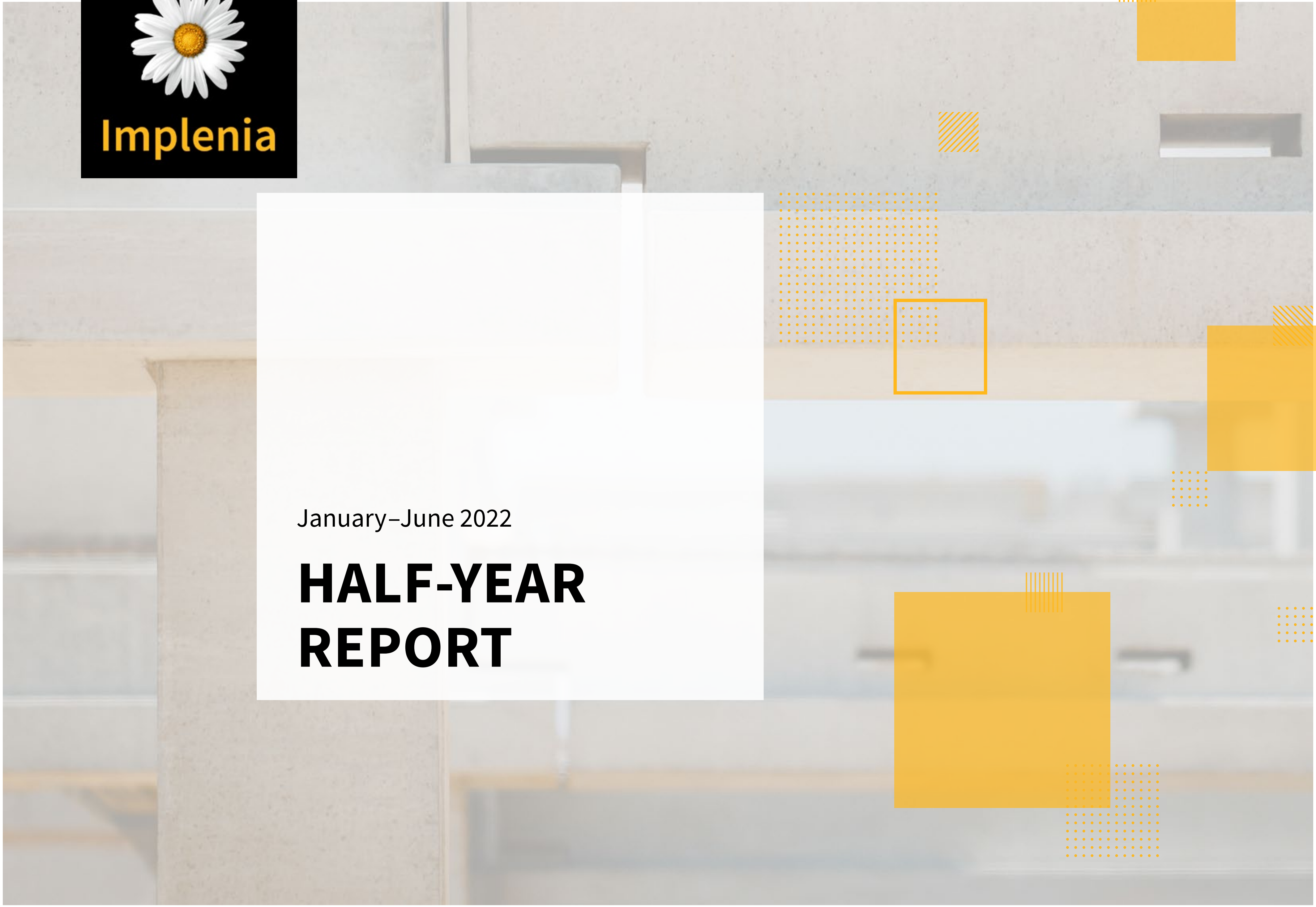


January–June 2022

HALF-YEAR REPORT

IMPLENIA HALF-YEAR REPORT 2022

1 FOREWORD BY THE CEO

Foreword by the CEO

DEAR SHAREHOLDERS

With a significantly improved underlying performance compared to the prior-year period, Implenia emerges strengthened from transformation. The order book has grown again, with a further improvement in quality. With its performance, its innovative strength and its values, the Group is well positioned for profitable growth in the relevant markets. With a sharpened portfolio and a focus on large, complex projects, combined with Value Assurance and a clear focus on sustainability, the four Divisions are ready to increase profitability sustainably.

Implenia increased EBIT significantly to CHF 95.1 million

Implenia increased its reported EBIT to CHF 95.1 million (HY1.2021: CHF 40.0 million), based on a strong underlying performance at EBIT level of CHF 93.9 million (HY1.2021: CHF 22.9 million). One-time effects were lower than expected at CHF 1.1 million[1]. All Divisions were profitable and have improved their underlying performance. Following several years of development work, Division Real Estate generated above-average earnings from the sale of large real estate projects.

As expected, revenue decreased to CHF 1,767 million (HY1.2021: CHF 1,884 million). This was due to the ramp-down of business activities in certain regions and the sale of non-strategic business units in order to increase profitability sustainably as well as to foreign currency effects.

1 Differences due to rounding

Due to the strategic focus on large and complex infrastructure and real estate projects, the order book increased substantially again and stood at CHF 7.1 billion – exceeding CHF 7 billion for the first time (HY1.2021: CHF 6.6 billion). The strict application of Value Assurance, Implenia's risk management, continued to lead to the acquisition of projects that are strategically relevant and that have a significantly improved risk and margin profile. The pre-calculated gross margin has improved by 1.5 percentage points since the introduction of Value Assurance.

Division Real Estate inczreased its underlying performance (= reported EBIT) significantly to CHF 75.6 million (HY1.2021: CHF 22.3 million) thanks to above-average earnings from the sale of large real estate projects following several years of successful development work. The book value of the current real estate portfolio was

"All Divisions are profitable and have improved their underlying performance."

André Wyss
CEO

Foreword by the CEO

"With a sharpened portfolio and a focus on large, complex projects, Implenia is ready to increase profitability further."

André Wyss
CEO

CHF 130 million (HY1.2021: CHF 135 million). Implenia continues to invest in its own attractive real estate portfolio and is pursuing a progressive decarbonisation strategy at the portfolio and property level. In addition, Division Real Estate benefits from the competencies of the other Divisions and creates a continuous order pipeline for them. The Division has expanded its services business in recent years, particularly in the areas of Real Estate Investment and Real Estate Management. Its Assets under Management already amount to more than CHF 1.1 billion, and it is working with partners to develop standardised, industrialised real estate products with a high growth potential for the future. Implenia's participation in Ina Invest is valued at CHF 152.6 million (HY1.2021: CHF 144.8 million). Implenia expects increasing, recurring earnings from services and the participation in Ina Invest.

Division Buildings further improved its underlying performance (= reported EBIT) to CHF 17.6 million (HY1.2021: CHF 16.2 million). All service areas contributed positively to this result. Revenue remained stable at CHF 851 million (HY1.2021: CHF 854 million), with increased profitability and an order book of better quality of CHF 3,138 million (HY1.2021: CHF 3,148 million). The Division has strongly expanded its capabilities in the growing areas of general planning and consulting as well as in building for the healthcare and R & D sectors. It expects future orders to remain stable in these areas, as well as for residential construction projects in its Swiss and German markets. The Division also offers tailor-made real estate consulting services – from analysis to successful development, planning and implementation.

Division Civil Engineering achieved, with an increased underlying performance, a positive result of CHF 2.8 million (HY1.2021: CHF –4.8 million) and reported EBIT of CHF 3.7 million (HY1.2021: CHF 10.2 million). Despite the strong seasonality of its business, the Division has – for the first time – achieved profitability already in the first half of the year. As expected, revenue declined to CHF 916 million (HY1.2021: CHF 1,040 million). This is due to the business units' strategic focus on a profitable project portfolio and strategic project selection. The order book stood at a record level of CHF 3,870 million (HY1.2021: CHF 3,301 million) and was of improved quality thanks to the consistent application of Value Assurance. With its business units Special Foundations and Civil focussing on Switzerland and Germany, and its international Tunnelling and related infrastructure business operating in further markets, the Division is well positioned for future sustainable profitability improvement.

