,841	(489)	87,901	(56,480)	-	251,103	300,876	23,465	324,341
<b>Equity as at 1.1.2019</b>	18,841	(540)	87,978	(44,868)	(30)	501,308	562,689	27,780	590,469
Consolidated profit	-	-	-	-	-	56,428	56,428	1,183	57,611
Other comprehensive income	-	-	-	(12,039)	30	(2,973)	(14,982)	(68)	(15,050)
<b>Total comprehensive income</b>	-	-	-	(12,039)	30	53,455	41,446	1,115	42,561
Cash Dividends	-	-	-	-	-	(13,850)	(13,850)	(1,550)	(15,400)
Dividend in kind Ina Invest Holding AG	-	-	-	-	-	(112,388)	(112,388)	-	(112,388)
Change in treasury shares	-	201	130	-	-	(1,056)	(725)	-	(725)
Share-based payments	-	-	-	-	-	1,970	1,970	-	1,970
<b>Total other changes in equity</b>	-	201	130	-	-	(125,324)	(124,993)	(1,550)	(126,543)
<b>Total equity as at 30.6.2020</b>	18,841	(339)	88,108	(56,907)	-	429,439	479,142	27,345	506,487

## CONSOLIDATED CASH FLOW STATEMENT

in CHF t	Notes	1.1.-30.6.2021	1.1.-30.6.2020
<b>Consolidated profit</b>		<b>22,381</b>	57,611
Tax		5,596	(10,713)
Financial result	7	12,050	9,304
Depreciation and amortisation		56,248	49,405
Result from sale of non-current assets		(36,791)	(2,430)
Income and distribution from associates		776	2,572
Change in provisions		(40,994)	(8,637)
Change in pension assets and liabilities		(5,042)	734
Change in net working capital			
Change in trade and other receivables		(121,464)	1,902
Change in contract assets and liabilities (net), raw materials and supplies		(57,617)	(191,468)
Change in real estate transactions		2,614	(28,278)
Change in trade payables and other liabilities		(192,766)	33,403
Change in accruals and joint ventures (equity method)		2,276	(1,587)
Expenses / income not affecting liquidity relating to the Ina Invest transaction		-	(111,102)
Other expenses / income not affecting liquidity		(5,767)	7,105
Interest paid		(6,201)	(6,338)
Interest received		772	506
Tax paid		(2,699)	(7,351)
<b>Cash flow from operating activities</b>		<b>(366,628)</b>	(205,362)

in CHF t	Notes	1.1.-30.6.2021	1.1.-30.6.2020
Investments in property, plant and equipment		(15,949)	(29,933)
Disposals of property, plant and equipment		21,357	7,575
Investments in other financial assets and associates		(784)	(1,188)
Disposals of other financial assets and associates		20,687	2,192
Investments in intangible assets		(2,917)	(2,399)
Acquisition of subsidiaries	4	6,657	-
Sale of subsidiaries		12,183	773
<b>Cash flow from investing activities</b>		<b>41,234</b>	(22,980)
Increase in financial liabilities	11	-	13,196
Repayment of financial liabilities	11	(37,880)	(27,598)
Purchase of treasury shares		(1,898)	(1,593)
Sale of treasury shares		2,151	1,925
Dividends		-	(13,850)
Cash flow with non-controlling interests		(1,153)	(1,550)
<b>Cash flow from financing activities</b>		<b>(38,780)</b>	(29,470)
Foreign exchange differences on cash and cash equivalents		2,405	(7,729)
<b>Change in cash and cash equivalents</b>		<b>(361,769)</b>	(265,541)
Cash and cash equivalents at the beginning of the period		719,990	912,317
<b>Cash and cash equivalents at the end of the period</b>		<b>358,221</b>	646,776

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

### 1 — GENERAL INFORMATION

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

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

Implenia's business activities are described in note 6.

The interim financial report as at 30 June 2021 was approved by the Board of Directors of Implenia Ltd. on 16 August 2021. The interim financial report as at 30 June 2021 was not audited by the statutory auditor PricewaterhouseCoopers Ltd. Zurich.

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

### 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This interim financial report covers Implenia Ltd. and its subsidiaries for the reporting period ended 30 June 2021. The interim financial report was prepared in accordance with IAS 34 "Interim Financial Reporting". The report does not contain all the notes and comments required for the Annual Report. It should therefore be read in conjunction

with the consolidated financial statements as at 31 December 2020, which were prepared in compliance with the International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB).

Management estimates and judgements for the purposes of financial reporting affect the values of reported assets and liabilities, contingent liabilities and assets on the balance sheet date, and expenses and income during the reporting period. Actual values may differ from these estimates.

### 3 — CHANGE TO ACCOUNTING POLICIES

The accounting policies applied to this interim financial report are identical to those applied to and described in the financial report 2020.

### 4 — MATERIAL CHANGES IN THE SCOPE OF CONSOLIDATION

#### Completion of the takeover of BAM Swiss AG

On 11 May 2021, the Implenia Group acquired 100 per cent of the shares in BAM Swiss AG incorporated in Basel (Switzerland). BAM Swiss AG is engaged in building construction in the rapidly growing area of Northwestern Switzerland. It supplies services from planning through to turnkey buildings and has particular expertise in complex construction projects in healthcare, but also in pharmaceuticals, transport and logistics as well as education and research. Through the takeover Implenia will become a leading provider of construction services in healthcare and will consolidate its market presence as a total contractor for complex large-scale projects in Switzerland. The acquired company was fully consolidated from the date of acquisition.

The purchase price amounted to CHF 6.0 million and included the acquisition of cash and cash equivalents of CHF 12.6 million.

Based on the provisional purchase price allocation, the identifiable net assets amount to CHF –0.9 million. The transaction resulted in goodwill of CHF 6.8 million, which reflects the assets acquired that cannot be capitalised, such as market entry and anticipated synergy effects. As expected, the acquired goodwill will not be deductible against tax. The acquisition-related costs of CHF 0.2 million were recognised in the income statement under other operating expenses.

In the first half of 2021, BAM Swiss Ltd. had generated EBIT of CHF –0.6 million on revenue of CHF 18.0 million. For the period from 11 May to 30 June 2021, BAM Swiss Ltd. reported EBIT of CHF 0.1 million and revenue of CHF 7.4 million.

Following the takeover, BAM Swiss Ltd. was renamed as Implenia Buildings Basel Ltd.

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

The following overview shows the provisional figures recognised for the fair values of the acquired assets and assumed liabilities as well as goodwill:

	11.5.2021
Cash and cash equivalents	12,614
Trade receivables	14,982
Work in progress and other current assets	186
Property, plant and equipment	367
	1,262
Trade payables	(11,755)
Current and non-current provisions	(9,069)
Work in progress and other current liabilities	(8,024)
Other non-current liabilities	(1,424)
<b>Fair value identifiable net assets</b>	<b>(861)</b>
<b>Goodwill</b>	<b>6,818</b>
<b>Purchase price</b>	<b>5,957</b>
Cash and cash equivalents acquired	12,614
<b>Net cash inflow</b>	<b>6,657</b>

### Completion of sales

As at 31 May 2021, the Implenia Group sold 100 per cent of the shares in Implenia Instandsetzung GmbH incorporated in Munich (Germany). Implenia Instandsetzung GmbH is a leading full-service partner for the restoration of buildings, infrastructure structures or parts thereof in Germany. Implenia sold the maintenance division to focus on the defined core portfolio in line with strategy. The sold company was fully deconsolidated from the date on which it was sold.

As at 30 June 2021, the Implenia Group sold 100 per cent of the shares in Tetrag Automation Ltd., incorporated in Dietlikon (Switzerland). The resulting contribution to earnings at EBIT level was immaterial.

The effect on earnings at EBIT level resulting from sales transactions was CHF 8.8 million.

### Agreement in the Letzigrund Stadium legal case

In March 2021, Implenia and the City of Zurich have come to an agreement on the pending and threatened new court proceedings and settled all claims. The agreement had no impact on earnings at EBIT level in 2021.

### Execution of the spin-off of Ina Invest Holding Ltd. by way of a dividend in kind to Implenia Ltd. shareholders

On 25 February 2020, Implenia informed its shareholders of its intention to spin off around half of its portfolio of real estate projects in terms of value (measured at fair value) and transfer it to the newly founded real estate company Ina Invest Ltd.

The shares were distributed on 12 June 2020 and this led to a reduction in retained earnings of CHF 112.4 million.