Division Specialties improved its underlying performance (= reported EBIT) to CHF 0.8 million (underlying performance HY1.2021: CHF –1.2 million), proving that the transformation of the Division is proceeding well. Individual businesses are on track; in all businesses the offering is being sharpened and profitability improved. The businesses reported stable revenue and improved profitability compared with the previous year. Overall, revenue decreased to CHF 79 million (HY1.2021: CHF 96 million) due to the sale of non-strategic businesses. The order book developed well after the sale of businesses and stood at CHF 140 million (HY1.2021: CHF 166 million). The Division will continue to expand its planning and engineering capabilities by developing and scaling new business models. It is also seeking attractive opportunities for acquisitions.

Foreword by the CEO

Equity improved by CHF 106 million and equity ratio substantially increased to 16.0%, stronger free cash flow than in the same period of previous year

Implenia increased its equity in the first half of the year by CHF 106 million to CHF 452 million (FY.2021: CHF 346 million), thus already exceeding the CHF 80 million equity increase planned for the whole year. This anticipated strong expansion of Implenia's equity in 2022 was reinforced by the revaluation of the "yards"asset class ("Werkhöfe"), in line with IFRS guidelines. The positive effect on equity of this revaluation in the first half-year resulted was CHF 46 million.

The equity ratio as of 30 June 2022 stood at 16.0% (HY1.2021: 11.1%). Total assets amounted to CHF 2,828 million (HY1.2021: CHF 2,914 million). This slight reduction was achieved despite a significant increase in cash and cash equivalents and the revaluation of yards. Implenia continues to consistently pursue its asset-light strategy. In addition, the upside potential resulting of the difference between the current market value and the book value of the Real Estate portfolio would lead to an equity ratio above 20%. The half-year result marks an important step towards sustainably improving the equity ratio above 20%.

Free cash flow improved significantly by CHF 294.2 million to CHF – 31.2 million (HY1.2021: CHF – 325.4 million). Compared to historical seasonality, the outflow of funds in the first half of 2022 has been substantially reduced. Free cash flow was positively impacted by improvements in net working capital and the end of cash drain due to transformation costs. As a result of the positive business performance and optimisations in net working capital, Implenia expects a sustained improvement of free cash flow.

Continuing positive order intake, with further improved quality

Implenia has successfully completed the "Rocket and Tigerli" feasibility study on behalf of Ina Invest: this paves the way for construction of the world's tallest wooden residential building at Lokstadt in Winterthur. The sustainable, standardised and industrialised real estate product "Green Hospitality" was another milestone that has been presented to clients. Implenia won numerous residential, office and commercial projects, including the EUREF sustainability and innovation campus in Düsseldorf, where the Group is operating as general contractor. Core and shell construction of the Baden Cantonal Hospital was completed on time and to a high-quality standard, while the project to build Switzerland's largest Cantonal Hospital in Aarau has entered the construction phase.

In civil engineering, Implenia acquired projects such as the renovation of the Gubrist Tunnel near Zurich, a connecting tunnel for the Stockholm Metro and the longest railway bridge in Norway. After several years of work, the major Bözberg Tunnel project in Switzerland's Mittelland was completed and handed over to the client. A complex, sustainability-focused bridge construction project was added to the order book in Germany: the new A14 Elbe bridge near Wittenberge. The services offered by Division Specialties, such as timber construction, BCL, BBV, Planovita and facade technology are increasingly in demand for projects of the other Divisions.

The most recent forecasts for growth in Implenia's core markets remain positive. However, market growth is being dampened slightly by economic uncertainty caused by the conflict in Ukraine, higher prices for building materials and energy as well as inflation. The expected growth of total construction output in Europe has been revised from around 3.6% to 2.3% for 2022. The gradual weakening of the dynamics of total construction output will continue for the following years. Growth is forecast to be 2.3% in 2023 and 1.4% in 2024 (source: Euroconstruct Report, June 2022). The continuing healthy level of order intake and the significant milestones achieved in the first half of the year show that the Group is strongly positioned in the relevant markets and that its services are highly in demand. All Divisions made an improved contribution to the result during the first half of 2022.

Transformation completed: Implenia on track for profitable, sustainable growth

Implenia has already successfully completed its transformation and is on track for profitable and sustainable growth. The strategy presented in spring 2019 and the sharpened, accelerated implementation focused on portfolio, profitable growth, innovation, talent and organization announced in October 2020 have proven successful:

- **Portfolio:** As Switzerland's leading construction and real estate service provider, Implenia develops and builds living spaces, working environments and infrastructure for future generations in Switzerland and Germany. In other markets the Group provides tunnelling and related infrastructure projects.
- **Profitable Growth:** A consistently implemented Value Assurance framework helps Implenia to grow profitably and increase margins with an improved risk profile. Furthermore, operational excellence in core and support processes generates added value for our clients.

Foreword by the CEO

- **Innovation:** Implenia leverages changes in the industry to the benefit of its clients, employees and shareholders. The Group fosters innovative ideas and scales them to create new business models. It is also increasing its focus on industrialised, digital and partnership-based development, planning and construction activities. More than 80 promising ideas for innovations have been taken up by the Implenia Innovation Hub, and the first of these are now reaching market maturity as stand-alone solutions or being integrated into day-to-day business of the Divisions.
- **Talent and organisation:** Implenia is an attractive employer, recruiting, training and developing the best talent for future challenges. Its appeal to employees is built on its five corporate values, its operating model and its organisational structure.

Implenia's strategy is proving to be the right one in the current challenging market environment. This includes active, forward-looking management of the supply chain, the availability and cost of building materials and energy, as well as recruiting and developing skilled workers. Thanks to close cooperation between the operating units and central procurement, the impact of price increases and supply challenges for building materials has been largely mitigated to date. Future predictions are difficult. Implenia has been able to supply and operate its construction sites so far and is doing everything to ensure continued operations.

Position as industry leader in sustainability further strengthened

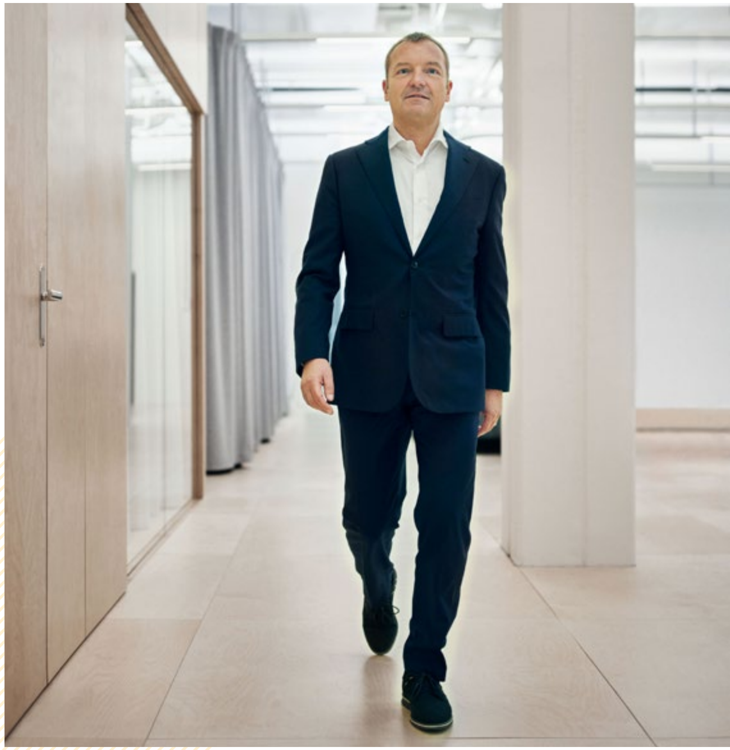
Implenia secured and expanded its position as industry leader in sustainability. The main rating agencies for ESG (environment, social affairs and governance) consider the Group a leader in its industry. MSCI has raised Implenia's rating to AAA, making it the first company to achieve this distinction in the MSCI Construction & Engineering Index. Sustainalytics also regards Implenia as an industry leader, while EcoVadis has now awarded the company Gold status.