On 12 June 2020, Ina Invest Holding Ltd. was listed on the SIX Swiss Exchange (ISIN CH052 402 6959, INA).

The effect on earnings at EBIT level resulting from the transaction was reported as CHF 107.1 million. Associated provisions amounted to CHF 52.7 million. The corresponding amount was valued at 31 December 2020 at CHF 48.7 million. This subsequently led to an adjustment off the transaction result to CHF 111.1 million. This adjustment has an impact on the reporting of the cash flow from operating activities for the first six month period of 2020.

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

### 5 — SEASONALITY

Implenia's building production services are subject to seasonal fluctuations as building activity is more intense in the second half of the year. The first half, in particular, is affected by lower productivity from personnel and machinery combined with higher costs for maintenance and repairs. The balance sheet as at 30 June 2020 is also shown to improve comparability. The first half of 2021 and 2020 was also shaped by one-time transactions. Significant events are described in note 4.

### 6 — SEGMENT REPORTING

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

The Group consists of the following divisions:

- Real Estate
- Buildings
- Civil Engineering
- Specialties

The organisational structure also includes "Functions". This unit relates to costs that cannot be assigned to any other division. It also includes Group companies with no activities.

The divisions undertake the following activities:

#### Real Estate

Division Real Estate brings together Implenia's expertise in project development from the initial idea to the completed building project. As a partner for private and institutional property developers, the division develops and realises sustainable real estate and sites and can utilise its own land bank. Geographically, the project portfolio is spread throughout Switzerland. The division also provides service and development services to the Ina Invest Group on the basis of a strategic partnership and participates on the income of Ina Invest Ltd. based on its share (income from associates).

#### Buildings

Division Buildings comprises the holistic design and execution of complex new constructions as well as modernisation work on existing properties. As a general and total contractor, Implenia offers comprehensive services from a single source. Modernisation brings together the division's capabilities in conversion and renovation, from consultancy to implementation. The division's home markets are Switzerland and Germany. The division is still active in Austria.

#### Civil Engineering

Division Civil Engineering is responsible for tunnelling, foundation engineering and regional business, such as road, rail and bridge construction. The division is present in all of Implenia's home markets, predominantly in tunnelling outside Switzerland and Germany.

#### Specialties

Division Specialties comprises Implenia's niche offers, such as those relating to wood-based construction, formwork construction, façade and posttensioning technology and construction logistics. The division is also responsible for gravel works in Switzerland and abroad.

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

Segment reporting, as presented to the Board of Directors, as at 30 June 2021:

in CHF t	Real Estate	Buildings	Civil Engineering	Specialties	Total of divisions	Functions <sup>1</sup>	Total
IFRS revenue unconsolidated	50,166	853,942	1,039,829	95,807	2,039,742	34,190	2,073,932
Intra-Group revenue	(13,816)	(32,593)	(95,563)	(16,665)	(158,636)	(31,694)	(190,329)
<b>Group revenue</b>	36,350	821,349	944,266	79,142	1,881,107	2,496	1,883,603
<b>EBIT</b>	22,304	16,235	10,163	471	49,174	(9,147)	40,027
Current assets (excl. cash and cash equivalents)	167,823	493,641	814,011	80,396	1,555,872	40,023	1,595,895
Non-current assets (excl. pension assets and rights of use from leases)	156,429	161,883	338,939	94,176	751,427	53,518	804,945
Debt capital (excl. financial and pension liabilities)	(146,449)	(824,117)	(674,077)	(71,944)	(1,716,587)	(143,508)	(1,860,095)
<b>Total invested capital excl. rights of use from leases</b>	177,803	(168,592)	478,873	102,628	590,712	(49,967)	540,745
Rights of use from leases	601	31,268	78,399	3,705	113,974	40,387	154,361
<b>Total invested capital</b>	178,404	(137,324)	557,272	106,333	704,686	(9,580)	695,106
<b>Investments in property, plant and equipment and intangible assets</b>	–	328	14,622	920	15,869	2,998	18,867