The Group's new headquarters "Implenia Connect" is also the first office building in Switzerland to achieve the WELL Platinum Certification. This demanding quality standard encompasses around 100 criteria and is focused on the creation of a healthy working environment in accordance with World Health Organisation (WHO) requirements.

Implenia raises EBIT target for 2022 to more than CHF 130 million (no further one-time effects from the transformation), continued increase in equity expected

Implenia expects EBIT of more than CHF 130 million for 2022, with no further one-time effects from the transformation. Implenia achieved above-average margins in the first half of 2022 based on a substantial profit contribution from Division Real Estate. Implenia still expects an EBIT margin of 3.5% in the medium term. It is also maintaining its long-term ambition of an EBIT margin of 4.5% based on sustained improvements in profitability and the positive outlook in core markets.

André Wyss
CEO



2 SPOTLIGHTS

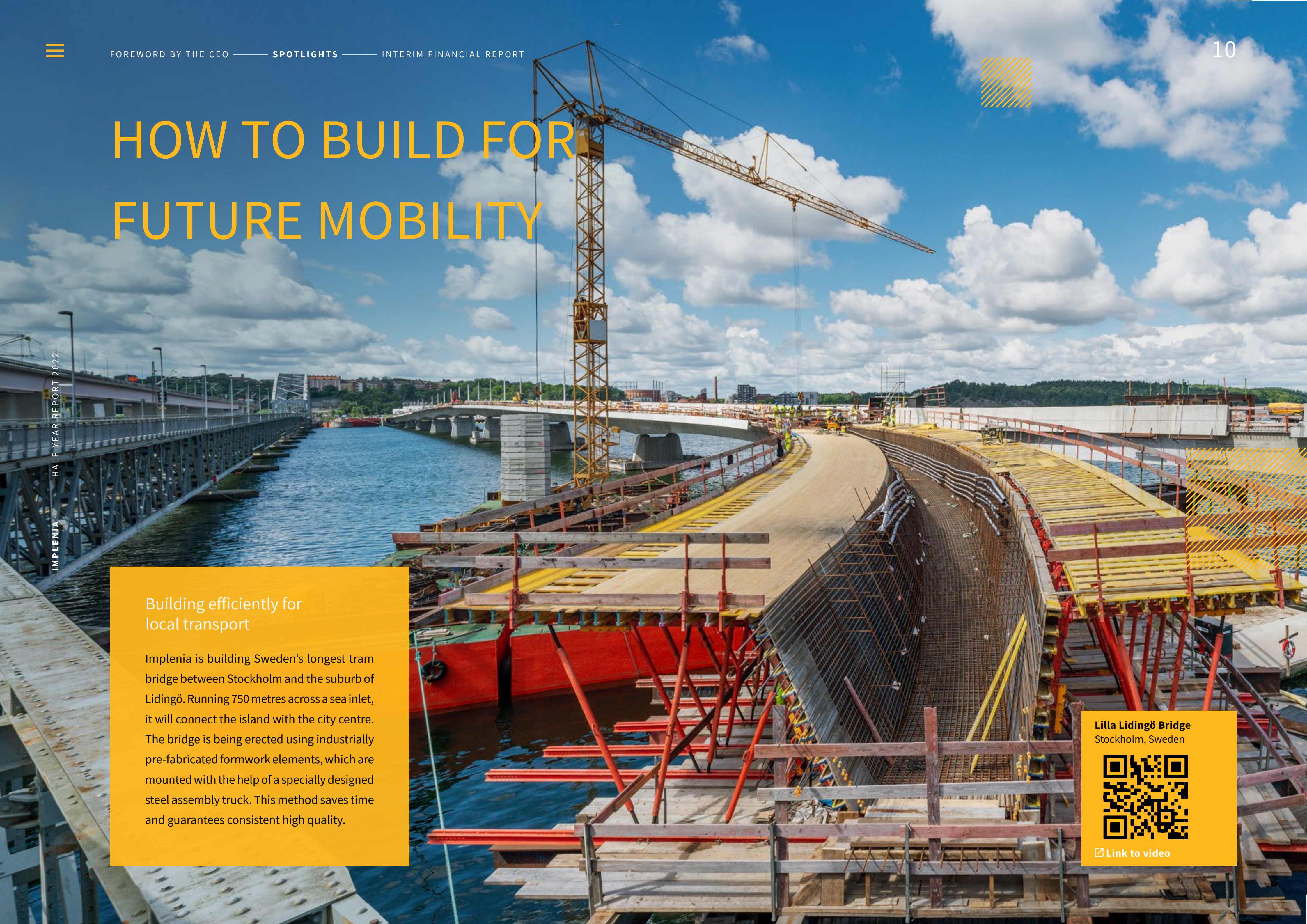
HOW TO BUILD A HIGH-TECH CAMPUS

Innovative building for science

In Dübendorf, Implenia is building the perfect environment for the scientists of Empa and Eawag. A lot of innovation has gone into creating this centre for innovation: from the low-vibration concrete structure for the laboratory building to the wood-concrete hybrid method used for the parking garage and the experimental geothermal probe field for heat storage – all sustainably planned and built with the aid of a digital BIM model.

Empa Eawag Campus
Dübendorf, Switzerland

Link to video



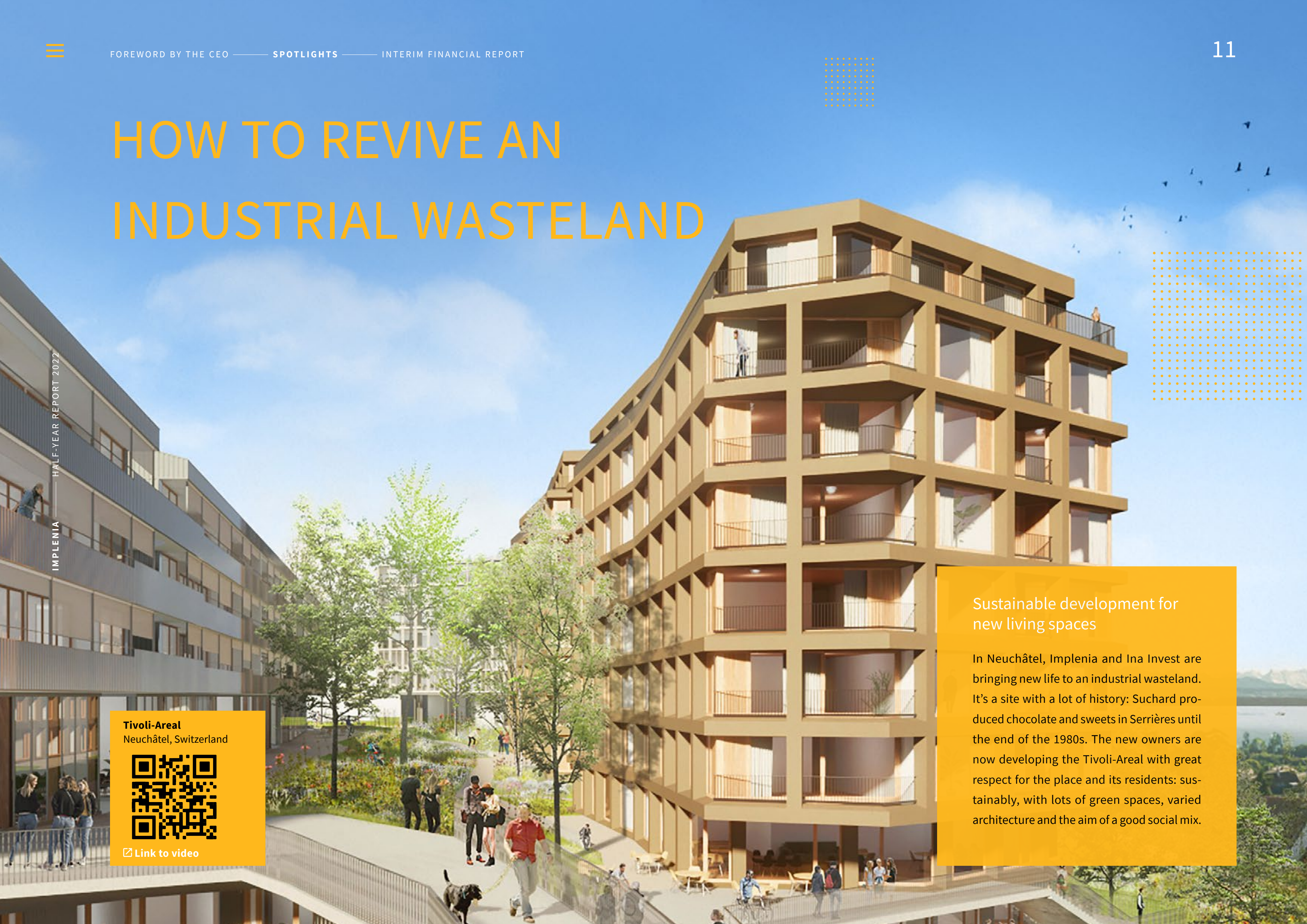
HOW TO BUILD FOR FUTURE MOBILITY

Building efficiently for local transport

Implenia is building Sweden's longest tram bridge between Stockholm and the suburb of Lidingö. Running 750 metres across a sea inlet, it will connect the island with the city centre. The bridge is being erected using industrially pre-fabricated formwork elements, which are mounted with the help of a specially designed steel assembly truck. This method saves time and guarantees consistent high quality.