<sup>1</sup> Including eliminations



## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

Segment reporting, as presented to the Board of Directors, as at 30 June 2020:

in CHF t	Real Estate	Buildings	Civil Engineering	Specialties	Total of divisions	Functions <sup>1</sup>	Total
IFRS revenue unconsolidated	94,552	1,000,802	926,664	104,915	2,126,933	16,525	2,143,458
Intra-Group revenue	(7,790)	(102,630)	(86,594)	(15,610)	(212,624)	(4,689)	(217,313)
<b>Group revenue</b>	86,762	898,172	840,070	89,305	1,914,309	11,836	1,926,145
<b>EBIT</b>	107,453	5,365	(48,029)	(629)	64,159	(7,957)	56,202
Current assets (excl. cash and cash equivalents)	186,811	371,260	722,635	96,300	1,377,006	13,216	1,390,222
Non-current assets (excl. pension assets and rights of use from leases)	156,093	155,969	398,776	95,994	806,832	19,448	826,280
Debt capital (excl. financial and pension liabilities)	(167,229)	(864,371)	(639,716)	(69,390)	(1,740,706)	(93,676)	(1,834,382)
<b>Total invested capital excl. rights of use from leases</b>	175,675	(337,142)	481,695	122,904	443,132	(61,012)	382,120
Rights of use from leases	1,089	34,634	73,244	2,706	111,673	27,937	139,610
<b>Total invested capital</b>	176,764	(302,508)	554,939	125,610	554,805	(33,075)	521,730
<b>Investments in property, plant and equipment and intangible assets</b>	-	431	26,360	2,021	28,812	3,020	31,832

<sup>1</sup> Including eliminations

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

The reconciliation to invested capital is as follows:

in CHF t	30.06.2021	30.06.2020
Total assets	2,913,867	3,003,425
Minus cash and cash equivalents	(358,221)	(646,776)
Minus pension assets	(444)	(538)
<b>Assets of invested capital</b>	<b>2,555,202</b>	<b>2,356,111</b>
Total equity and liabilities	2,913,867	3,007,425
Minus equity	(324,341)	(506,487)
Minus financial liabilities	(710,738)	(644,718)
Minus pension liabilities	(18,692)	(21,839)
<b>Liabilities of invested capital</b>	<b>1,860,096</b>	<b>1,834,381</b>
<b>Total invested capital</b>	<b>695,106</b>	<b>521,730</b>

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

in CHF t	30.06.2021	31.12.2020
Switzerland	301,322	311,960
Germany	243,192	242,624
Austria	26,892	35,691
Norway	54,201	56,562
Sweden	29,809	33,527
France	4,753	4,278
Other countries	15,773	16,204
<b>Total as at reporting date</b>	<b>675,942</b>	<b>700,846</b>

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

Revenue from contracts with customers was distributed geographically as follows in the reporting period from 1 January 2021 to 30 June 2021:

in CHF t	Development	Buildings	Civil Engineering	Specialties	Functions	Total
Switzerland	36,042	607,097	299,194	17,154	-	959,487
Germany	88	194,235	187,428	48,273	-	430,024
Austria	-	19,551	64,915	16	-	84,482
Norway	-	-	102,356	-	-	102,356
Sweden	-	-	183,786	-	-	183,786
France	1	-	91,378	-	-	91,379
Other countries	-	-	6	12,207	-	12,213
<b>Revenue from contracts with customers</b>	36,131	820,883	929,062	77,649	-	1,863,725
Other revenue	219	466	15,204	1,492	2,497	19,878
<b>Group revenue</b>	36,350	821,349	944,266	79,142	2,496	1,883,603

Revenue is usually recognised over time. The sale of land in Division Real Estate, where revenue is recognised at a certain date, constitutes

an exception to this rule. Other revenue is largely the result of leasing income.

Revenue from contracts with customers was distributed geographically as follows from 1 January 2020 to 30 June 2020:

in CHF t	Development	Buildings	Civil Engineering	Specialties	Functions	Total
Switzerland	85,644	657,775	301,097	15,426	7,008	1,066,950
Germany	5	219,268	192,718	51,552	-	463,543
Austria	-	19,677	36,321	5,053	-	61,051
Norway	-	-	84,757	-	-	84,757
Sweden	-	-	160,215	-	-	160,215
France	-	-	52,130	-	-	52,130
Other countries	-	-	-	17,012	-	17,012
<b>Revenue from contracts with customers</b>	85,649	896,720	827,238	89,043	7,008	1,905,658
Other revenue	1,113	1,452	12,832	262	4,828	20,487
<b>Group revenue</b>	86,762	898,172	840,070	89,305	11,836	1,926,145