Lilla Lidingö Bridge
Stockholm, Sweden

Link to video



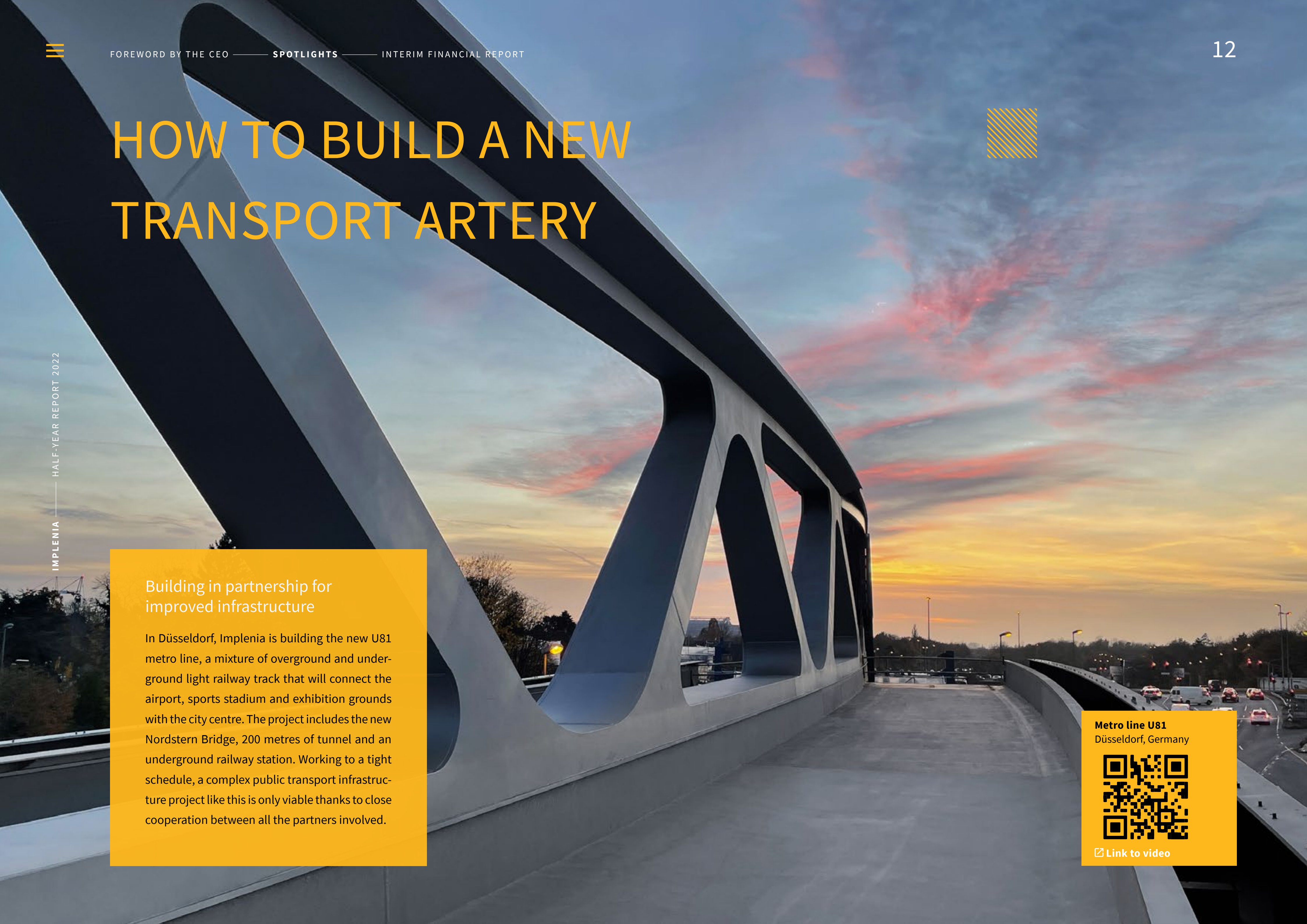
HOW TO REVIVE AN INDUSTRIAL WASTELAND

Tivoli-Areal
Neuchâtel, Switzerland

Link to video

Sustainable development for new living spaces

In Neuchâtel, Implenia and Ina Invest are bringing new life to an industrial wasteland. It's a site with a lot of history: Suchard produced chocolate and sweets in Serrières until the end of the 1980s. The new owners are now developing the Tivoli-Areal with great respect for the place and its residents: sustainably, with lots of green spaces, varied architecture and the aim of a good social mix.



HOW TO BUILD A NEW TRANSPORT ARTERY

Building in partnership for improved infrastructure

In Düsseldorf, Implenia is building the new U81 metro line, a mixture of overground and underground light railway track that will connect the airport, sports stadium and exhibition grounds with the city centre. The project includes the new Nordstern Bridge, 200 metres of tunnel and an underground railway station. Working to a tight schedule, a complex public transport infrastructure project like this is only viable thanks to close cooperation between all the partners involved.

Metro line U81
Düsseldorf, Germany

Link to video

3 INTERIM FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

in TCHF	Notes	1.1.–30.6.2022	1.1.–30.6.2021
Group revenue	6	1,767,256	1,883,604
Materials and third party services		(1,015,339)	(1,118,497)
Personnel expenses		(484,334)	(534,003)
Other operating expenses		(129,360)	(152,018)
Income from associates		5,361	17,190
EBITDA		143,584	96,276
Depreciation and amortisation		(48,505)	(56,249)
EBIT		95,079	40,027
Financial expenses	7	(20,884)	(14,290)
Financial income	7	5,273	2,240
Result before tax		79,468	27,977
Tax		(15,419)	(5,596)
Consolidated result		64,049	22,381
Attributable to:			
Shareholders of Implenia Ltd.		63,053	21,543
Non-controlling interests		996	838
Earnings per share (CHF)			
Basic earnings per share	14	3.42	1.17
Diluted earnings per share	14	3.42	1.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TCHF	Notes	1.1.–30.6.2022	1.1.–30.6.2021
Consolidated result		64,049	22,381
Remeasurement of post-employment benefits, net of tax	8	337	(1,780)
Fair value adjustments on property, plant and equipment with revaluation model		56,298	–
Income tax on fair value adjustments on property, plant and equipment with revaluation model		(10,670)	–
Total items that will not be reclassified to income statement in the future		45,965	(1,780)
Changes from net investment hedges		1,728	(889)
Foreign exchange differences		(4,136)	3,024
Total items that will be reclassified to income statement in the future		(2,408)	2,135
Other comprehensive income		43,557	355
Attributable to:			
Shareholders of Implenia Ltd.		43,566	329
Non-controlling interests		(9)	26
Total comprehensive income		107,606	22,736
Attributable to:			
Shareholders of Implenia Ltd.		106,619	21,872
Non-controlling interests		987	864

CONSOLIDATED BALANCE SHEET

Assets

in TCHF	Notes	30.6.2022	31.12.2021	30.6.2021
Cash and cash equivalents		496,901	621,913	358,221
Fixed short-term deposits		–	174,982	–
Derivative financial instruments		738	368	329
Trade receivables	9	625,292	551,540	755,708
Contract assets	10	410,981	396,267	499,900
Joint ventures (equity method)		77,598	37,540	33,906
Income tax receivables		1,639	1,813	15,904
Other receivables		34,638	34,436	45,304
Raw materials and supplies		82,067	78,861	82,320
Real estate transactions		129,947	149,269	134,595
Accrued income and prepaid expenses		35,910	35,709	27,930
Non-current Assets Held for Sale	11	2,997	–	–
Total current assets		**1,898,708**	2,082,698	1,954,117
Property, plant and equipment with revaluation model[1]	11	76,416	23,848	25,851
Property, plant and equipment		185,765	195,608	216,006
Rights of use from leases		150,360	148,929	154,357
Investment property		5,369	5,415	5,616
Investments in associates		199,366	194,699	190,682
Other financial assets		12,937	12,767	15,416
Pension assets	8	444	444	444
Intangible assets		245,679	253,344	274,113
Deferred tax assets		52,889	70,084	77,265
Total non-current assets		**929,225**	905,138	959,750
Total assets		**2,827,933**	2,987,836	2,913,867

Equity and liabilities

in TCHF	Notes	30.6.2022	31.12.2021	30.6.2021
Financial liabilities	12	81,483	236,513	285,534
Derivative financial instruments		1,746	1,261	192
Trade payables		681,187	679,361	758,311
Contract liabilities	10	493,478	518,220	473,439
Joint ventures (equity method)		74,614	61,566	56,004
Income tax liabilities		9,506	15,613	25,255
Other liabilities		101,612	127,916	112,167
Prepaid income and accrued expenses		139,351	131,321	158,685
Provisions		117,725	117,317	167,541
Total current liabilities		**1,700,702**	1,889,088	2,037,128
Financial liabilities	12	576,467	651,940	425,204
Deferred tax liabilities		70,232	57,328	47,244
Pension liabilities	8	7,275	15,626	18,692
Provisions		21,734	27,936	61,258
Total non-current liabilities		**675,708**	752,830	552,398
Share capital	13	18,841	18,841	18,841
Treasury shares	13	(790)	(1,246)	(490)
Reserves		363,508	255,204	260,982
Consolidated profit attributable to shareholders		63,053	61,157	21,543
Equity attributable to shareholders		**444,612**	333,956	300,876
Non-controlling interests		6,911	11,962	23,465
Total equity		**451,523**	345,918	324,341
Total equity and liabilities		**2,827,933**	2,987,836	2,913,867

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

			Reserves						
in TCHF	Share capital	Treasury shares	Capital reserves	Foreign exchange differences	Revaluation reserve	Retained earnings	Total share-holders' equity	Non-controlling interests	Total equity
Equity as at 1.1.2022	18,841	(1,246)	87,834	(56,542)	–	285,068	333,955	11,963	345,918
Consolidated result	–	–	–	–	–	63,053	63,053	996	64,049
Other comprehensive income	–	–	–	(2,399)	45,628	337	43,566	(9)	43,557
Total comprehensive income	–	–	–	(2,399)	45,628	63,390	106,619	987	107,606
Dividends	–	–	–	–	–	–	–	(100)	(100)
Change in treasury shares	–	456	113	–	–	–	569	–	569
Share-based payments	–	–	–	–	–	1,579	1,579	–	1,579
Change in scope of consolidation	–	–	–	(97)	–	1,987	1,890	(5,939)	(4,049)
Total other changes in equity	–	456	113	(97)	–	3,566	4,038	(6,039)	(2,001)
Total equity as at 30.6.2022	18,841	(790)	87,947	(59,038)	45,628	352,024	444,612	6,911	451,523
Equity as at 1.1.2021	18,841	(955)	88,105	(58,592)		231,343	278,742	24,285	303,027
Consolidated result	–	–	–	–		21,543	21,543	838	22,381
Other comprehensive income	–	–	–	2,112		(1,783)	329	26	355
Total comprehensive income	–	–	–	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)
Total other changes in equity	–	466	(204)	–		–	262	(1,684)	(1,422)
Total equity as at 30.6.2021	18,841	(489)	87,901	(56,480)		251,103	300,876	23,465	324,341

CONSOLIDATED CASH FLOW STATEMENT

in TCHF	Notes	1.1.–30.6.2022	1.1.–30.6.2021
Consolidated profit		64,049	22,381
Tax		15,419	5,596
Financial result	7	15,611	12,050
Depreciation and amortisation		48,505	56,248
Result from sales of non-current assets and subsidiaries		(1,782)	(36,791)
Income from associates[1]		(5,691)	(1,861)
Distributions from associates received[1]		865	2,637
Change in provisions		(4,407)	(40,994)
Change in pension assets and liabilities		(5,707)	(5,042)
Change in net working capital			
Change in trade and other receivables		(80,334)	(121,464)
Change in contract assets and liabilities (net), raw materials and supplies		(24,568)	(57,617)
Change in real estate transactions		18,886	2,614
Change in trade payables and other liabilities		(20,953)	(192,766)
Change in accruals and joint ventures (equity method)		(23,392)	2,276
Other expenses / income not affecting liquidity		(2,547)	(5,767)
Interest paid		(7,855)	(6,201)
Interest received		252	772
Tax paid		(6,082)	(2,699)
Cash flow from operating activities		(19,731)	(366,628)
Investments in property, plant and equipment		(16,543)	(15,949)
Disposals of property, plant and equipment		6,242	21,357
Investments in other financial assets and associates		(1,227)	(784)
Disposals of other financial assets and associates		175,605	20,687
Investments in intangible assets		(566)	(2,917)
Acquisition of subsidiaries, net of cash and cash equivalents acquired		–	6,657
Sale of subsidiaries		–	12,183
Cash flow from investing activities		163,511	41,234
Increase in financial liabilities	12	3,306	–
Repayment of financial liabilities	12	(260,072)	(37,880)
Purchase of treasury shares		(1,474)	(1,898)
Sale of treasury shares		2,043	2,151
Dividends		–	–
Cash flow with non-controlling interests		(2,000)	(1,153)
Cash flow from financing activities		(258,197)	(38,780)
Foreign exchange differences on cash and cash equivalents		(10,595)	2,405
Change in cash and cash equivalents		(125,012)	(361,769)
Cash and cash equivalents at the beginning of the period		621,913	719,990
Cash and cash equivalents at the end of the period		496,901	358,221

1 The result and distrubtions received from associates are presented separately in the current reporting period. Prior year figures have been adjusted accordingly.

NOTES TO IMPLENIA'S INTERIM REPORT

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 2022 was approved by the Board of Directors of Implenia Ltd. on 16 August 2022. The interim financial report as at 30 June 2022 was not audited by the statutory auditor Pricewaterhouse-Coopers 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 2022. 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 2021, 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, with the exception of the following change, identical to those applied to and described in the financial report 2021.

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

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

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

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

According to IAS 8.17, the first application of the revaluation model is prospective, i.e. previous years are not restated, which means that no previous year's disclosures are published. Further information on property, plant and equipment according to the revaluation model is disclosed in note 11.

4 — MATERIAL EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

Material transactions

Division Real Estate completed several significant sales in the first half of 2022. In particular, two sales in East and Central Switzerland made a significant contribution, CHF 70.9 million at group EBIT level, to the positive half-year results.

Repayment of the CHF 175 million subordinated convertible bond.

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

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 2021 is also shown to improve comparability. The first halves of 2022 and 2021 were also shaped by one-time transactions. Significant events are described in note 4.

Notes to Implenia's interim report

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

There is also the Division "Corporate and Other"(previously: "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 develops sustainable real estate solutions. Implenia is already a leading real estate developer in Switzerland and is currently growing this business in Germany. The Division's services also include active asset and portfolio management, designing new types of real estate investment vehicle, and the development and industrial production of standardised and scalable real estate products. The Division also provides service and development services to the Ina Invest Group on the basis of a strategic partnership and participates in 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 and challenging modernisation projects. The focus is on providing expert customer-oriented advice and planning across the entire life cycle of a property. Our range of services covers the entire value chain, from initial analysis and planning steps – often even before the contracts have been signed – to handover of the finished building. Implenia is a leading general and total contractor in its core markets of Germany and Switzerland.