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

### 7 — FINANCIAL EXPENSES AND INCOME

in CHF t	1.1.-30.6.2021	1.1.-30.6.2020
<b>Financial expenses</b>		
Interest expenses	4,897	4,973
Interest expenses from leases	2,420	1,979
Bank charges	715	474
Costs of financial guarantees	1,095	452
Other financial expenses	3,014	1,138
Foreign currency losses	2,149	1,444
<b>Total</b>	<b>14,290</b>	<b>10,460</b>
<b>Financial income</b>		
Interest income	772	509
Income from investments	166	100
Other financial income	-	25
Foreign currency gains	1,302	522
<b>Total</b>	<b>2,240</b>	<b>1,156</b>
<b>Financial result</b>	<b>(12,050)</b>	<b>(9,304)</b>

### 8 — REMEASUREMENT OF POST-EMPLOYMENT BENEFITS

The discount rate used to calculate pension liabilities was increased in the reporting period from 0.2% to 0.3% (previous year: increase of 0.1%). The negative effect before tax in other comprehensive income of CHF 2.5 million is largely attributable to limiting the surplus on the economic benefit (asset ceiling). A negative effect before tax of CHF -3.9 million resulted from the same reason in the previous year. The capitalised economic benefit occurs in the Swiss pension plan and largely equates to the existing employer contribution reserve. In the previous year, employer contribution reserves in the amount of CHF 5.2 million were released.

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

### 9 — TRADE RECEIVABLES

in CHF t	30.06.2021	31.12.2020
Third parties	704,892	559,513
Contract costs in relation to future services by suppliers and subcontractors	26,239	25,576
Joint ventures (equity method)	34,153	32,593
Associates	54	2,516
Related parties	996	218
Allowance for expected credit losses	(10,626)	(8,620)
<b>Total</b>	<b>755,708</b>	<b>611,796</b>

#### Notes

Agreements with customers generally stipulate payment terms between 30 and 90 days. The total amount of due receivables amounted to CHF 458.9 million as at 30 June 2021 (31 December 2020: CHF 368.2 million). Of the allowance

for expected credit losses, CHF 9.5 million is attributable to receivables outstanding for more than 90 days (31 December 2020: CHF 8.5 million). Credit losses related to trade receivables of CHF 0.2 million were recorded in the income statement (31 December 2020: CHF 1.4 million).

### 10 — CONTRACT ASSETS AND LIABILITIES

in CHF t	30.06.2021	31.12.2020
<b>Contract assets</b>	<b>499,900</b>	<b>311,898</b>
<b>Contract liabilities</b>	<b>(473,439)</b>	<b>(324,303)</b>

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

### 11 — CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

in CHF t	30.06.2021	31.12.2020
Bond issues	250,207	250,228
Subordinated convertible bond	172,160	170,763
Promissory note loans	54,169	64,768
Liabilities to banks	73,190	73,404
Lease liabilities	160,712	173,373
Other financial liabilities	300	301
<b>Total as at reporting date</b>	<b>710,738</b>	<b>732,837</b>
<b>Maturity</b>		
Less than 1 year	285,534	126,660
Between 2 and 5 years	413,054	448,578
Over 5 years	12,150	157,599
<b>Total as at reporting date</b>	<b>710,738</b>	<b>732,837</b>

Bonds and promissory note loans comprise the following:

in CHF t	Term	Effective interest rate	30.06.2021	31.12.2020
<b>Bond issues / ISIN</b>				
1,625 % Bond issue CHF 125 million / CH025 359 2767	2014–2024	1.624 %	125,000	125,000
1,000 % Bond issue CHF 125 million / CH031 699 4661	2016–2026	0.964 %	125,207	125,228
0,500 % Subordinated convertible bond CHF 175 million / CH028 550 9359	2015–2022	2.158 %	172,160	170,763
<b>Total as at reporting date</b>			<b>422,367</b>	<b>420,991</b>
<b>Promissory note loans</b>				
Promissory note loan EUR 10 million	2017–2021	0.927 %	–	10,806
Promissory note loan EUR 20 million	2017–2023	1.349 %	21,675	21,591
Promissory note loan EUR 30 million	2017–2025	1.792 %	32,494	32,371
<b>Total as at reporting date</b>			<b>54,169</b>	<b>64,768</b>



## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

There have been the following changes to financial liabilities:

in CHF t	1.1.2021	Affecting liquidity		Not affecting liquidity			30.06.2021
		Increase	Repayments	Foreign Exchange Differences	Unwinding of discount	Change in Leasing	
Bond issues	420,991	-	-	-	1,376	-	422,367
Promissory note loans	64,768	-	(11,434)	822	13	-	54,169
Liabilities to banks	73,404	-	(452)	234	5	-	73,190
Lease liabilities	173,373	-	(25,993)	987	-	12,345	160,712
Other financial liabilities	301	-	(1)	-	-	-	300
<b>Total</b>	<b>732,837</b>	<b>-</b>	<b>(37,880)</b>	<b>2,043</b>	<b>1,394</b>	<b>12,345</b>	<b>710,738</b>

in CHF t	1.1.2020	Affecting liquidity		Not affecting liquidity			31.12.2020
		Increase	Repayments	Foreign Exchange Differences	Unwinding of discount	Change in Leasing	
Bond issues	418,283	-	-	-	2,708	-	420,991
Promissory note loans	65,002	-	-	(268)	34	-	64,768
Liabilities to banks	7,380	111,401	(45,474)	97	-	-	73,404
Lease liabilities	147,936	-	(45,227)	(70)	-	70,734	173,373
Other financial liabilities	1,152	301	(1,152)	-	-	-	301
<b>Total</b>	<b>639,753</b>	<b>111,702</b>	<b>(91,853)</b>	<b>(241)</b>	<b>2,742</b>	<b>70,734</b>	<b>732,837</b>

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

### Notes

The convertible bond includes a conversion premium of 32.5% and a conversion price of CHF 66.15 (31 December 2020: CHF 66.15).

The promissory note loans were designated as net investment hedges in foreign businesses.

In the previous year, Implenla raised a loan in the amount of EUR 6.0 million in France in connection with COVID-19. The loan is short-term.

Through a limit totalling CHF 650 million made available by a banking syndicate, Implenla has a cash credit line of CHF 100 million (previous year: CHF 250 million) and a guarantee limit of CHF 550 million (previous year: CHF 550 million). The syndicated financing runs until 31 December 2023. All covenants were complied with at the reporting date.

Implenia also has bilateral loan agreements with various banks for the amount of CHF 102 million (2020: CHF 113 million).

### 12 — SHARE CAPITAL

As at 30 June 2021, Implenla Ltd.'s share capital is unchanged at CHF 18.8 million, divided into 18,472,000 shares. All shares are subscribed and fully paid up. As at 30 June 2021 all shares with the exception of 20,195 treasury shares (31 December 2020: 29,404 treasury shares) have voting rights and qualify for dividends.

The par value of a share remained unchanged at CHF 1.02 as at 30 June 2021.

Implenia Ltd. did not pay a dividend for financial year 2020 in the reporting year.

A dividend in kind relating to the spin-off of Ina Invest was distributed in the previous year. The distribution resulted in a reduction in retained earnings in the amount of CHF 112.4 million.

### 13 — EARNINGS PER SHARE

in CHF t	1.1.-30.6.2021	1.1.-30.6.2020
<b>Data for calculating earnings per share:</b>		
Consolidated profit attributable to shareholders of Implenla Ltd.	21,543	56,428
Adjustment to effect on result due to convertible bond	1,468	1,444
<b>Consolidated profit attributable to shareholders of Implenla Ltd. after adjustment</b>	<b>23,011</b>	57,872
Weighted average number of shares outstanding	18,456,269	18,464,654
Adjustment due to diluting effect of convertible bond	2,645,503	2,331,469
<b>Weighted average for calculating diluted earnings per share</b>	<b>21,101,772</b>	20,796,123
Basic earnings per share in CHF	1.17	3.06
Diluted earnings per share in CHF	1.09	2.78

### Notes

Basic earnings per share (EPS) are calculated by dividing the net income attributable to shareholders of Implenla Ltd. by the weighted average number of shares outstanding during the period. The average number of treasury shares held and acquired by the Group is deducted from the number of shares outstanding.

Diluted earnings per share (EPS) are calculated by adjusting the net profit attributable to shareholders of Implenla Ltd. to take account of the

effect of the convertible bond after tax. This figure is divided by the weighted number of outstanding shares plus the weighted average of all dilutive potential shares that would be converted into shares in case of exercising all conversion rights.

In the first half of 2021, dilution resulted from the convertible bond (comparative period: dilution).

## NOTES TO THE INTERIM FINANCIAL REPORT OF IMPLENIA

## 14 — FAIR VALUE MEASUREMENT

in CHF t	Level	Carrying amounts		Fair values	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
<b>FINANCIAL ASSETS</b>					
<b>Fair value through profit or loss</b>					
Currency derivatives	2	329	172	329	172
Marketable securities	1	88	92	88	92
<b>Fair value through other comprehensive income</b>					
Unlisted participations	3	7,542	7,525	7,542	7,525
<b>At amortised cost</b>					
Trade receivables	*	755,708	611,796	755,708	611,796
Other receivables	*	45,304	42,513	45,304	42,513
Other financial assets	*	7,786	7,729	7,786	7,729
<b>FINANCIAL LIABILITIES</b>					
<b>Fair value through profit or loss</b>					
Currency derivatives	2	192	1,279	192	1,279
<b>At amortised cost</b>					
Trade payables	*	758,311	935,416	758,311	935,416
Promissory note loans	2	54,169	64,768	56,185	66,548
Bonds	1	250,207	250,228	250,500	233,125
Convertible bond	2	172,160	170,763	170,578	167,888
Other liabilities	*	112,167	107,458	112,167	107,458
Other financial liabilities <sup>1</sup>	*	234,202	247,078	73,490	73,705
<b>INVESTMENT PROPERTY</b>	3	<b>5,616</b>	5,662	<b>5,616</b>	5,662

<sup>1</sup> Carrying amounts and fair values do not contain any liabilities from leases.

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

## 15 — CONTINGENT LIABILITIES

Government representatives contacted Implenia Baugesellschaft m.b.H. in Vienna on 9 May 2017 in connection with an ongoing investigation in Austria being conducted by the public prosecutor against some 20 civil works companies and over 200 people.

This concerned two projects dating from the time of Bilfinger Baugesellschaft m.b.H., which was integrated in the Implenia Group in 2015 (see media release of 11 May 2017).

Implenia is cooperating with the authorities in Vienna and has promised its full support to the ongoing investigations.

Management felt that it was impossible to make a reliable estimate of the outcome or amount of any penalties during the closing. Therefore, no provisions were made.

## 16 — EVENTS AFTER THE BALANCE SHEET DATE

The Group does not know of any material events after the balance sheet date.

## 17 — FOREIGN EXCHANGE RATES

		Average rate 1.1.–30.06.		Closing rate	
		2021	2020	30.06.2021	31.12.2020
European Union	1 EUR	CHF 1.09	CHF 1.06	CHF 1.09	CHF 1.08
Ivory Coast / Mali	100 XOF	CHF 0.17	CHF 0.16	CHF 0.17	CHF 0.17
Norway	100 NOK	CHF 10.75	CHF 9.99	CHF 10.69	CHF 10.33
Sweden	100 SEK	CHF 10.80	CHF 10.00	CHF 10.70	CHF 10.80

## ALTERNATIVE PERFORMANCE MEASURES

In addition to the ones prescribed by IFRS, Implenía uses other measures to manage its business. The following overview explains the alternative performance measures (APM) used in this

report. The aim is to clarify the reasons for using these measures and to improve transparency and comprehensibility.

### Definitions of alternative performance measures

APM	Definition
<b>Order book</b>	The order book is defined as services that have been contractually agreed but not yet performed, valued by contract amount on the balance sheet date. Approved contractual charges are also included in the order book. The order book increases when orders are secured, and decreases by the level of production output during the period. This measure helps predict the development of Implenía's construction activity.
<b>Equity ratio</b>	The equity ratio is the ratio of equity to total assets on the balance sheet date. In addition, the equity ratio takes account of the subordinated convertible bond. Our equity ratio shows the Implenía Group's financing situation.
<b>Free cash flow</b>	Free cash flow is defined as cash flow from operating activities minus the acquisition and sale of non-current assets. The free cash flow figure reflects our ability to generate cash and cash equivalents, repay liabilities, make acquisitions and pay dividends.
<b>Like-for-like</b>	Implenía shows like-for-like figures (currency-adjusted) in order to measure changes since the previous reporting period without the distorting effect of exchange rate fluctuations. The adjustment is made by recalculating balance sheet items at the closing exchange rate on the last day of the previous year. Meanwhile, figures for income, expenditure and cash flows at consolidated companies are recalculated at the average exchange rates for the previous period converted into CHF. These like-for-like figures allow an assessment of Implenía's performance over time without the influence of exchange rate effects.
<b>Net cash position</b>	The net cash position corresponds to the difference between cash and cash equivalents on the one hand, and interest-bearing short and long-term financial liabilities on the other. The net cash position reflects our ability to settle interest-bearing financial liabilities.