Civil Engineering
Division Civil Engineering offers tunnel construction, special foundations, road construction and civil engineering. Services range from the planning of specific special solutions to the entire execution of complex and hybrid infrastructure and civil engineering projects. The use of the latest construction methods and processes, such as BIM and Lean, is becoming increasingly important. In all of these areas, Implenia occupies a leading position in Switzerland and Germany. Implenia also offers tunnel construction and related services in other international markets.

Specialties
Division Specialties develops solutions for an efficient and sustainable construction industry in niches such as wood construction, geotechnical engineering, pre-tensioning technology, formwork, façade engineering, building technology planning and construction logistics. By continuously adding new services to its portfolio, the Division is actively helping shape the major changes occurring in the construction industry. Innovation and the added value it brings to customers is a central theme. This innovation can come from screening potential acquisitions, from external partnerships or from Implenia's internal innovation management system.

Notes to Implenia's interim report

Segment reporting, as presented to the Board of Directors, as at 30 June 2022:

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Total of divisions	Corporate and Other[1]	Total
Revenue unconsolidated	129,284	851,033	915,690	79,097	1,975,104	35,916	2,011,020
Intra-Group revenue	(5,537)	(92,260)	(101,442)	(12,843)	(212,082)	(31,682)	(243,764)
Group revenue	123,747	758,773	814,248	66,254	1,763,022	4,234	1,767,256
EBIT excl. IFRS 16[2]	75,677	17,408	2,668	1,088	96,841	(4,091)	92,750
EBIT	75,635	17,564	3,693	819	97,711	(2,632)	95,079
Current assets (excl. cash and cash equivalents and fixed short-term deposits)	150,221	386,209	697,607	77,017	1,311,054	90,753	1,401,807
Non-current assets (excl. pension assets and rights of use from leases)	71,100	154,056	347,376	59,092	631,624	146,796	778,420
Debt capital (excl. financial and pension liabilities)[3]	(88,436)	(730,179)	(754,262)	(57,403)	(1,630,280)	(80,904)	(1,711,184)
Total invested capital excl. rights of use from leases	132,885	(189,914)	290,721	78,706	312,398	156,645	469,043
Rights of use from leases	1,845	33,738	93,764	8,431	137,778	12,582	150,360
Total invested capital[3]	134,730	(156,176)	384,485	87,137	450,176	169,227	619,403
Investments in property, plant and equipment and intangible assets	–	326	14,914	2,268	17,508	5,247	22,755

1 Including eliminations.
2 EBIT as reported to the chief operating decision maker (EBIT before adjustments due to the application of IFRS 16).
3 Debt capital without financial and pension liabilities excl. rights of use from leasing includes provisions for onerous lease contracts that under IFRS 16 are reflected as impairment of right of use assets.

Notes to Implenia's interim report

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

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Total of divisions	Corporate and Other[1]	Total
Revenue unconsolidated	50,166	853,942	1,039,829	95,807	2,039,744	34,190	2,073,934
Intra-Group revenue	(13,816)	(32,593)	(95,563)	(16,665)	(158,637)	(31,693)	(190,330)
Group revenue	36,350	821,349	944,266	79,142	1,881,107	2,497	1,883,604
EBIT excl. IFRS 16[2]	22,291	15,639	7,800	(282)	45,448	(7,431)	38,017
EBIT	22,304	16,235	10,163	471	49,174	(9,147)	40,027
Current assets (excl. cash and cash equivalents and fixed short-term deposits)	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)[3]	(146,449)	(824,117)	(674,077)	(71,944)	(1,716,587)	(143,508)	(1,860,095)
Total invested capital excl. rights of use from leases	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
Total invested capital[3]	178,404	(137,323)	557,272	106,333	704,685	(9,580)	695,105
Investments in property, plant and equipment and intangible assets	–	328	14,622	920	15,869	2,998	18,867

1 Including eliminations.
2 EBIT as reported to the chief operating decision maker (EBIT before adjustments due to the application of IFRS 16).
3 Debt capital without financial and pension liabilities excl. rights of use from leasing includes provisions for onerous lease contracts that under IFRS 16 are reflected as impairment of right of use assets.

Notes to Implenia's interim report

The reconciliation to invested capital is as follows:

in TCHF	30.6.2022	30.6.2021
Total assets	2,827,933	2,913,867
Minus cash and cash equivalents and fixed short-term deposits	(496,901)	(358,221)
Minus pension assets	(444)	(444)
Assets of invested capital	2,330,588	2,555,202
Total equity and liabilities	2,827,933	2,913,867
Minus equity	(451,523)	(324,341)
Minus financial liabilities	(657,950)	(710,738)
Minus pension liabilities	(7,275)	(18,692)
Liabilities of invested capital	1,711,185	1,860,096
Total invested capital	619,403	695,106

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

in TCHF	30.6.2022	31.12.2021
Switzerland	328,204	282,334
Germany	212,890	219,855
Austria	16,024	21,406
Norway	65,643	56,267
Sweden	19,777	24,393
France	3,349	4,034
Other countries	17,702	18,855
Total as at reporting date	663,589	627,144

Notes to Implenia's interim report

Revenue from contracts with customers was distributed geographically as follows in the reporting period from 1 January 2022 to 30 June 2022:

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Corporate and Other	Total
Switzerland	122,467	498,552	281,745	8,097	–	910,861
Germany	68	257,262	181,264	44,446	–	483,040
Austria	–	2,362	30,576	–	–	32,938
Norway	–	–	124,112	–	–	124,112
Sweden	–	–	140,773	–	–	140,773
France	–	–	47,295	–	–	47,295
Other countries	–	–	–	13,393	–	13,393
Revenue from contracts with customers	122,535	758,176	805,765	65,936	–	1,752,412
Other income	1,212	597	8,483	318	4,234	14,844
Group revenue	123,747	758,773	814,248	66,254	4,234	1,767,256

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

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Corporate and Other	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	–	–	5	12,206	–	12,211
Revenue from contracts with customers	36,131	820,883	929,062	77,649	–	1,863,725
Other income	219	466	15,204	1,493	2,497	19,879
Group revenue	36,350	821,349	944,266	79,142	2,497	1,883,604

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.

Notes to Implenia's interim report

7 — FINANCIAL EXPENSES AND INCOME

in TCHF	1.1.–30.6.2022	1.1.–30.6.2021
Financial expenses		
Interest expenses	8,033	4,897
Interest expenses from leases	2,082	2,420
Bank charges	878	715
Costs of financial guarantees	683	1,095
Other financial expenses	389	3,014
Foreign currency losses	8,819	2,149
Total	20,884	14,290
Financial income		
Interest income	259	772
Income from investments	–	166
Foreign currency gains	5,014	1,302
Total	5,273	2,240
Financial result	(15,611)	(12,050)

8 — REVALUATION OF PENSION LIABILITIES

The discount rate used to calculate pension liabilities has increased in the reporting period for Switzerland from 0.4% to 2.3% and for Germany from 0.85% to 2.95% (previous year: increase of 0.1% for Switzerland and 0.4% for Germany). The positive effect after tax in other comprehensive income of TCHF 337 is largely attributable to reducing the surplus on the economic benefit (asset ceiling). In the previous year, the limitation of excess cover on the economic benefit (asset ceiling) resulted in a negative effect after tax of TCHF –1,780. The capitalised economic benefit occurs in the Swiss pension plan and largely equates to the existing employer contribution reserve.

Notes to Implenia's interim report

9 — TRADE RECEIVABLES

in TCHF	30.6.2022	31.12.2021
Third parties	590,531	505,392
Contract costs in relation to future services by suppliers and subcontractors	9,720	3,641
Joint ventures (equity method)	27,550	31,623
Associates	1,542	15,530
Related parties	4	92
Allowance for expected credit losses	(4,055)	(4,738)
Total	625,292	551,540

Notes

Agreements with customers generally stipulate payment terms between 30 and 90 days. As at 30 June 2022, the total amount of due receivables amounted to CHF 360.7 million (31 December 2021: CHF 358.0 million). Of the allowance for expected credit losses, CHF 4.1 million is attributable to receivables outstanding for more than 90 days (31 December 2021: CHF 4.7 million). Credit losses related to trade receivables of CHF – 0.1 million were recorded in the income statement (31 December 2021: CHF 1.2 million).