APM	Definition
<b>Underlying performance at EBIT level</b>	The underlying performance at EBIT level is an EBIT key figure to measure the operating performance of Implenía excluding the impacts of one-time effects, such as special transactions, restructuring provisions or other non-recurring effects
<b>Performance measures excl. IFRS 16</b>	Performance measures excl. IFRS 16 adjust for the impact of the IFRS 16 leasing standard. Reporting to the Implenía Executive Committee and Board of Directors contains figures that exclude the impact of IFRS 16.
<b>Production output</b>	Production output is calculated as the IFRS revenue plus the proportionate revenue from joint ventures valued using the equity method. Production output is a purely statistical measure that reflects the work actually done by the Group for its clients.
<b>Return on invested capital (ROIC)</b>	This measure is defined as the ratio between operating income and average capital invested, excl. rights of use from leasing, during the period under review. It is a measure of profitability and capital efficiency.
<b>Visibility</b>	The visibility corresponds to the guaranteed production output for the current reporting period, divided by the expected production output for the current year. Visibility is an indicator of future assured capacity utilisation.

## ALTERNATIVE PERFORMANCE MEASURES

### Reconciliations

The following reconciliation shows the derivation of the alternative performance measures “production output” and “EBITDA”:

in CHF t	APM	1.1.-30.6.2021	1.1.-30.6.2020
<b>Production output</b>	X	<b>1,805,552</b>	1,938,753
Proportional revenue and services invoiced to JVs		<b>78,052</b>	(12,608)
<b>Group revenue</b>		<b>1,883,604</b>	1,926,145
<b>EBIT</b>		<b>40,027</b>	56,202
Other operating expenses from leases		<b>(24,466)</b>	(21,484)
<b>EBIT excl. IFRS 16</b>	X	<b>15,561</b>	34,718
<b>EBIT</b>		<b>40,027</b>	56,202
Sales (share / asset deals)		<b>(9,713)</b>	-
Release restructuring provision		<b>(7,429)</b>	-
Ina Invest		-	(52,500)
<b>Underlying performance at EBIT level</b>	X	<b>22,885</b>	3,702

The following reconciliation shows the derivation of the alternative performance measure “net cash position”:

in CHF t	APM	30.06.2021	30.06.2020
Cash and cash equivalents		<b>358,221</b>	646,776
Financial liabilities		<b>(710,738)</b>	(644,718)
<b>Net cash position</b>	X	<b>(352,517)</b>	2,058
Lease liabilities		<b>160,712</b>	141,481
<b>Net cash position excl. lease liabilities</b>	X	<b>(191,805)</b>	143,539

Implenia defines free cash flow as cash flow from operating activities minus the acquisition and sale of non-current assets. The following table gives an overview of free cash flow:

in CHF t	APM	1.1.-30.6.2021	1.1.-30.6.2020
Cash flow from operating activities		<b>(366,628)</b>	(205,362)
Investments in non-current assets		<b>(19,650)</b>	(33,520)
Disposal of non-current assets		<b>42,044</b>	9,767
Acquisition of subsidiaries		<b>6,657</b>	-
Sale of subsidiaries		<b>12,183</b>	773
<b>Free cash flow</b>	X	<b>(325,394)</b>	(228,342)
Impact of IFRS 16 Leases		<b>(24,699)</b>	(26,469)
<b>Free cash flow excl. IFRS 16</b>	X	<b>(350,093)</b>	(254,811)

## CONTACTS, DATES AND PUBLICATION DETAILS

You can find further information at  
[www.implenia.com](http://www.implenia.com)

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### KEY DATES

#### Analysts and media conference on the 2021 annual results

1 March 2022

#### Annual General Meeting of Shareholders

29 March 2022

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