10 — CONTRACT ASSETS AND LIABILITIES

in TCHF	30.6.2022	31.12.2021
Contract assets	410,981	396,267
Contract liabilities	(493,478)	(518,220)

Notes to Implenia's interim report

11 — PROPERTY, PLANT AND EQUIPMENT WITH REVALUATION MODEL

Property, plant and equipment (storage yards) with revaluation model developed as follows:

in TCHF	
30.6.2022	
Acquisition costs as at 1.1.	70,717
Additions	–
Disposals	(142)
Assets classified as held for sale[1]	(11,247)
Revaluation (increase / appreciation)[2]	17,088
Revaluation (decrease / devaluation)[2]	–
Acquisition costs as at reporting date	76,416
Cumulative depreciations as at 1.1.	(46,869)
Additions	(591)
Disposals	–
Assets classified as held for sale[1]	8,250
Revaluation (net method according to IAS 16.35b)[2]	39,210
Cumulative depreciations as at reporting date	–
Net carrying amount as at reporting date	76,416

1 As of June 30, 2022, before revaluation, there are two assets for which sales negotiations are in progress and which are expected to be sold within the next twelve months. The assets belong to the Civil Engineering division and the reclassification has no effect on the consolidated income statement.

2 Revaluation adjustments are recognized directly in equity through other comprehensive income, net of deferred taxes.

The following carrying amounts of property, plant and equipment with revaluation model would be recognized under cost:

in TCHF	
30.6.2022	
Acquisition costs as at 1.1.	70,717
Cumulative depreciations as at 1.1.	(46,869)
Net carrying amount as at 1.1.	23,848
Acquisition costs as at reporting date	59,328
Cumulative depreciations as at reporting date	(39,210)
Net carrying amount as at reporting date	20,118

Notes to Implenia's interim report

Valuation details

Parameter	Bandwidths of the individual valuations
Reference date valuations	30.6.2022
Gross yield (real)	5,1% – 23,8%
Net yield (real)	4,2% – 22,2%
Discount rate, net (real)	3,7% – 5,4%
Discount rate, net (nominal)	5,2% – 7%
Inflation	1.5%
Total fair values (TCHF)	76,416

Sensitivity of the material unobservable inputs of the valuations as of 30.6.2022

		Relativel sensitivity of the discount rate, net (real)		
	Change	+10 basis points	+/–	–10 basis points
Target rental income	(5%) 0% 5%	(8.3%) (1.5%) 5.4%	(7.0%) 0.0% 7.0%	(5.6%) 1.5% 8.6%
Vacancy rate	50% 0% (50%)	(3.0%) (1.5%) 0.1%	(1.6%) 0.0% 1.6%	(0.1%) 1.5% 3.1%
Restoration	5% 0% (5%)	(2.4%) (1.5%) (0.5%)	(0.9%) 0.0% 2.1%	0.6% 1.5% 2.5%

Notes

The assets were valued by the external, independent expert Fahrländer Partner Ltd. for the first time on 30 June 2022. They were revalued solely under IFRS; accordingly, the relevant revaluation reserve is not available for distribution. They were valued on the basis of the "income / cost approach", where the market rental income, vacancy rates and restorations are discounted to the reporting date using a DCF calculation. It is assumed that this valuation, based on the assets' actual condition, represents the "highest and best use". The relevant material parameters that are not directly observable in the market and the sensitivity of the valuation are shown on the left.

Target rental income, vacancy rates and the costs of restoration are estimated on the basis of the transactions observed on the market by the expert. However, these do not represent constant values, but change over time and in response to market developments. They must, therefore, be regularly adjusted. The sensitivity shown on the left demonstrates the effect that a change in the target rental income, vacancy rate or costs of restorations would have in percentage terms on the assets' market values with or without any change to the rate used for discounting based on the average of all individual appraisals.

Accounting policies

Implenia uses the IAS 16 revaluation model to value its own storage yards. This expects the relevant assets to be revalued at regular intervals. Implenia has each asset categorised as property, plant and equipment with revaluation model valued at least every three years (rolling valuation of all assets) by an external, independent valuation company. Positive value adjustments are recognised in equity via the revaluation reserve (in other comprehensive income), unless they are reversals of previous impairments that have been recognised via the income statement. Negative value adjustments are first netted off against existing revaluation reserves (after deducting the deferred tax portions) and impairments are subsequently recognised via the income statement. The revaluation is undertaken on a net basis in accordance with IAS 16.35b, meaning that existing depreciations are reversed and the acquisition costs are subsequently revalued. The revalued assets are still amortised through profit or loss over their remaining useful life. The revaluation reserves are not transferred into retained earnings until the asset is disposed of. This is to avoid the net result being distorted by any impairments to market value adjustments. Deferred tax effects are either recognised in the revaluation reserves in equity or in the income statement (as is the case for amortisation) in the same way as the underlying transaction.

Notes to Implenia's interim report

12 — CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

in TCHF	30.6.2022	31.12.2021
Bond issues	424,292	424,141
Subordinated convertible bond	–	173,573
Promissory note loans	49,896	51,610
Liabilities to banks	14,578	72,046
Lease liabilities	160,446	158,876
Other financial liabilities	8,738	8,207
Total as at reporting date	**657,950**	888,453
Maturity		
Less than 1 year	81,483	236,513
Between 2 and 5 years	568,063	641,069
Over 5 years	8,404	10,871
Total as at reporting date	**657,950**	888,453

Bonds and promissory note loans comprise the following:

in TCHF	Term	Effective interest rate	30.6.2022	31.12.2021
Bond issues / ISIN				
1,625% Bond issue CHF 125 million / CH025 359 2767	2014 – 2024	1.624%	125,000	125,000
1,000% Bond issue CHF 125 million / CH031 699 4661	2016 – 2026	0.964%	125,164	125,185
2,000% Bond issue CHF 175 million / CH114 509 6173	2021 – 2025	2.161%	174,128	173,956
0,500% Subordinated convertible bond CHF 175 million / CH028 550 9359	2015 – 2022	2.158%	–	173,573
Total as at reporting date			**424,292**	597,714
Promissory note loans				
Promissory note loan EUR 20 million	2017 – 2023	1.349%	19,968	20,652
Promissory note loan EUR 30 million	2017 – 2025	1.792%	29,928	30,958
Total as at reporting date			**49,896**	51,610

Notes to Implenia's interim report

There have been the following changes to financial liabilities:

		Affecting liquidity		Not affecting liquidity			
in TCHF	1.1.2021	Increase	Repayments	Foreign Exchange Differences	Unwinding of discount	Change in Leasing	**30.6.2022**
Bond issues	597,713	–	(175,000)	–	1,579	–	**424,292**
Promissory note loans	51,610	–	–	(1,728)	14	–	**49,896**
Liabilities to banks	72,045	2,149	(59,301)	(316)	–	–	**14,577**
Lease liabilities	158,876	–	(25,336)	(7,809)	2,082	32,633	**160,446**
Other financial liabilities	8,207	1,157	(435)	(191)	–	–	**8,738**
Total	888,451	3,306	(260,072)	(10,044)	3,675	32,633	**657,949**

		Affecting liquidity		Not affecting liquidity			
in TCHF	1.1.2020	Increase	Repayments	Foreign Exchange Differences	Unwinding of discount	Change in Leasing	**31.12.2021**
Bond issues	420,991	173,932	–	–	2,791	–	**597,714**
Promissory note loans	64,768	–	(10,684)	(2,500)	26	–	**51,610**
Liabilities to banks	73,404	28,847	(29,591)	(619)	5	–	**72,045**
Lease liabilities	173,373	–	(52,590)	(3,618)	4,376	37,335	**158,876**
Other financial liabilities	301	9,224	(1,054)	(264)	–	–	**8,207**
Total	732,837	212,002	(93,919)	(7,001)	7,198	37,335	**888,452**

Notes to Implenia's interim report

Notes

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

Under a syndicated loan agreement signed on 24 February 2022, Implenia had a cash credit line of CHF 100 million (2021: CHF 100 million) and a guarantee limit of CHF 550 million (2021: CHF 550 million). The guarantee line can also be used for liquidity purposes up to CHF 100 million. While the cash credit line is used as backup liquidity, the immediate availability of guarantee lines in order to assure contractual obligations is of high importance for the continuation of the operating business.

The provisions (including financial covenant) stipulated in the financing agreements were met in full in the reporting period. The syndicated financing runs until 31 December 2023.

Implenia also has bilateral loan agreements with various banks for the amount of CHF 134 million (2021: CHF 161 million).

13 — SHARE CAPITAL

As at 30 June 2022, Implenia 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 2022, all shares with the exception of 36,286 treasury shares (31 December 2021: 63,854 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 2022.

Implenia Ltd. did not pay a dividend for financial year 2021 in the reporting year.

14 — EARNINGS PER SHARE

in TCHF	1.1.–30.6.2022	1.1.–30.6.2021
Data for calculating earnings per share:		
Consolidated profit attributable to shareholders of Implenia Ltd.	63,053	21,543
Adjustment to effect on result due to convertible bond	–	1,468
Consolidated profit attributable to shareholders of Implenia Ltd. after adjustment	63,053	23,011
Weighted average number of shares outstanding	18,441,642	18,456,269
Adjustment due to diluting effect of convertible bond	–	2,645,503
Weighted average for calculating diluted earnings per share	18,441,642	21,101,772
Basic earnings per share in CHF	3.42	1.17
Diluted earnings per share in CHF	3.42	1.09

Notes

Basic earnings per share (EPS) are calculated by dividing the net income attributable to shareholders of Implenia 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 Implenia 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 2022, no dilution resulted from the convertible bond due to the repayment as of 30 June 2022 (comparative period: dilution).

Notes to Implenia's interim report

15 — FAIR VALUE ESTIMATES

in TCHF	Level	Carrying amounts 30.6.2022	Carrying amounts 31.12.2021	Fair values 30.6.2022	Fair values 31.12.2021
FINANCIAL ASSETS					
Fair value through profit or loss					
Currency derivatives	2	738	368	738	368
Marketable securities	1	89	88	89	88
Fair value through other comprehensive income					
Unlisted participations	3	8,285	8,043	8,285	8,043
At amortised cost					
Fixed short-term deposits	*	–	174,982	–	174,982
Trade receivables	*	625,292	551,540	625,292	551,540
Other receivables	*	34,638	34,436	34,638	34,436
Other financial assets	*	4,563	4,636	4,563	4,636
Investment property	3	5,369	5,415	5,369	5,415
PROPERTY, PLANT AND EQUIPMENT WITH REVALUATION MODEL	3	76,416	–	76,416	–

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

in TCHF	Level	Carrying amounts 30.6.2022	Carrying amounts 31.12.2021	Fair values 30.6.2022	Fair values 31.12.2021
FINANCIAL LIABILITIES					
Fair value through profit or loss					
Currency derivatives	2	1,746	1,261	1,746	1,261
At amortised cost					
Trade payables	*	681,187	679,361	681,187	679,361
Promissory note loans	2	49,896	51,610	50,655	52,577
Bonds	1	424,292	424,141	405,938	417,073
Convertible bond	2	–	173,573	–	172,605
Other liabilities	*	101,612	127,916	101,612	127,916
Other financial liabilities[1]	*	23,316	80,253	23,316	80,253

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

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

Notes to Implenia's interim report

16 — 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.

17 — EVENTS AFTER THE BALANCE SHEET DATE

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

18 — FOREIGN EXCHANGE RATES

		Average rate 1.1.–30.6.		Closing rate		
		2022	2021	30.6.2022	31.12.2021	30.6.2021
European Union	1 EUR	CHF 1.03	CHF 1.09	CHF 1.00	CHF 1.03	CHF 1.09
Ivory Coast / Mali	100 XOF	CHF 0.16	CHF 0.17	CHF 0.15	CHF 0.16	CHF 0.17
Norway	100 NOK	CHF 10.31	CHF 10.75	CHF 9.66	CHF 10.35	CHF 10.69
Sweden	100 SEK	CHF 9.84	CHF 10.80	CHF 9.32	CHF 10.08	CHF 10.70

ALTERNATIVE PERFORMANCE MEASURES

In addition to the ones prescribed by IFRS, Implenia uses alternative measures to help it 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
Order book	The order book is defined as services that have been contractually agreed but not yet performed, valued by contract amount on the balance sheet date. Approved contractual 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 Implenia's construction activity.
EBIT and EBITDA	EBIT (Earnings before Interest and Taxes) as well as EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) represent interim results of the income statement that are used to assess operating performance before financing and tax effects.
Equity ratio	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 Implenia Group's financing situation.
Free cash flow	Free cash flow is defined as cash flow from operating activities minus the acquisition and sale of non-current assets. The free cash flow figure reflects our ability to generate cash and cash equivalents, repay liabilities, make acquisitions and pay dividends.
Like-for-like	Implenia shows like-for-like figures (currency-adjusted) in order to measure changes since the previous reporting period without the distorting effect of exchange rate fluctuations. The adjustment is made by recalculating balance sheet items at the closing exchange rate on the last day of the previous year. Meanwhile, figures for 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 Implenia's performance over time without the influence of exchange rate effects.
Net cash position	The net cash position corresponds to the difference between cash and cash equivalents on the one hand, and interest-bearing short and long-term financial liabilities on the other. The net cash position reflects our ability to settle interest-bearing financial liabilities.

APM	Definition
Underlying performance at EBIT level	The underlying performance at EBIT level is an EBIT key figure to measure the operating performance of Implenia excluding the impacts of one-time effects, such as special transactions, restructuring provisions and other non-recurring effects.
Performance measures excl. IFRS 16	Performance measures excl. IFRS 16 adjust for the impact of the IFRS 16 leasing standard. Reporting to the Implenia Executive Committee and Board of Directors contains figures that exclude the impact of IFRS 16.
Production output	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.
Return on invested capital (ROIC)	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.
Visibility	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 "EBIT excl. IFRS 16":

in TCHF	APM	1.1.–30.6.2022	1.1.–30.6.2021
Production output[1]	X	2,044,299	2,146,211
Proportional revenue and services invoiced to JVs		(277,043)	(262,607)
Consolidated revenue		1,767,256	1,883,604
EBIT		95,079	40,027
Other expenses from leases		(2,329)	(24,466)
EBIT excl. IFRS 16	X	92,750	15,561
EBIT		95,079	40,027
Ina Invest transaction		–	(9,713)
Release restructuring provision		(1,146)	(7,429)
Underlying performance at EBIT level	X	93,933	22,885

1 Production output in unconsolidated amount (previous year: consolidated amount)

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

in TCHF	APM	30.6.2022	30.6.2021
Cash and cash equivalents and fixed short-term deposits		496,901	358,221
Financial liabilities		(657,950)	(710,738)
Net cash position	X	(161,049)	(352,517)
Lease liabilities		160,446	160,712
Net cash position excl. lease liabilities	X	(603)	(191,805)

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 TCHF	APM	1.1.–30.6.2022	1.1.–30.6.2021
Cash flow from operating activities		(19,731)	(366,628)
Investments in non-current assets		(18,336)	(19,650)
Disposal of non-current assets		6,847	42,044
Acquisition of subsidiaries		–	6,657
Sale of subsidiaries		–	12,183
Free cash flow	X	(31,220)	(325,394)
Impact of IFRS 16 Leases		(25,336)	(24,699)
Free cash flow excl. IFRS 16	X	(56,556)	(350,093)

CONTACTS, DATES AND PUBLICATION DETAILS

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KEY DATES

Analysts and Media Conference on the 2022 annual results
1 March 2023

Annual General Meeting
28 March 2023

PUBLICATION DETAILS

Published by
Implenia Ltd., Glattpark (Opfikon)

Concept and design
hw.design GmbH, Munich
NeidhartSchön AG, Zurich

Photos
Daniel Hager, Zurich
durchgedreht media GmbH
Lars Nybom, Stockholm
Implenia Ltd., Glattpark (Opfikon)

Cover image
Empa Eawag construction site, Dübendorf

Texts
Implenia Ltd., Glattpark (Opfikon)